20260220033354

Årsredovisning för

Globe Technologies Sweden AB

Räkenskapsåret

2024-01-01 - 2024-12-31

Fastställelseintyg

Undertecknad styrelseledamot i Globe Technologies Sweden AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämman den 17/2-2026
Årsstämman beslutade att godkänna styrelsens förslag till hur förlusten ska disponeras.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

André Douque
Jönköping den 17/2-2026

Förvaltningsberättelse

Årsredovisningen är upprättad i EUR

Verksamheten

Bolaget bedriver handel med elektriska och batteridrivna trädgårdsredskap, elverktyg, luftkompressorer, högtryckstvättar, samt även forskning och utveckling från globala utvecklingscentret i Jönköping.
Produktutveckling i Jönköping fokuserar primärt kring kommersiella produkter för grönyteskötsel. Stor vikt läggs på att utveckla morgondagens smarta produkter inom robotik och IoT. Arbetet bedrivs i projektform tillsammans med koncernens andra bolag primärt i Kina. Vår organisation i Jönköping jobbar i alla faser av utvecklingen från koncept till test och verifiering.
Företagets säte är i Jönköping.

Väsentliga händelser under räkenskaps året:

Under året har ytterligare produkterna från den svenska utvecklingsorganisationen lanserats och dessa har mottagits väl på marknaden och vi räknar med att bredda produktportföljen under de näst kommande åren.

Årsredovisning 2024 har lämnats för sent. Förseningen är delvis kopplad till redan sena inlämningar tidigare år, som ledde till en sen start för årsredovisningen 2024.

Globe Technologies Sweden AB ägde 100% av aktierna i Fastighetsbolaget Grönarbete AB. Fastighetsbolaget ägde och förvaltade en fastighet som var uthyrd till Globe Technologies Sweden AB. Fastighetsbolaget har den 19 februari 2024 fusioneras samman med Globe Technologies Sweden AB.

Flerårsjämförelse i kEUR*

	2024	2023	2022	2021	2020
Nettoomsättning	40 458	44 915	35 981	34 890	29 877
Rörelsemarginal %	1,15	-18,14	-31,86	-8,72	-30,47
Balansomslutning	45 539	56 040	51 663	47 448	34 060
Soliditet %	13,14	-9,07	-20,40	3,26	-33,50

*Definitioner av nyckeltal, se noter

Förändring i eget kapital i EUR

	Aktiekapital	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	**5 660**	**4 654 791**	**-9 741 811**	**-5 081 360**
Balanseras i ny räkning		-9 741 811	9 741 811	
Aktieägartillskott		10 733 750		10 733 750
Fusionsresultat		-113 769		-113 769
Årets resultat			452 855	452 855
Belopp vid årets utgång	**5 660**	**5 532 961**	**452 855**	**5 985 816**

	2024-12-31	2023-12-31
Villkorade aktieägartillskott uppgår till:	67 972 902	57 239 152

Förslag till behandling av ansamlad vinst

Styrelsen föreslår att det ansamlade resultatet:

Balanserat resultat	-5 087 020
Erhållna aktieägatillskott	10 733 750
Fusionsresultat	-113 769
Årets resultat	452 855
	5 985 816
Överföres i ny räkning	5 985 816

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkning med tillhörande noter.

RESULTATRÄKNING

	Not	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Rörelsens intäkter m.m.			
Nettoomsättning	3	40 457 867	44 915 040
Övriga rörelseintäkter	3	14 855 739	9 856 002
		55 313 606	54 771 043
Rörelsens kostnader			
Handelsvaror	3	-27 100 035	-34 186 547
Övriga externa kostnader	4 5	-15 035 870	-16 600 711
Personalkostnader	6	-6 359 000	-6 622 813
Avskrivningar av materiella anläggningstillgångar		-138 214	-130 790
Övriga rörelsekostnader		-6 042 290	-7 166 124
		-54 675 409	-64 706 985
Rörelseresultat		638 197	-9 935 942
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	7	77 235	200 478
Räntekostnader och liknande resultat poster	8	-262 576	-6 347
		-185 341	194 131
Resultat efter finansiella poster		452 855	-9 741 811
Resultat före skatt		452 855	-9 741 811
Skatt på årets resultat	9	-	-
Årets resultat		452 855	-9 741 811

BALANSRÄKNING

	Not	2024-12-31	2023-12-31
Anläggningstillgångar			
Materiella anläggningstillgångar			
Mark och byggnad	10	1 417 411	0
Förbättring annans fastighet	11	0	71 348
Maskiner och andra tekniska anläggningar	12	25 745	34 088
Inventarier, verktyg och installationer	13	382 795	152 164
		1 825 951	**257 600**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	14	19 824	581 783
Andra långfristiga fordringar koncernföretag	15	62 329	1 507 754
Andra långfristiga fordringar	16	97 459	97 087
		179 612	**2 186 624**
Summa anläggningstillgångar		**2 005 563**	**2 444 224**
Omsättningstillgångar			
Varulager m.m.			
Färdiga varor och handelsvaror	17	21 208 612	20 686 077
Summa varulager m.m.		**21 208 612**	**20 686 077**
Kortfristiga fordringar			
Kundfordringar		9 433 324	10 664 469
Fordringar hos koncernföretag	18	9 156 733	19 405 389
Aktuella skattefordringar		18 491	0
Övriga fordringar		464 128	122 281
Förutbetalda kostnader och upplupna intäkter	19	585 786	411 328
		19 658 461	**30 603 467**
Kassa och bank			
Kassa och bank	20	2 666 086	2 305 777
Summa kassa och bank		**2 666 086**	**2 305 777**
Summa omsättningstillgångar		**43 533 159**	**53 595 321**
SUMMA TILLGÅNGAR		**45 538 722**	**56 039 545**

BALANSRÄKNING

		2024-12-31	2023-12-31
Eget kapital			
Bundet eget kapital			
Aktiekapital	21	5 660	5 660
		5 660	5 660
Fritt eget kapital			
Balanserat resultat		5 532 961	4 654 791
Årets resultat		452 855	-9 741 811
		5 985 816	-5 087 020
Summa eget kapital		**5 991 476**	**-5 081 360**
Avsättningar			
Garantier	22	2 443 338	2 573 481
Summa Avsättningar		**2 443 338**	**2 573 481**
Långfristiga skulder			
Skulder till koncernföretag	23	0	11 933
Summa långfristiga skulder		**0**	**11 933**
Kortfristiga skulder			
Leverantörsskulder		472 116	851 506
Skulder till koncernföretag		33 442 882	53 055 027
Aktuell skatteskuld		0	1 231
Övriga skulder		284 863	518 979
Upplupna kostnader och förutbetalda intäkter	24	2 904 045	4 108 749
Summa kortfristiga skulder		**37 103 907**	**58 535 491**
SUMMA EGET KAPITAL OCH SKULDER		**45 538 722**	**56 039 545**

KASSAFLÖDESANLYS

I EUR		2024	2023
Den löpande verksamheten			
Rörelseresultat		638 197	-9 935 942
Justeringar för poster som inte ingar i kassaflödet	25	8 072	940 390
Erhållen ränta m.m.		77 235	200 478
Erlagd ränta		-262 576	-6 347
Betald inkomstskatt		-19 722	-22 124
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**441 205**	**-8 823 545**
Kassaflöde från förändring av rörelsekapital			
Förändring av rörelsefordringar		10 963 497	-12 789 491
Förändring av varulager		-522 535	9 144 746
Förändring av rörelseskulder		-21 431 173	-1 968 213
Kassaflöde från den löpande verksamheten		**-10 549 006**	**-14 436 504**
Investeringsverksamheten			
Investeringar i materiella anläggningstillgångar		-1 695 684	-116 389
Investeringar i finansiella anläggningstillgångar		1 893 615	-19 824
Kassaflöde från investeringsverksamheten		**197 931**	**-136 213**
Finansieringsverksamheten			
Upptagna lån		0	0
Amortering av lån		-11 933	-1 025
Aktieägartillskott		10 733 750	15 298 800
Kassaflöde från finansieringsverksamheten		**10 721 817**	**15 297 775**
Årets kassaflöde		**370 742**	**725 058**
Ökning/minsking av likvida medel			
Likvida medel vid årets början		2 305 777	1 562 618
Kursdifferens i likvida medel		-10 433	20 845
Likvida medel vid årets slut		**2 666 086**	**2 305 777**

NOTER

Not 1 **Redovisningsprinciper**

Belopp i EUR om inget annat anges.

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012: I Årsredovisning och koncernredovisning. Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning.

Principerna är oförändrade jämfört med föregående år.

Fordringar

Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Övriga tillgångar, avsättningar och skulder

Övriga tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Intäktsredovisning

Inkomsten redovisas till det verkliga värdet av vad som erhållits eller kommer att erhållas. Företaget redovisar därför inkomsten till nominellt värde (fakturabelopp) om ersättningen erhålls i likvida medel direkt vid leverans. Avdrag görs för lämnade rabatter.

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar och eventuella nedskrivningar. Tillgångarna skrivs av linjärt över tillgångarnas bedömda nyttjandeperiod förutom mark som inte skrivs av. Nyttjandeperioden omprövas per varje balansdag. Följande nyttjandeperioder tillämpas:

	Antal år
Byggnad	20-50
Förbättring annans fastighet	20
Maskiner och andra tekniska anläggningar	5
Inventarier, verktyg och maskiner	5
Datorer	3

Inkomstskatt

Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats.

Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller på balansdagen.

Fordringar och skulder i utländsk valuta

Monetära fordringar och skulder i utländsk valuta har räknats om till balansdagens kurs.

Valutakursdifferenser som uppkommer vid reglering eller omräkning av monetära poster redovisas i resultaträkningen det räkenskapsår de uppkommer, antingen som en rörelsepost eller som en finansiell post utifrån den underliggande affärshändelsen.

Not 2 **Väsentliga händelser efter balansdagen**

Inga väsentliga händelser efter balansdagen.

UPPLYSNINGAR TILL ENSKILDA POSTER

Not 3 **Inköp och försäljning mellan koncernföretag**

	2024	2023
Försäljning varor och tjänster	14 855 739	9 856 002
Försäljning av varor i % av all försäljning	27%	18%
Inköp av tjänster och varor	-29 778 835	-35 704 923
Inköp av varor i % av alla inköp	71%	70%

Not 4 **Operationella leasingavtal**

	2024	2023
Framtida minimileaseavgifter som ska erläggas avseende icke uppsägningsbara leasingavtal:		
Förfaller till betalning inom ett år	247 917	337 700
Förfaller till betalning senare än ett men inom 5 år	279 622	262 136
Förfaller till betalning senare än fem år	107 193	171 531

Under perioden kostnadsförda leasingavgifter med 388.542,22 EUR (448.370,79 EUR).

Not 5 **Ersättning till revisorerna**

	2024-12-31	2023-12-31
HLB Auditoriet AB	100 106	72 011
Övriga tjänster	0	0
Summa	**100 106**	**72 011**

Not 6 **Personal m.m.**

Medelantal anställda

Medelantalet anställda bygger på av bolaget betalda närvarotimmar relaterade till en normal arbetstid.

	2024	2023
Medelantal anställda har varit	74,5	71,8
varav kvinnor	14,4	12,9
varav män	60,1	58,9

	2024-12-31			2023-12-31		
	Kvinnor	Män	Total	Kvinnor	Män	Total
Styrelseledamöter och ledandebefattningshavare på balansdagen						
Styrelseledamöter	-	2	2	-	2	2
Verkställande direktör och styrelseledamot	-	1	1	-	1	1
Ledamöter	-	3	3	-	3	3

Löner, andra ersättningar och sociala kostnader alla belopp EUR

	2024	2023
Löner och andra ersättningar		
Styrelseledamöter och VD		
Löner och ersättningar *	255 597	176 758
Rörliga ersättningar *	76 054	14 496
Pensionskostnader *	77 508	43 094
Sociala kostnader*	123 008	70 547
	532 167	304 895

Ersättningar avser lön till tidigare VD samt ersättning till styrelse utöver styrelsearbete.

Övriga anställda		
Löner och ersättningar	3 845 794	4 155 916
Rörliga ersättningar	63 296	175 913
Pensionskostnader	306 081	358 797
	4 215 170	4 690 626
Sociala kostnader	1 413 482	1 438 429
	1 413 482	1 438 429
Övriga personalkostnader	94 706	93 091
	94 706	93 091
Totala kostnader	**6 255 525**	**6 527 042**

Utöver i ovanstående tabeller redovisade kostnader ingår i totala personalkostnader för rekrytering, försäkringar o liknande med 103.475 EUR (95.771 EUR).

Not 7 **Övriga ränteintäkter och liknande resultatposter**

	2024	2023
Räntor	77 235	86 595
Kursdifferenser	0	113 883
Summa	**77 235**	**200 478**

Not 8 **Räntekostnader och liknande resultatposter**

	2024	2023
Räntekostnader	764	6 347
Valutakursdifferenser	261 811	0
Summa	**262 576**	**6 347**

Not 9 **Skatt på årets resultat**

	2024	2023
Skatt på årets resultat	0	0
Uppskjuten skatt	0	0

Not 10 **Mark och byggnad**

	2024-12-31	2023-12-31
Ingående anskaffningsvärde	0	0
Valutakursdifferens	0	0
Fusion av byggnad och Mark	1 756 029	0
Avyttring	0	0
Utgående ackumulerade anskaffningsvärden	1 756 029	0
Ingående avskrivningar	0	0
Valutakursdifferens	0	0
Återföring avskrivningar	0	0
Avskrivningar från fusion	-301 991	0
Årets avskrivningar	-36 626	0
Utgående ackumulerade avskrivningar	-338 618	0
Utgående redovisat värde	**1 417 411**	**0**

Mark utgör 176 254,84 EUR av anskaffningsvärdet och inga avskrivningar sker på mark.

Taxeringsvärden

Mark	105 515	0
Byggnader	328 211	0
	433 727	**0**

Not 11 **Förbättring annans fastighet**

	2024-12-31	2023-12-31
Ingående anskaffningsvärde	119 494	113 586
Valutakursdifferens	779	264
Inköp	0	27 039
Avyttring	0	-21 395
Omklassificering	-120 273	0
Utgående ackumulerade anskaffningsvärden	0	119 494
Ingående avskrivningar	-48 146	-57 887
Valutakursdifferens	-184	-275
Återföring avskrivningar	0	21 395
Omklassificering	-48 330	0
Årets avskrivningar	0	-11 379
Utgående ackumulerade avskrivningar	0	-48 146
Utgående redovisat värde	**0**	**71 348**

Not 12 **Maskiner och andra tekniska anläggningar**

	2024-12-31	2023-12-31
Ingående anskaffningsvärde	44 443	214 084
Valutakursdifferens	731	498
Inköp	0	21 804
Avyttring	0	-191 943
Utgående ackumulerade anskaffningsvärden	45 174	44 443
Ingående avskrivningar	-10 355	-194 478
Valutakursdifferens	-39	-543
Återföring avskrivningar	0	191 943
Årets avskrivningar	-9 035	-7 278
Utgående ackumulerade avskrivningar	-19 429	-10 355
Utgående redovisat värde	**25 745**	**34 088**

Not 13 **Inventarier, verktyg och installationer**

	2024-12-31	2023-12-31
Ingående anskaffningsvärde	297 455	684 497
Valutakursdifferens	9 968	1 442
Inköp	111 999	67 546
Fusion av inventarier, verktyg och installationer	194 364	0
Omklassificering, fusion av inventarier	120 273	0
Avyttring	0	-456 031
Utgående ackumulerade anskaffningsvärden	734 059	297 455
Ingående avskrivningar	-145 291	-486 843
Valutakursdifferens	-356	-2 346
Återföring avskrivningar	0	456 031
Omklassificering	-48 330	0
Avskrivningar från fusion	-64 734	0
Årets avskrivningar	-92 553	-112 132
Utgående ackumulerade avskrivningar	-351 263	-145 291
Utgående redovisat värde	**382 796**	**152 164**

Not 14 **Andelar i koncernföretag**

Företag Organisationsnummer	Säte	andel %	2024-12-31 Redovisat värde	2023-12-31 Redovisat värde
Fastighetsbolaget Grönarbete AB 559079–1488	Jönköping	0%	0	561 959
Globe Technologies UK Ltd	Christchurch	100%	11 328	11 328
Greenworks Power UK Ltd	Birmingham	75%	8 496	8 496

Uppgifter om eget kapital och resultat

Fastighetsbolaget Grönarbete AB (100%)	**Eget Kapital**	0	43 938
	Resultat	0	5 206
Globe Technologies UK Ltd (100%)	**Eget Kapital**	-531 615	11 328
	Resultat	-542 929	-14
Greenworks Power UK Ltd (75%)	**Eget Kapital**	-496 837	8 496
	Resultat	-483 545	-21 788

Not 15 **Andra långfristiga fordringar koncernföretag**

	2024-12-31	2023-12-31
Ingående anskaffningsvärde	1 507 754	1 524 034
Valutakursdifferens	25 666	-16 280
Fusion Grönarbete	-1 471 091	0
Nya lån	0	0
Utgående ackumulerade anskaffningsvärden	62 329	1 507 754
Utgående redovisat värde	**62 329**	**1 507 754**

Not 16 **Andra långfristiga fordringar**

	2024-12-31	2023-12-31
Ingående anskaffningsvärde	97 087	96 751
Valutakursdifferens	371	336
Nya lån	0	0
Utgående ackumulerade anskaffningsvärden	97 459	97 087
Utgående redovisat värde	**97 459**	**97 087**

Not 17 **Färdiga varor och handelsvaror**

100% av produkter i lager är inköpt från koncernbolag.

Not 18 **Fordringar hos koncernföretag**

	2024-12-31	2023-12-31
Ingående anskaffningsvärde	19 405 389	11 253 600
Tillkommande fordringar	18 172 227	15 732 064
Amoteringar, avgående fordringar	-28 530 674	-7 144 908
Valutakursdifferens	109 790	-435 367
Utgående ackumulerade anskaffningsvärden	**9 156 733**	**19 405 389**
Utgående redovisat värde	**9 156 733**	**19 405 389**

Not 19 **Förutbetalda kostnader och upplupna intäkter**

	2024-12-31	2023-12-31
Förutbetalda hyror	9 518	3 142
Förutbetalda kostnader	576 268	408 186
Upplupna intäkter	0	0
Utgående redovisat värde	**585 786**	**411 328**

Not 20 **Kassa och bank**

	2024-12-31	2023-12-31
Banktillgodohavanden	2 666 086	2 305 777
Likvida medel i kassaflödeanalysen	**2 666 086**	**2 305 777**

Not 21 **Eget Kapital**

Förändring i eget kapital i EUR

	Aktiekapital	Fritt eget kapital
Ingående balans	5 660	-5 087 020
Kursdifferans		0
Erhållna aktieägartillskott		10 733 750
Fusionsresultat		-113 769
Årets förlust		452 855
Belopp vid årets utgång	5 660	5 985 816

Kvotvärde Aktiekapital per Aktie	
Aktiekapital (i EUR)	5 660
Aktier	500
Kvotvärde per Aktie	11,32 EUR

Not 22 **Garantier**

	2024-12-31	2023-12-31
Garantiavsättning	2 443 338	2 573 481
Summa	2 443 338	2 573 481

Ingående avsättning	2 573 481	1 763 881
Nya avsättningar	2 599 972	2 275 342
Avgående avsättning	-2 730 115	-1 465 742
Saldo	**2 443 338**	**2 573 481**

Not 23 **Långfristiga skulder**

	2024-12-31	2023-12-31
Amortering efter 5 år	0	0
Summa	**0**	**0**

Not 24 **Upplupna kostnader och förutbetalda intäkter**

	2024-12-31	2023-12-31
Semesterlöner	224 550	263 147
Upplupna sociala avgifter	56 574	70 519
Rörliga ersättningar	222 699	0
Upplupna kostnader	881 727	1 451 163
Förutbetalda intäkter	1 516 760	2 322 094
Övriga poster	1 735	1 826
Summa	**2 904 045**	**4 108 749**

Not 25 **Justeringar för poster som inte ingar i kassaflödet**

	2024	2023
Garantikostnader	-130 143	809 600
Avskrivning	138 214	130 790
Summa	**8 072**	**940 390**

Not 26 **Transaktioner med närstående**

Huvudaffärer med koncernbolag är inköp av alla färdiga produkter från koncernen samt inköp av IT- och logistiktjänster.
Dessutom fakturerar Globe Technologies Sweden AB för forsknings- och utvecklingsarbetet till bolag inom koncernen.
Utöver det inga väsentliga transaktioner med närstående har skett under perioden.

Not 27 **Förslag till vinstdisposition**

Till årsstämmans förfogande står följande ansamlade vinster:

	2024
Balanserat resultat	-5 087 020
Erhållna aktieägartillskott	10 733 750
Fusionsresultat	-113 769
Årets resultat	452 855
Summa	**5 985 816**

Styrelsen föreslår att det ansamlade resultatet behandlas enligt:

I ny räkning överförs	5 985 816
	5 985 816

Not 28 **Koncernstruktur**

Bolaget ingår i Greenworks-koncernen vars högsta moderbolag är Greenworks (Jiangsu) Co., registringsnummer 320400400014734 (Unified Social Credit Code nummer 91320400739433074W), med säte i Changzhou, Jiangsu-provinsen, Kina

Not 29 **Definition av nyckeltal**

Soliditet
Justerat eget kapital i procent av balansomslutning.

Globe Technologies Sweden AB 559065-0619

Jönköping 2026- 02-12

Youtao Xu

Youtao Xu
Ordförande

André Douqué
Verkställande direktör/Styrelseledamot

Jonas Wilhelm Bergström
Styrelseledamot

Min revisionsberättelse har lämnats 2026- 02-17

Mats-Åke Andersson
Auktoriserad revisor

Jönköping 2026- 02-13

Youtao Xu
Ordförande

André Duqué
Verkställande direktör/Styrelseledamot

Jonas Wilhelm Bergström
Styrelseledamot

Min revisionsberättelse har lämnats 2026 –

Mats-Åke Andersson
Auktoriserad revisor

REVISIONSBERÄTTELSE

TILL BOLAGSSTÄMMAN I GLOBE TECHNOLOGIES SWEDEN AB

ORG.NR. 559065-0619

Rapport om årsredovisningen

Uttalanden

Jag har utfört en revision av årsredovisningen för Globe Technologies Sweden AB för år 2024.

Enligt min uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Globe Technologies Sweden ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Jag tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Jag har utfört revisionen enligt International Standard on Auditing (ISA) och god revisionssed i Sverige. Mitt ansvar enligt dessa standarder beskrivs närmare i avsnittet "Revisorns ansvar". Jag är oberoende i förhållande till Globe Technologies Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mina uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Mina mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller mina uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder jag professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer jag riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för mina uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.

- skaffar jag mig en förståelse av den del av bolagets interna kontroll som har betydelse för min revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala mig om effektiviteten i den interna kontrollen.

- utvärderar jag lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.

- drar jag en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Jag drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om jag drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste jag i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Mina slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar jag den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Jag måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Jag måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som jag identifierat.

HLB AUDITORIET
REVISION | RÅDGIVNING

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver min revision av årsredovisningen har jag även utfört en revision av styrelsens och verkställande direktörens förvaltning för Globe Technologies Sweden AB för år 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Jag tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Jag har utfört revisionen enligt god revisionssed i Sverige. Mitt ansvar enligt denna beskrivs närmare i avsnittet "Revisorns ansvar". Jag är oberoende i förhållande till Globe Technologies Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mina uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Mitt mål beträffande revisionen av förvaltningen, och därmed mitt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Mitt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed mitt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder jag professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på min professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att jag fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Jag går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för mitt uttalande om ansvarsfrihet. Som underlag för mitt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har jag granskat om förslaget är förenligt med aktiebolagslagen.

Anmärkningar

Årsredovisningen har inte upprättats i sådan tid att det varit möjligt att, enligt 7 kap. 10 § aktiebolagslagen, hålla årsstämma inom sex månader efter räkenskapsårets utgång.

Under året har bolagets egna kapital understigit hälften av aktiekapitalet, varför styrelsen har haft en skyldighet att, enligt 25 kap. 13 §, aktiebolagen, upprätta en kontrollbalansräkning. Någon kontrollbalansräkning har inte upprättats.

Lund den 17/2-2026

Mats-Åke Andersson

Auktoriserad revisor

Greenworks (Jiangsu) Co.

Audited financial statements

2024

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Audit reports

Ernst & Young Hua Ming (2025) Audit No. 70044280_B01
Greenworks (Jiangsu) Co.

All shareholders of Greenworks (Jiangsu) Co:

I. Audit opinion

We have audited the financial statements of GREENWORKS (Jiangsu) Corporation, which comprise the consolidated and company balance sheets as of December 31, 2024, and the consolidated and company statements of income, changes in stockholders' equity, and cash flows for the year ended December 31, 2024, and the related notes to the financial statements.

In our opinion, the accompanying financial statements of GREENWORKS (Jiangsu) Corporation have been prepared, in all material respects, in conformity with the Guidelines Governing the Preparation of Financial Statements by Certified Public Accountants and present fairly the consolidated and company financial position of Greenworks (Jiangsu) Corporation as of December 31, 2024 and the consolidated and company results of its operations and its cash flows for the year ended December 31, 2024, in conformity with accounting principles generally accepted in the Republic of China.

II. Basis for forming an audit opinion

We conducted our audit in accordance with the provisions of the Chinese Standards on Auditing for Certified Public Accountants. Our responsibilities under these standards are further described in the "Responsibilities of the Certified Public Accountant for an Audit of Financial Statements" section of the audit report. In accordance with the Code of Ethics for Certified Public Accountants in the PRC, we are independent of GREENWORKS (Jiangsu) Co., Ltd. and have fulfilled our other responsibilities in respect of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the audit opinion.

III. Key audit issues

Key audit matters are those matters that, in our professional judgment, are of most significance to the audit of the current period's financial statements. These matters are addressed in the context of the audit of the financial statements taken as a whole and the formation of an audit opinion, and we do not express an opinion on these matters separately. This is also the context for our description of how each of the matters described below was addressed in our audit.

III. Key audit issues (continued)

We have fulfilled our responsibilities as described in the section of this report entitled "Responsibility of the Certified Public Accountant for an Audit of Financial Statements," including those related to these key audit matters. Accordingly, our audit included performing audit procedures designed to address the assessed risks of material misstatement of the financial statements. The results of our audit procedures, including those performed in response to the key audit matters described below, provide a basis for the audit opinion on the financial statements taken as a whole.

Key Audit Matters:	**How the matter was responded to in the audit:**
Revenue recognition	
In FY2024, operating revenue in the consolidated financial statements was RMB5,425.54 million; operating revenue in the Company's financial statements was RMB3,435.92 million. As the Group is involved in sales to a larger number of foreign customers, the trade terms and the point of time of transfer of risks and rewards applicable to different customers vary, and it is necessary to judge the point of time of revenue recognition from the sale of goods based on the contractual agreements, and there may be a risk that the revenue from the sale of goods will not be recognized in the appropriate period, which has a significant impact on the Company's operating results, and therefore we have identified its recognition as a key audit matter. Relevant information is disclosed in Note III.20 "Revenue from contracts with customers", Note V.39 "Operating revenue and	Our audit procedures included: (1) We gained an understanding of the Group's internal controls relating to revenue recognition and tested the design and operating effectiveness of key internal control systems; (2) We analyzed and evaluated the Group's revenue recognition policy by understanding the Group's revenue recognition policy and examining the relevant clauses in the contracts of major customers; (3) We have implemented analytical review procedures for sales revenue by month, product and customer; (4) We verify the authenticity of revenues, including checking original documents such as sales contracts, sales orders, customs declarations, ocean bills of lading, sales invoices, customer signing receipts, etc., on a sample basis to check whether the revenue recognition is authentic; 5) For revenue transactions recorded before and after the balance sheet date, select a sample of key supporting documents to be reconciled to revenue recognition to evaluate whether revenue is recognized in the appropriate accounting period; 6) We have also reviewed the adequacy of the related disclosures in the notes to the financial statements.

operating costs" and Note XVII.4 "Operating revenue and operating costs" respectively. ".	

III. Key audit issues (continued)

Key Audit Matters:	How the matter was responded to in the audit:
Provision for decline in value of inventories	
As at December 31, 2024, the carrying value of inventories in the consolidated financial statements was RMB222,009,000,000 and the amount of provision for decline in value of inventories was RMB146,580,000; the carrying value of inventories in the company's financial statements was RMB347,010,000 and the amount of provision for decline in value of inventories was RMB16,900,000 The Group measures inventories at the lower of cost and net realizable value, and makes provision for inventory decline at the difference between the cost of inventories and their net realizable value. We consider the provision for inventory write-downs as a key audit matter because of the materiality of its inventories, the numerous types of inventories, which are important to the financial statements, and because the determination of the net realizable value of inventory items typically involves subjective judgments by management, and the provision for inventory write-downs is a significant accounting estimate and judgment.	Our audit procedures included: (1) We understand and evaluate the Group's accounting policy regarding the provision for inventory write-downs; (2) We pay attention to slow-moving, obsolete or damaged inventory items in the course of inventory monitoring and, where such inventory items exist, we compare and reconcile the relevant inventory listings with the calculation of the provision for decline in value of inventories prepared by management; 3) We selected a sample to check the accuracy of inventory ageing schedules prepared by management; (4) We selected samples, checked the prices used in the calculation of net realizable value of inventories to the most recent selling prices of finished goods, compared the unit costs used in the calculation with those in the closing inventory list, and also reviewed the relevant parameters used by the management in the calculation of net realizable value of inventories, including the reasonableness of the estimated costs to be incurred at completion, the estimated selling expenses and the related taxes, etc., and recalculated the net realizable value of inventories to check the accuracy of the management's calculation. assessed, etc., and recalculated the net realizable value of inventories to check the accuracy of management's calculations; 5) We have also reviewed the adequacy of the related disclosures in the notes to the financial statements.

Relevant information is disclosed in note III.9, "Inventories", note III.28, "Significant accounting judgments and estimates", note V.8, "Inventories", and note V.49, "Impairment losses on assets", to the financial statements. "Impairment losses on assets".	

III. Key audit issues (continued)

Key Audit Matters:	How the matter was responded to in the audit:
derivative financial instrument	
The Group purchases exchange rate derivative financial instruments to control the risks associated with exchange rates. At December 31, 2024, the carrying value of derivative financial assets in the consolidated financial statements was RMB41.24 million; the carrying value of derivative financial assets in the company's financial statements was RMB41.24 million. We identified derivative financial instruments as a key audit matter because of their high volume, their significance to the consolidated and company financial statements, and the fact that their fair value assessment involves management's judgment and estimates. The related information is disclosed in Note III, 26 "Fair Value Measurements", Note III, 28 "Significant Accounting Judgments and Estimates", Note V, 3 "Derivative Financial Assets", Note V, 20 "Derivative Financial Liabilities" and Note XI, Fair Value Disclosures, to the financial statements. Note V.3, "Derivative financial assets", Note V.20, "Derivative financial liabilities" and Note XI, "Fair value	Our audit procedures included: 1) We understand and test key internal controls over derivative financial instruments; (2) We perform correspondence procedures on derivative financial instruments; (3) We reviewed the results of the valuation of the derivative financial instruments and assessed the reasonableness of the valuation methodology and significant parameters used by the Group's management for the valuation of the derivative financial instruments, including the discount rate and the volatility of the underlying exchange rate, etc., with the assistance of an in-house valuation expert; 4) We have also reviewed the adequacy of the related disclosures in the notes to the financial statements.

disclosure".	

IV. Other information

The management of Greenworks (Jiangsu) Co., Ltd. is responsible for additional information. Other information includes information covered in the annual report but excludes the financial statements and our audit report.

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

In conjunction with our audit of the financial statements, it is our responsibility to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or circumstances known to us in the course of our audit or appears to be materially misstated.

Based on the work we have performed, if we determine that other information is materially misstated, we should report that fact. We have nothing to report in this regard.

V. Management and governance responsibilities for the financial statements

Management is responsible for the preparation of financial statements that present fairly, in accordance with enterprise accounting standards, and for designing, implementing and maintaining internal control 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 the ability of GREENWORKS (Jiangsu) Co., Ltd. to continue as a going concern, disclosing matters related to going concern, as applicable, and applying the going concern assumptions unless liquidation is planned, operations are terminated, or there is no realistic alternative.

Governance is responsible for overseeing the financial reporting process of GREENWORKS (Jiangsu) Co.

VI. Responsibilities of certified public accountants for the audit of financial statements

Our objective is 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 audit report that includes an audit opinion. Reasonable assurance is a high level of assurance, but does not provide assurance that an audit performed in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements, which may be due to fraud or error, are generally considered to be material if they could reasonably be expected, individually or in the aggregate, to affect the economic decisions of users of financial statements based on the financial statements.

We use professional judgment and maintain professional skepticism in performing the audit in accordance with auditing standards. At the same time, we also perform the following tasks:

（1）Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures to address those risks, and obtain sufficient appropriate audit evidence on which to base an audit opinion. The risk of failing to detect a material misstatement due to fraud is higher than the risk of failing to detect a material misstatement due to an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation or overriding internal controls.

（2）Understand internal controls relevant to the audit in order to design appropriate audit procedures.

（3）Evaluate the appropriateness of accounting policies selected 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 assumption. At the same time, based on the audit evidence obtained, a conclusion is reached as to whether there is a material uncertainty regarding the matters or circumstances that may give rise to significant doubt about the ability of GREENWORKS (Jiangsu) Co. to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require us to draw the attention of users of the statements to the relevant disclosures in the financial statements in our audit report; if the disclosures are not adequate, we should express an unqualified opinion. Our conclusions are based on information available as of the date of the audit report. However, future events or circumstances may result in GREENWORKS (Jiangsu) Corporation not being able to continue as a going concern.

（5）Evaluate the overall presentation (including disclosures), structure and content of the financial statements and evaluate whether the financial statements present fairly the underlying transactions and events.

VI. Responsibilities of certified public accountants for the audit of financial statements (continued)

We use professional judgment and maintain professional skepticism in performing the audit in accordance with auditing standards. At the same time, we also implement the following: (continued)

（6）Obtain sufficient and appropriate audit evidence about the financial information of the entities or business activities in GREENWORKS (Jiangsu) Co. to express an opinion on the financial statements. We are responsible for directing, supervising and performing the Group's audits and accept full responsibility for the audit observations.

We communicate with governance on matters such as the scope, timing, and significant findings of our planned audits, including communicating internal control deficiencies of concern identified in our audits.

We also provide governance with a statement that we have complied with the ethical requirements related to independence and communicate with governance all relationships and other matters that may reasonably be perceived to affect our independence, as well as related precautions, if applicable.

From the matters communicated to governance, we determined which matters were most significant to the audit of the current financial statements and therefore constituted key audit matters. We describe these matters in our audit report except where public disclosure of the matters is prohibited by law or regulation or, in rare instances, where we determine that a matter should not be communicated in the audit report if the negative consequences of communicating the matter in the audit report reasonably could be expected to outweigh the benefits in terms of the public interest that would be derived from communicating the matter.

(No text on this page)

Ernst & Young Hua Ming Accounting Firm (Special General Partnership)

Chinese Certified Public Account ant: Wang Shuowei
(Project partner)

Certified Public Accountant, Chin a: Qiongqiong Liang

China Beijing

April 26, 2025

Greenworks (Jiangsu) Co.
Consolidated balance sheets
December 31, 2024 RMB Yuan

liabilities	Note 5	December 31, 2024	December 31, 2023
current asset			
money funds	1	2,653,495,384.90	2,715,944,483.06
Financial assets held for trading	2	401,360,078.81	113,466,480.90
derivative financial asset	3	41,241,123.80	222,137.01
accounts receivable	4	1,316,558,698.46	1,095,406,325.76
Receivables financing	5	401,094,864.18	225,946,399.54
Prepayments	6	52,595,977.79	67,715,579.63
Other receivables	7	187,638,264.81	143,717,246.00
inventory (of material)	8	2,220,087,969.14	2,198,663,890.03
Other current assets	9	29,916,143.74	25,752,414.59
Total current assets		7,303,988,505.63	6,586,834,956.52
non-current asset			
fixed assets	10	1,058,864,972.47	726,226,655.52
construction in progress	11	93,037,626.02	269,750,653.71
Royalty assets	12	176,931,351.33	193,706,713.75
intangible asset	13	344,548,653.27	232,285,564.06
development expenditure	14	-	50,223,460.93
Long-term amortized expenses	15	53,820,332.18	63,009,213.56
Deferred tax assets	16	342,660,872.52	310,715,290.12
Other non-current assets	17	29,446,003.50	26,493,732.83
Total non-current assets		2,099,309,811.29	1,872,411,284.48
Total assets		9,403,298,316.92	8,459,246,241.00

The financial statements have been signed by the following persons:

Legal representative: person in charge of accounting: head of the accounting organization:

The accompanying notes to the financial statements are an integral part of these financial statements.

Liabilities and shareholders' equity	Note 5	December 31, 2024	December 31, 2023 restated
current liability			
short term loan	19	1,073,120,303.39	994,342,638.09
Derivative financial liabilities	20	-	5,697,913.83
notes payable	21	490,107,770.42	186,213,257.68
accounts payable	22	1,326,183,454.05	1,112,016,627.10
Contractual liabilities	23	72,492,534.05	65,696,112.04
Employee remuneration payable	24	90,401,533.31	70,452,793.22
Taxes payable	25	23,773,350.43	28,076,111.34
Other accounts payable	26	151,569,510.50	134,882,097.63
Non-current liabilities due within one year	27	676,412,898.92	330,110,186.98
Other current liabilities	28	147,126,582.17	161,846,994.81
Total current liabilities		4,051,187,937.24	3,089,334,732.72
non-current liability			
long term loan	29	779,103,670.54	649,500,451.01
Lease liabilities	30	132,835,139.96	154,165,642.99
projected liability	31	51,156,887.83	51,812,381.98
Deferred income	32	7,692,394.58	8,200,737.43
Deferred income tax liabilities	16	5,021,747.06	7,477,441.16
Total non-current liabilities		975,809,839.97	871,156,654.57
Total liabilities		5,026,997,777.21	3,960,491,387.29
shareholders' equity			
capital stock	33	490,292,174.00	489,259,543.00
capital surplus	34	4,158,044,009.63	4,154,776,726.27
Less: Treasury stock	35	87,903,623.05	-
Other comprehensive income	36	(191,190,010.76)	(65,048,502.76)
surplus surplus	37	110,239,392.12	110,239,392.12
unallocated profit	38	(102,536,091.80)	(190,429,889.26)
Total shareholders' equity attributable to the parent company		4,376,945,850.14	4,498,797,269.37
Minority interests		(645,310.43)	(42,415.66)
Total shareholders' equity		4,376,300,539.71	4,498,754,853.71

Total liabilities and shareholders' equity	9,403,298,316.92	8,459,246,241.00

The financial statements have been signed by the following persons:

Legal representative: person in charge of accounting: head of the accounting organization:

The accompanying notes to the financial statements are an integral part of these financial statements.

Greenworks (Jiangsu) Co.
consolidated income statement
2024 RMB **Yuan**

	Note 5	2024	2023 restated
revenues	39	5,425,542,792.10	4,616,884,525.07
Less: Operating costs	39	3,996,060,808.43	3,666,702,563.21
Taxes and surcharges	40	12,197,855.59	28,690,929.81
sales expense	41	637,699,873.19	712,412,937.28
overhead	42	508,347,888.78	544,800,791.54
R&D costs	43	218,017,871.42	222,545,592.53
financial cost	44	(76,080,440.73)	(21,296,672.48)
Of which: Interest expense		85,217,503.10	109,047,946.76
Interest income		104,320,293.37	95,804,753.32
Add: Other gains	45	17,030,704.65	15,637,558.83
investment income	46	3,825,411.10	(58,738,222.63)
Gain on change in fair value	47	41,868,673.28	506,055.58
Credit impairment losses	48	(19,808,102.03)	(6,538,156.63)
Impairment losses on assets	49	(46,415,519.79)	(24,119,040.19)
Gain on disposal of assets	50	1,330,736.93	593,975.09
business profit		127,130,839.56	(609,629,446.77)
Add: Non-operating income	51	758,063.54	2,217,703.71
Less: Non-operating expenses	52	39,592,374.63	4,242,994.63
total profit		88,296,528.47	(611,654,737.69)
Less: Income tax expense	53	1,005,625.78	(137,293,267.05)
net profit		87,290,902.69	(474,361,470.64)
By business continuity			
Net profit from continuing operations		87,290,902.69	(474,361,470.64)
Classification by ownership			
Net profit attributable to shareholders of the parent company	38	87,893,797.46	(474,319,054.98)
Minority interests		(602,894.77)	(42,415.66)

The financial statements have been signed by the following persons:

Legal representative: person in charge of accounting: head of the accounting organization:

Greenworks (Jiangsu) Co.
consolidated income statement
2024 RMB **Yuan**

The accompanying notes to the financial statements are an integral part of these financial statements.

	Note 5	2024	2023
Other comprehensive income, net of tax	36	(126,141,508.00)	(44,490,010.21)
Net other comprehensive income attributable to shareholders of the parent company, after tax	36	(126,141,508.00)	(44,490,010.21)
Other comprehensive income to be reclassified to profit or loss			
Changes in fair value of receivables financing		(2,423,378.43)	1,138,764.82
Provision for impairment of receivables financing credit		2,423,378.43	(1,138,764.82)
Cash flow hedge reserve		4,654,188.12	(32,104,135.06)
Translation differences on foreign currency financial statements		(130,795,696.12)	(12,385,875.15)
		(126,141,508.00)	(44,490,010.21)
Total comprehensive income		(38,850,605.31)	(518,851,480.85)
Among them:			
Total comprehensive income attributable to shareholders of the parent company		(38,247,710.54)	(518,809,065.19)
Total comprehensive income attributable to minority shareholders		(602,894.77)	(42,415.66)
Earnings per share ($/share)	54		
basic earnings per share		0.18	(1.02)
diluted earnings per share		0.18	(1.02)

The financial statements have been signed by the following persons:

Legal representative: person in charge of accounting: head of the accounting organization:

The accompanying notes to the financial statements are an integral part of these financial statements.

Greenworks (Jiangsu) Co.

Consolidated statement of changes in shareholders' equity

2024 RMB Yuan

2024

	Equity attributable to shareholders of the parent company							Minority interests	Total shareholders' equity
	capital stock	capital surplus	Less: Treasury stock	Other comprehensive income	surplus surplus	unallocated profit	Subtotal		
One, Balance at the end of the previous year and at the beginning of the current year	489,259,543.00	4,154,776,726.27	-	(65,048,502.76)	110,239,392.12	(190,429,889.26)	4,498,797,269.37	(42,415,566)	4,498,754,853.71
Two, Amount of increase/decrease during the year									
(i) Total comprehensive income	-	-	-	(126,141,508.00)	-	87,893,797.46	(38,247,710.54)	(602,894.77)	(38,850,605.31)
(ii) Shareholder inputs and capital reductions									
1. buyback of shares	-	-	87,903,623.05	-	-	-	(87,903,623.05)	-	(87,903,623.05)
2. Share-based payments recognized in shareholders' equity	1,032,631.00	3,267,283.36	-	-	-	-	4,299,914.36	-	4,299,914.36

unlisted limited company

Consolidated statement of changes in owners' equity (continued)

2017 Annual

Renminbi Yuan (RMB), PRC currency unit

Three,	Balance at the end of the year	490,292,174.00	4,158,044,009.63	87,903,623.05	(191,190,010.76)	110,239,392.12	(102,536,091.80)	4,376,945,850.14	(645,310.43)	4,376,300,539.71

The financial statements have been signed by the following persons:

Legal representative: person in charge of accounting: head of the accounting organization:

The accompanying notes to the financial statements are an integral part of these financial statements.

Greenworks (Jiangsu) Co.

Consolidated statement of changes in shareholders' equity (continued)

2024 RMB Yuan

FY2023

		Equity attributable to shareholders of the parent company						Minority interests	Total shareholders' equity
		capital stock	capital surplus	Other comprehensive income	surplus surplus	unallocated profit	Subtotal		
One,	Balance at the end of the previous year and at the beginning of the current year	364,621,968.00	707,569,508.21	(20,558,492.55)	110,239,392.12	313,885,359.15	1,475,757,734.93	-	1,475,757,734.93
Two,	Amount of increase/decrease during the year								
(i)	Total comprehensive income	-	-	(44,490,010.21)	-	(474,319,054.98)	(518,809,065.19)	(42,415.66)	(518,851,480.85)
(ii)	Shareholder inputs and capital reductions								
1.	Capital contribution by shareholders	121,540,000.00	3,452,959,870.40	-	-	-	3,574,499,870.40	-	3,574,499,870.40
2.	Share-based payments recognized in shareholders' equity	3,097,575.00	(5,752,652.34)	-	-	- (2,655,077.34)		-	(2,655,077.34)
(iii)	profit sharing								
1.	Distribution to	-	-	-	-	(29,996,193)	(29,996,193.4)	-	(29,996,193.)

	shareholders					.43	3		43
Thre e,	Balance at the end of the year	489,259,54 3.00	4,154,776,72 6.27	(65,048,50 2.76)	110,239,39 2.12	(190,429,88 9.26)	4,498,797,26 9.37	(42,415.6 6)	4,498,754,85 3.71

The financial statements have been signed by the following persons:

Legal representative: person in charge of accounting: head of the accounting organization:

The accompanying notes to the financial statements are an integral part of these financial statements.

Greenworks (Jiangsu) Co.

Consolidated statement of cash flows

2024 RMB Yuan

		Note 5	2024	2023
One,	Cash flows from operating activities:			
	Cash received from sales of goods and services		5,120,757,678.92	4,588,098,453.37
	Tax refunds received		374,281,457.97	279,334,945.03
	Other cash received in connection with operating activities	55	98,759,185.60	65,379,800.26
	Subtotal cash inflow from operating activities		5,593,798,322.49	4,932,813,198.66
	Cash paid for goods and services		3,568,274,781.89	3,121,077,413.87
	Cash paid to and for employees		999,169,724.03	876,723,460.80
	Taxes paid		71,709,975.88	67,338,184.79
	Payments of other cash related to operating activities	55	721,577,039.38	805,377,591.84
	Subtotal cash outflows from operating activities		5,360,731,521.18	4,870,516,651.30
	Net cash flows from operating activities	56	233,066,801.31	62,296,547.36
Two,	Cash flows from investing activities:			
	Cash received from recovery of investments		2,814,617,943.96	2,552,300,175.79
	Cash received from investment income		33,970,072.13	60,689,590.69
	Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		6,321,804.92	6,273,363.24
	Other cash received related to investing activities	55	12,166,191.54	6,812,815.95
	Subtotal cash inflows from investing activities		2,867,076,012.55	2,626,075,945.67
	Cash paid for acquisition of		386,582,475.72	524,477,983.04

property, plant and equipment, intangible assets and other long-term assets		2,907,635,273.0	
Cash paid for investments		0	3,212,200,000.00
Payments of other cash related to investing activities	55	7,595,313.19	84,540,144.10
Subtotal cash outflows from investing activities		3,301,813,061.9 1	3,821,218,127.14
Net cash flows used in investing activities		(434,737,049.36)	(1,195,142,181.4 7)

The financial statements have been signed by the following persons:

Legal representative: person in charge of accounting: head of the accounting organization:

The accompanying notes to the financial statements are an integral part of these financial statements.

		Note 5	2024	2023
Thre e,	Cash flows from financing activities:			
	Cash received from absorption of investments		9,230,012.97	3,615,967,276.82
	Cash received from acquisition of loans		2,109,153,656.00	2,773,096,056.89
	Other cash received relating to financing activities	55	138,635,816.84	52,123,961.56
	Subtotal cash inflow from financing activities		2,257,019,485.81	6,441,187,295.27
	Cash paid for debt service		1,579,854,081.54	3,361,133,626.53
	Cash paid for distribution of dividends, profits or interest payments		66,744,444.36	132,189,245.79
	Payments of other cash related to financing activities	55	241,140,170.49	302,089,260.99
	Subtotal cash outflows from financing activities		1,887,738,696.39	3,795,412,133.31
	Net cash flows from financing activities		369,280,789.42	2,645,775,161.96
Four ,	Effect of exchange rate changes on cash and cash equivalents		9,198,186.17	(2,382,213.79)
Five ,	Net increase in cash and cash equivalents	56	176,808,727.54	1,510,547,314.06
	Add: Cash and cash equivalents balance at beginning of year		1,759,160,002.70	248,612,688.64
Six,	Balance of cash and cash equivalents at end of year	56	1,935,968,730.24	1,759,160,002.70

The financial statements have been signed by the following persons:

Legal representative: person in charge of accounting: head of the accounting organization:

The accompanying notes to the financial statements are an integral part of these financial statements.

Greenworks(Jiangsu) Co.

Company Balance Sheet

December 31, 2024 RMB **Yuan**

liabilities	Note 17	December 31, 2024	December 31, 2023
current asset			
money funds		1,786,505,429.88	2,175,675,673.07
Financial assets held for trading		401,360,078.81	50,252,777.78
derivative financial asset		41,241,123.80	222,137.01
accounts receivable	1	3,156,726,242.13	3,086,225,642.67
Prepayments		9,366,349.07	21,826,126.86
Other receivables	2	1,172,154,202.41	799,191,821.17
inventory (of material)		347,010,260.34	263,398,951.96
Other current assets		6,054,585.03	3,218,721.25
Total current assets		6,920,418,271.47	6,400,011,851.77
non-current asset			
Long-term equity investments	3	348,429,508.94	344,633,760.45
fixed assets		393,785,331.32	306,342,149.43
construction in progress		65,926,839.41	93,993,784.23
Royalty assets		9,687,353.91	8,432,318.45
intangible asset		184,275,637.02	74,141,520.03
development expenditure		-	50,223,460.93
Long-term amortized expenses		12,598,191.14	16,047,844.05
Deferred tax assets		104,435,658.12	74,460,117.02
Other non-current assets		1,811,139,313.79	1,395,079,847.36
Total non-current assets		2,930,277,833.65	2,363,354,801.95
Total assets		9,850,696,105.12	8,763,366,653.72

The financial statements have been signed by the following persons:

Greenworks (Jiangsu) Co.

Corporate balance sheet (continued)

December 31, 2024 RMB **Yuan**

Legal representative:	person in charge of accounting: head of the accounting organization:

The accompanying notes to the financial statements are an integral part of these financial statements.

Greenworks (Jiangsu) Co.

Corporate balance sheet (continued)

December 31, 2024 RMB **Yuan**

Liabilities and shareholders' equity	**December 31, 2024**	**December 31, 2023 restated**
current liability		
short term loan	812,614,380.85	786,193,555.55
Derivative financial liabilities	-	5,697,913.83
notes payable	750,107,770.42	317,483,257.68
accounts payable	1,023,586,497.18	884,495,226.93
Contractual liabilities	17,537,496.59	81,702,306.84
Employee remuneration payable	41,616,861.16	30,053,626.51
Taxes payable	2,775,569.92	2,596,414.63
Other accounts payable	835,378,613.11	742,144,309.35
Non-current liabilities due within one year	575,342,005.28	242,743,168.95
Other current liabilities	16,594,097.84	22,315,031.98
Total current liabilities	4,075,553,292.35	3,115,424,812.25
non-current liability		
long term loan	779,103,670.54	649,500,451.01
Lease liabilities	1,605,371.34	4,557,545.63
projected liability	804,220.53	2,481,076.19
Deferred income	6,146,297.42	6,502,730.76
Total non-current liabilities	787,659,559.83	663,041,803.59
Total liabilities	4,863,212,852.18	3,778,466,615.84
shareholders' equity		
capital stock	490,292,174.00	489,259,543.00
capital surplus	3,668,322,762.19	3,665,055,478.83
Less: Treasury stock	87,903,623.05	-
Other comprehensive income	-	(4,576,886.48)
surplus surplus	110,239,392.12	110,239,392.12
unallocated profit	806,532,547.68	724,922,510.41
Total shareholders' equity	4,987,483,252.94	4,984,900,037.88
Total liabilities and shareholders' equity	9,850,696,105.12	8,763,366,653.72

The financial statements have been signed by the following persons:

Greenworks (Jiangsu) Co.

Corporate balance sheet (continued)

December 31, 2024 RMB **Yuan**

Legal representative: person in charge of accounting: head of the accounting organization:

The accompanying notes to the financial statements are an integral part of these financial statements.

Greenworks (Jiangsu) Co.
company income statement
2024 RMB **Yuan**

	Note 17	2024	2023 restated
revenues	4	3,435,920,917.33	2,601,259,070.43
Less: Operating costs	4	2,945,591,131.01	2,245,021,809.20
Taxes and surcharges		4,839,231.57	21,641,427.26
sales expense		105,506,107.95	68,277,114.53
overhead		259,530,362.07	240,414,982.54
R&D costs		236,798,284.56	286,366,829.55
financial cost		(52,863,089.86)	(36,215,097.44)
Of which: Interest expense		67,066,656.32	78,163,183.47
Interest income		64,113,710.65	78,054,469.48
Add: Other gains		11,643,082.75	13,880,324.70
investment income	5	59,088,673.47	(31,007,750.39)
Gain on change in fair value		42,232,376.40	161,573.29
Credit impairment losses		(380,011.89)	(465,717.62)
Impairment losses on assets		(5,162,674.12)	(4,778,870.79)
Gain on disposal of assets		1,100,466.34	1,958,683.11
business profit		45,040,802.98	(244,499,752.91)
Add: Non-operating income		250,527.38	1,861,860.04
Less: Non-operating expenses		1,361,034.51	288,943.68
total profit		43,930,295.85	(242,926,836.55)
Less: Income tax expense		(37,679,741.42)	(75,889,394.20)
net profit		81,610,037.27	(167,037,442.35)
Of which: Net profit from continuing operations		81,610,037.27	(167,037,442.35)
Other comprehensive income, net of tax		4,576,886.48	(31,710,280.30)
Other comprehensive income to be reclassified to profit or loss			
Cash flow hedge reserve		4,576,886.48	(31,710,280.30)
Total comprehensive income		86,186,923.75	(198,747,722.65)

The financial statements have been signed by the following persons:

Legal representative: person in charge of accounting: head of the accounting organization:

Greenworks (Jiangsu) Co.
company income statement
2024 RMB **Yuan**

The accompanying notes to the financial statements are an integral part of these financial statements.

Greenworks (Jiangsu) Co.

Statement of changes in the Company's shareholders' equity

2024 RMB Yuan

2024

		Paid-in capital stock	Other equity instruments: capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	surplus unallocated profit	Total shareholders' equity
One,	Balance at the end of the previous year and at the beginning of the current year	489,259,543.00	3,665,055,478.83	-	(4,576,886.48)	110,239,392.12	724,922,510.41	4,984,900,037.88
Two,	Amount of increase/decrease during the year							
(i)	Total comprehensive income	-	-	-	4,576,886.48	-	81,610,037.27	86,186,923.75
(ii)	Shareholder inputs and capital reductions							
1.	buyback of shares	-	-	87,903,623.05	-	-	-	(87,903,623.05)
2.	Share of share-based payments recognized in shareholders' equity	1,032,631.00	3,267,283.36	-	-	-	-	4,299,914.36
Three,	Balance at the end of the year	490,292,174.00	3,668,322,762.19	87,903,623.05	-	110,239,392.12	806,532,547.68	4,987,483,252.94

The financial statements have been signed by the following persons:

Legal representative: person in charge of accounting: head of the accounting organization:

The accompanying notes to the financial statements are an integral part of these financial statements.

FY2023

	capital stock	capital surplus	Other comprehensive income	surplus surplus	unallocated profit	Total shareholders' equity
One, Balance at the end of the previous year and at the beginning of the current year	364,621,968.00	217,848,260.76	27,133,393.82	110,239,392.12	921,956,146.19	1,641,799,160.89
Two, Amount of increase/decrease during the year						

STATEMENT OF CHANGES IN THE COMPANY'S SHAREHOLDERS' EQUITY (continued)

2024 RMB Yuan

	Total comprehensive			(31,710,280.3)		(167,037,442.3	
(i)	income	-	-	0	-	5)	(198,747,722.65)
	Shareholder inputs and						
(ii)	capital reductions						
	Capital contribution by		3,452,959,870.4		-		3,574,499,870.4
1.	shareholders	121,540,000.00	0		-	-	0
	Share of share-based						
	payments recognized in			)	-		)
2.	shareholders' equity	3,097,575.00	(5,752,652.33		-	-	(2,655,077.33
(iii)	profit sharing						
	Distribution to	-	-	-			
1.	shareholders				-	(29,996,193.43)	(29,996,193.43)
Thre	Balance at the end of the		3,665,055,478.8	(4,576,886.48)		724,922,510.4	4,984,900,037.8
e,	year	489,259,543.00	3		10,239,392.12	1	8

The financial statements have been signed by the following persons:

Legal representative:	person in charge of accounting: head of	the accounting
organization:		

The accompanying notes to the financial statements are an integral part of these financial statements.

Greenworks (Jiangsu) Co.

Company cash flow statement

2024 RMB

Yuan

	2024	2023
One, Cash flows from operating activities:		
Cash received from sales of goods and services	2,559,174,822.93	1,741,472,710.18
Tax refunds received	374,180,888.37	278,954,720.09
Other cash received in connection with operating activities	52,881,697.29	50,031,150.66
Subtotal cash inflow from operating activities	2,986,237,408.59	2,070,458,580.93
Cash paid for goods and services	2,630,107,767.53	2,265,961,029.35
Cash paid to and for employees	375,744,923.93	324,856,409.89
Taxes paid	23,806,507.20	18,321,248.36
Payments of other cash related to operating activities	210,871,473.20	178,873,346.72
Subtotal cash outflows from operating activities	3,240,530,671.86	2,788,012,034.32
Net cash flows used in operating activities	(254,293,263.27)	(717,553,453.39)
Two, Cash flows from investing activities:		
Cash received from recovery of investments	2,519,188,473.00	1,107,195,453.55
Cash received from investment income	97,742,975.81	47,488,111.88
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	5,213,147.39	17,785,173.86
Other cash received related to investing activities	12,166,191.54	-
Subtotal cash inflows from investing activities	2,634,310,787.74	1,172,468,739.29
Cash paid for acquisition of property, plant and equipment, intangible assets and other long-term assets	209,671,390.85	245,423,195.45

Cash paid for investments	2,645,995,273.00	1,977,000,000.00
Payments of other cash related to investing activities	7,595,313.19	49,119,096.35
Subtotal cash outflows from investing activities	2,863,261,977.04	2,271,542,291.80
Net cash flows used in investing activities	(228,951,189.30)	(1,099,073,552.51)

The financial statements have been signed by the following persons:

Legal representative: person in charge of accounting: head of the accounting organization:

The accompanying notes to the financial statements are an integral part of these financial statements.

		2024	2023
Thre e,	Cash flows from financing activities:		
	Cash received from absorption of investments	9,230,012.97	3,615,967,276.82
	Cash received from acquisition of loans	1,980,153,656.00	2,452,761,223.90
	Other cash received relating to financing activities	103,383,036.55	-
	Subtotal cash inflow from financing activities	2,092,766,705.52	6,068,728,500.72
	Cash paid for debt service	1,503,120,000.00	2,762,450,893.82
	Cash paid for distribution of dividends, profits or interest payments	58,661,328.84	109,299,870.71
	Payments of other cash related to financing activities	182,126,775.05	150,005,010.77
	Subtotal cash outflows from financing activities	1,743,908,103.89	3,021,755,775.30
	Net cash flows from financing activities	348,858,601.63	3,046,972,725.42
Four,	Effect of exchange rate changes on cash and cash equivalents	10,595,385.42	1,135,613.25
Five,	Net (decrease)/increase in cash and cash equivalents	(123,790,465.52)	1,231,481,332.77
	Add: Cash and cash equivalents balance at beginning of year	1,320,717,064.35	89,235,731.58
Six,	Balance of cash and cash equivalents at end of year	1,196,926,598.83	1,320,717,064.35

The financial statements have been signed by the following persons:

Legal representative: person in charge of accounting: head of the accounting organization:

The accompanying notes to the financial statements are an integral part of these financial statements.

I. Basic information

(the "Company") is a joint stock limited company registered in Jiangsu Province, the People's Republic of China, established on July 2, 2002 with a unified social credit code of 91320400739433074W and a registered office at No. 65-1, Xinggang Road, Zhonglou Economic Development Zone, Changzhou City, Jiangsu Province, the People's Republic of China, with a business term from July 2, 2002 to an indefinite period. No. 65-1 Xingang Road, the legal representative is Chen Yin, and the term of business is from July 2, 2002 to an indefinite period. The A shares of RMB ordinary shares issued by the Company were listed on the Shenzhen Stock Exchange on February 8, 2023, with the stock abbreviation "GREENWORKS" and stock code "301260".

With the approval of China Securities Regulatory Commission's Approval of the Registration of the Initial Public Offering of GREENWORKS (Jiangsu) Co., Ltd (Securities Regulatory Commission License [2022] No. 2348), the Company made an initial public offering of 121,540,000 Renminbi ordinary shares (A-shares) on the GEM Board of the Shenzhen Stock Exchange on February 8, 2023, at the nominal value of RMB1.00 each and the subscription price of RMB30.85 per share, adding a registered capital (share capital) of RMB121,540,000.00. This change has been approved by Ansell and the Company. 1.00 and the subscription price for the issue of each share was RMB30.85, resulting in an additional registered capital (share capital) of RMB121,540,000.00, which change has been approved by Ernst & Young Hua Ming Certified Public Accountants (Special Ordinary Partnership) with the issuance of Ernst & Young Hua Ming (2023) Verification No. 61457418_B01.

On December 19, 2023, the Company issued 3,097,575.00 shares of RMB ordinary shares (A shares), with a par value of RMB1.00 per share, to the incentive recipients who met the conditions for the exercise of the first exercise period of the Stock Option Incentive Plan of GREENWORKS (Jiangsu) Company Limited (hereinafter referred to as the "Stock Option Incentive Plan"). The exercise price of the stock options was RMB8.9383 per share, resulting in an increase in registered capital (share capital) of RMB3,097,575.00.

On December 6, 2024, the Company made a directed issue of 1,032,631.00 shares of RMB ordinary shares (A shares) with a par value of RMB1.00 per share to the incentive recipients who met the exercise conditions for the second exercise period of the stock option incentive plan at an exercise price of RMB8.9383 per share, resulting in additional registered capital (share capital) of RMB1,032, 631.00 yuan.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in the manufacture and sale of power tools, hand tools, garden tools, air compressors, cleaning machines, generators, off-road vehicles and household electrical accessories.

The parent company of the Group is GLOBE HOLDINGS (HONG KONG) CO., LTD. which is registered in Hong Kong. The de facto controller of the Group is Mr. Chen Yin.

These financial statements were approved for reporting by resolution of the Board of Directors of the Company on April 26, 2025 In accordance with the Company's Articles of Association, these financial statements will be submitted to the Shareholders' Meeting for consideration.

II. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the "Accounting Standards for Business Enterprises - Basic Standards" issued by the Ministry of Finance, as well as specific accounting standards, interpretations and other relevant regulations issued and revised thereafter (collectively referred to as "Accounting Standards for Business Enterprises"). In addition, the financial statements disclose financial information in accordance with the "Rules Governing the Preparation of Information Disclosure by Publicly Offered Securities Companies No. 15 - General Provisions on Financial Reporting".

The financial statements are presented on a going concern basis.

iii. significant accounting policies and accounting estimates

The Group has formulated specific accounting policies and accounting estimates based on the actual production and operation characteristics, which are mainly reflected in the bad debt provision for receivables, inventory valuation method, provision for inventory decline, depreciation of fixed assets, amortization of intangible assets, conditions for capitalization of development-phase expenditures, and recognition and measurement of revenue.

III. Significant accounting policies and accounting estimates (continued)

1. Statement of compliance with enterprise accounting standards

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises and give a true and complete account of the financial position of the Company and the Group as at December 31, 2024 and of the results of their operations and their cash flows for the year 2024 .

2. Accounting period

The Group's fiscal year is based on the calendar year, i.e., from January 1 to December 31 of each year.

3. Currency of account

The local currency of the Company's accounts and the currency used in the preparation of these financial statements are RMB. Expressed in RMB Yuan unless otherwise stated.

Subsidiaries of the Group determine their own local currencies of accounts in accordance with the major economic environments in which they operate and translate them into RMB for the purpose of preparing the financial statements.

4. Methodology for determining materiality standards to be followed in financial statement disclosures and basis for selection

	Materiality criteria
Significant individually bad debt provisioned receivables	Individual write-off amount accounted for more than 1% of the balance of accounts receivable and the amount was greater than RMB10 million
Significant receivable write-offs	Individual write-off amount accounted for more than 1% of the balance of accounts receivable and the amount was greater than RMB10 million
Significant prepayments aged over one year	Individual items aged over 1 year accounted for more than 5% of the total prepayments and the amount was greater than RMB10 million
Significant construction in progress	Individual projects with ending balances greater than $30 million and more than 10% of the balance
Significant changes in the carrying value of contractual liabilities	Change in the carrying value of contract liabilities amounting to more than 30% of the opening balance of contract liabilities

Accounts payable older than 1 year and significant in amount	Accounts payable/contract liabilities/other payables with an individual age of more than 1 year accounted for more than 10% of the total accounts payable/contract liabilities/other payables/and the amount was greater than RMB10 million
Significant capitalized research and development projects	Individual amount is more than RMB 10 million yuan

III. Significant accounting policies and accounting estimates (continued)

5. Consolidated financial statements

The scope of consolidation of the consolidated financial statements is determined on a control basis and includes the financial statements of the Company and all of its subsidiaries. Subsidiaries, which are entities controlled by the Company (including enterprises, divisible parts of investees, and structured entities controlled by the Company, etc.). An investor is able to control an investee when, and only when, the investor has the following three elements: the investor has power over the investee; a variable return as a result of its participation in the investee's relevant activities; and the ability to use its power over the investee to affect the amount of its return.

If a subsidiary company adopts different accounting policies or accounting periods from those of the Company, necessary adjustments are made to the financial statements of the subsidiary company in accordance with the Company's accounting policies and accounting periods when preparing the consolidated financial statements. Assets, liabilities, equity, income, expenses and cash flows arising from all transactions between companies within the Group are eliminated in full on consolidation.

If the minority shareholders' share of a subsidiary's loss for the period exceeds the minority's share of the subsidiary's opening stockholders' equity, the balance is still offset against minority stockholders' equity.

For subsidiaries acquired through a business combination not under the same control, the operating results and cash flows of the acquiree are included in the consolidated financial statements from the date the Group obtains control until the Group's control over it ceases. In preparing the consolidated financial statements, the financial statements of subsidiaries are adjusted on the basis of the fair value of each identifiable asset, liability and contingent liability determined at the date of purchase.

For subsidiaries acquired through a business combination under the same control, the operating results and cash flows of the consolidated party are included in the consolidated financial statements from the beginning of the period in which the combination occurs. In preparing the comparative consolidated financial statements, adjustments are made to the relevant items in the financial statements of the prior period as if the consolidation had resulted in a reporting entity that had been in existence since the commencement of control by the ultimate controlling party.

The Group reassesses whether it controls an investee if changes in relevant facts and circumstances result in a change in one or more of the control elements.

Changes in minority interests without loss of control are accounted for as equity transactions.

6. Cash and cash equivalents

Cash, which represents the Group's cash on hand and deposits that are readily available for disbursement; and cash equivalents, which represent investments held

by the Group that have short maturities, are highly liquid, are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value.

III. Significant accounting policies and accounting estimates (continued)

7. Foreign currency operations and translation of foreign currency statements

The Group translates foreign currency amounts into the recorded local currency amounts for foreign currency transactions that occur.

Upon initial recognition, foreign currency transactions are translated into the local currency of the accounts using the spot exchange rate at the date of the transaction. At the balance sheet date, monetary items denominated in foreign currencies are translated using the spot exchange rate at the balance sheet date. The resulting differences in settlement and translation of monetary items are recognized in profit or loss, except for differences arising from special foreign currency borrowings related to the acquisition and construction of assets eligible for capitalization, which are treated in accordance with the principle of capitalization of borrowing costs. Non-monetary items that are measured in terms of historical cost in a foreign currency are still translated using the exchange rate adopted on initial recognition and do not change the amount in the local currency in which they are recorded. Non-monetary items measured at fair value in foreign currencies are translated using spot exchange rates at the date when the fair value is determined, with the resulting differences being recognized in profit or loss or other comprehensive income, depending on the nature of the non-monetary item.

For foreign operations, the Group translates its local currency into RMB in preparing the financial statements: assets and liabilities in the balance sheet are translated using the spot exchange rate at the balance sheet date, and shareholders' equity items, except for "undistributed profits", are translated using the spot exchange rate at the time of the transaction; income and expenses in the income statement are translated using the average exchange rate for the period in which the transaction occurs (unless exchange rate fluctuations make it inappropriate to use this exchange rate, then the spot exchange rate at the date of the transaction will be used). Income and expense items in the income statement are translated using the average exchange rate for the period in which the transaction occurs (unless exchange rate fluctuations make it inappropriate to use that exchange rate, in which case the current exchange rate at the date of the transaction is used). Translation differences arising from the translation of foreign currency financial statements in accordance with the above are recognized in other comprehensive income. Upon disposal of a foreign operation, other comprehensive income related to that foreign operation is transferred to profit or loss for the period in which the disposal occurs, or in the case of a partial disposal, in proportion to the disposal.

Cash flows in foreign currencies are translated using exchange rates approximating the spot rates at the date the cash flows occur. Cash flows from foreign subsidiaries are translated using the average exchange rate for the period in which the cash flows occur (or, unless exchange rate fluctuations make such translation inappropriate, the spot rate at the date of the cash flows). The effect of exchange rate changes on cash is presented separately in the statement of cash flows as a reconciling item.

III. Significant accounting policies and accounting estimates (continued)

8. Financial instruments

A financial instrument is a contract that forms a financial asset of an enterprise and a financial liability or equity instrument of another entity.

(1) Recognition and derecognition of financial instruments

The Group recognizes a financial asset or a financial liability when it becomes a party to the contractual aspects of the financial instrument.

Derecognition of a financial asset (or a portion of a financial asset, or a portion of a group of similar financial assets) occurs when the following conditions are met, i.e., a previously recognized financial asset is transferred from the balance sheet:

(1) The right to receive cash flows from a financial asset expires;
(2) The right to receive cash flows from the financial asset is transferred or the obligation to pay the received cash flows in full and on time to a third party is assumed under a pass-through agreement; and substantially all of the risks and rewards of ownership of the financial asset are transferred or, while substantially neither transferring nor retaining substantially all of the risks and rewards of ownership of the financial asset, control over the financial asset is relinquished. (ii) relinquishes control over the financial asset, although substantially neither transferring nor retaining substantially all the risks and rewards of ownership of the financial asset.

A financial liability is derecognized if the obligation for the financial liability has been discharged, reversed or expired. If an existing financial liability is replaced by another from the same creditor on substantially different terms, or if the terms of an existing liability are substantially modified in almost its entirety, such a replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference recognized in profit or loss.

The purchase and sale of financial assets on a regular basis is recognized and derecognized on a trade date accounting basis. Buying and selling financial assets on a regular basis means buying or selling financial assets in accordance with the terms of a contract that provides for delivery of the financial assets in accordance with a schedule normally established by statute or market practice. The trade date is the date on which the Group commits to buy or sell a financial asset.

(2) Classification and measurement of financial assets

The Group's financial assets are classified at initial recognition based on the Group's business model for managing financial assets and the contractual cash flow characteristics of the financial assets as follows: financial assets at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss. All affected underlying financial assets are reclassified when, and only when, the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, except for receivables arising from the sale of goods or provision of services, etc. that do not contain a significant financing element or do not take into account a financing element that is not more than one year old, which are measured initially at the transaction price.

For financial assets at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss; for other categories of financial assets, the related transaction costs are included in their initial recognition amounts.

III. Significant accounting policies and accounting estimates (continued)

8. Financial instruments (continued)

(2) Classification and measurement of financial assets (continued)

The subsequent measurement of a financial asset depends on its classification:

Investments in debt instruments measured at amortized cost
A financial asset is classified as a financial asset measured at amortized cost if it meets both of the following conditions: the business model for managing the financial asset is one in which the objective is to collect the contractual cash flows; and the contractual terms of the financial asset specify that the cash flows to be generated at a particular date will be solely payments of principal and interest based on the amount of principal outstanding. Interest income is recognized using the effective interest method for these financial assets, and gains or losses arising from derecognition, modification or impairment are recognized in profit or loss for the current period.

Investments in debt instruments at fair value through other comprehensive income
A financial asset is classified as a financial asset at fair value through other comprehensive income if it meets the following conditions at the same time: the Group's business model for managing the financial asset is one in which the objective is to collect the contractual cash flows as well as to sell the financial asset; and the contractual terms of the financial asset stipulate that, at a given date, the only cash flows to be generated are payments on the principal amount and on the interest based on the amount of the principal outstanding. Payments. Interest income is recognized on such financial assets using the effective interest method. Changes in fair value are recognized in other comprehensive income, except for interest income, impairment losses and exchange differences, which are recognized in profit or loss. When a financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred out of other comprehensive income and recognized in profit or loss.

Financial assets at fair value through profit or loss
Financial assets other than those at amortized cost and those at fair value through other comprehensive income as described above are classified as financial assets at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement and all changes in fair value are recognized in profit or loss, except those relating to hedge accounting.

(3) Classification and measurement of financial liabilities

The Group's financial liabilities are classified at initial recognition as: financial liabilities at fair value through profit or loss, financial liabilities at amortized cost. For financial liabilities at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss, and for financial liabilities measured at amortized cost, the related transaction costs are included in their initial recognition amount.

The subsequent measurement of a financial liability depends on its classification:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss are mainly trading financial liabilities (including derivatives that are financial liabilities). Financial liabilities held for trading (including derivatives that are financial liabilities) are subsequently measured at fair value, with all changes in fair value recognized in profit or loss except those relating to hedge accounting.

Financial liabilities measured at amortized cost
Such financial liabilities are subsequently measured at amortized cost using the effective interest method.

III. Significant accounting policies and accounting estimates (continued)

8. Financial instruments (continued)

(4) Impairment of financial instruments

Methods of determining and accounting for expected credit losses

The Group impairs financial assets measured at amortized cost and investments in debt instruments at fair value through other comprehensive income on the basis of expected credit losses and recognizes a loss provision.

For receivables that do not contain significant financing components, the Group applies a simplified measurement approach and measures the allowance for losses at an amount equal to the expected credit losses over the entire duration.

For financial assets other than those measured using the simplified measurement approach described above, the Group assesses at each balance sheet date whether the credit risk has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition and is in the first stage, the Group measures the allowance for losses at an amount equal to the expected credit losses within the next 12 months and calculates interest income based on the carrying amount and effective interest rate; if credit risk has increased significantly since initial recognition but credit impairment has not yet occurred, in the second stage, the Group measures the allowance for losses at an amount equal to the expected credit losses over the entire duration and calculates interest income on the basis of the carrying amount and the effective interest rate; if credit impairment occurs after initial recognition, in the third stage, the Group measures the allowance for losses at an amount equal to the expected credit losses over the entire duration and calculates

interest income on the basis of the amortized cost. the allowance for losses and calculates interest income based on amortized cost and the effective interest rate. For financial instruments with only low credit risk at the balance sheet date, the Group assumes that the credit risk has not increased significantly since initial recognition.

The Group assesses expected credit losses on financial instruments on an individual and portfolio basis. The Group considers the credit risk characteristics of different customers and evaluates the expected credit losses of receivables based on common risk characteristics and on the basis of an ageing portfolio, which the Group determines based on the revenue recognition date. The Group assesses its expected credit losses on a stand-alone basis, except for financial instruments for which the Group assesses expected credit losses on a portfolio basis as described above.

Refer to Note X.1 for the disclosure of the Group's criteria for determining significant increase in credit risk and the definition of credit-impaired assets that have been incurred.

The Group's approach to measuring expected credit losses on financial instruments reflects factors such as an unbiased probability-weighted average amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information about past events, current conditions and projections of future economic conditions that is available at the balance sheet date without undue additional cost or effort.

Categories of portfolios for which provision for impairment is made based on a combination of credit risk characteristics and the basis for determining them

The Group evaluates the expected credit losses on financial instruments on the basis of an ageing portfolio, taking into account the credit risk characteristics of different customers, based on common risk characteristics.

Ageing methodology for recognizing a portfolio of credit risk characteristics based on ageing

The Group determines the ageing based on the date of invoicing.

Judgmental criteria for individual provisioning of bad debt impairment in accordance with individual items

If the credit risk profile of a counterparty is significantly different from that of other counterparties in the portfolio, a provision for loss is made on a stand-alone basis for amounts due from that counterparty. The Group performs separate impairment tests for accounts receivable with significantly different credit risk characteristics, such as significantly deteriorated credit standing of the debtor, low probability of future repayment, or credit impairment has occurred.

III. Significant accounting policies and accounting estimates (continued)

8. Financial instruments **(continued)**

(4) Impairment of financial instruments (continued)

Write-off of provision for impairment

When the Group no longer has a reasonable expectation of recovering all or part of the contractual cash flows from a financial asset, the Group directly writes down the carrying amount of the financial asset.

(5) Derivative financial instruments

The Group uses derivative financial instruments, such as forward foreign exchange contracts and foreign exchange option contracts to hedge exchange rate risk. Derivative financial instruments are initially measured at fair value at the date the derivative transaction contract is entered into and subsequently measured at their fair value. Derivative financial instruments with a positive fair value are recognized as an asset and those with a negative fair value are recognized as a liability.

Gains or losses arising from changes in the fair value of derivatives are recognized directly in profit or loss, except in relation to hedge accounting.

(6) Transfer of financial assets

The Group derecognizes a financial asset if it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferring party; it does not derecognize a financial asset if it has retained substantially all the risks and rewards of ownership of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, the Group recognizes the financial asset and the resulting assets and liabilities as follows: if the Group has relinquished control of the financial asset, it derecognizes the financial asset and recognizes the resulting assets and liabilities; if the Group has not relinquished control of the financial asset, it recognizes the financial asset and recognizes the related liabilities to the extent that it continues to be involved in the financial asset transferred.

9. Inventory

Inventories include materials in transit, raw materials, products in process, semi-finished goods, merchandise in stock, working capital materials and materials for outsourced processing.

Inventories are initially measured at cost. Inventory costs include purchasing costs, processing costs and other costs. Inventories are issued and their actual cost is determined using the weighted average method. Working capital materials include low-value consumables, which are amortized using the amortization method.

For transportation costs that are not related to the performance of customer contracts, transportation costs shall be included in the cost of inventories if the transportation costs are necessary expenditures to bring the inventories to their present location and condition, forming a resource that is expected to bring economic benefits to the Group. The Group establishes and implements internal controls

relating to transportation activities in light of its own operating activities and based on the principles of materiality and cost-effectiveness, and fully and completely collects the expenses relating to transportation activities and achieves a reasonable allocation among each product, each sales contract and each performance obligation.

The inventory system is based on a perpetual inventory system.

At the balance sheet date, inventories are measured at the lower of cost or net realizable value, and a provision for decline in value of inventories is made and recognized in profit or loss if the cost is higher than the net realizable value. Net realizable value is the estimated selling price of inventories in the ordinary course of activities, less costs estimated to be incurred to completion, estimated selling expenses and related taxes. Provision for inventory decline is made for each inventory category on the basis of individual inventory items.

III. Significant accounting policies and accounting estimates (continued)

10. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries.

Long-term equity investments are initially measured at initial investment cost upon acquisition. Long-term equity investments acquired through a business combination under the same control are recognized at initial investment cost as the share of the book value of the ownership interest of the party being consolidated in the consolidated financial statements of the party ultimately in control at the date of consolidation; the difference between the initial investment cost and the book value of the merger consideration is adjusted to capital surplus (or, if insufficient to be deducted, to retained earnings). Long-term equity investments acquired through a non-identical-control business combination are initially recognized at the cost of the combination (if a non-identical-control business combination is effected in stages through multiple transactions, the sum of the book value of the equity investment in the acquiree held prior to the date of purchase and the cost of the additional investment at the date of purchase is recognized as the initial investment cost). The initial investment cost of long-term equity investments acquired by means other than long-term equity investments resulting from business combinations is determined in accordance with the following methods: if acquired by paying cash, the purchase price actually paid and the expenses directly related to the acquisition of the long-term equity investment, taxes and other necessary expenditures are recognized as the initial investment cost; if acquired by the issuance of equity securities, the fair value of the equity securities issued is recognized as the initial investment cost.

Long-term equity investments in which the Company is able to exercise control over the investee are accounted for using the cost method in the Company's individual financial statements. Control, which is the possession of power over an investee, the enjoyment of variable returns through participation in the investee's relevant activities, and the ability to use the power over the investee to influence the amount of the returns.

When the cost method is used, long-term equity investments are valued at initial investment cost. If the investment is added or recovered, the cost of the long-term equity investment is adjusted. Cash dividends or profits declared by the investee are recognized as investment income in the current period.

11. Fixed assets

Fixed assets are recognized only when it is probable that the economic benefits associated with them will flow to the Group and their cost can be measured reliably. Subsequent expenditures relating to fixed assets are recognized in the cost of fixed assets and the carrying amount of the replaced part is derecognized if the conditions for such recognition are met; otherwise, they are charged to profit or loss or the cost of the relevant assets according to the object of the benefit when they are incurred.

Fixed assets are initially measured at cost. The cost of acquiring a fixed asset consists of the purchase price, related taxes, and other expenditures directly

attributable to the fixed asset that are incurred before the fixed asset is brought to its intended useable condition.

Depreciation of fixed assets is provided using the average annual life method, and the useful lives, estimated net residual values and annual depreciation rates for each category of fixed assets are as follows:

	service life	Projected net residual value ratio	Annual depreciation rate
Houses and buildings	15-40 years	0%-10%	2.3%-6.7%
machinery and equipment	3-10 years	4%-10%	9.0%-32.0%
carrier	1-8 years	0%-10%	11.3%-100.0%
Computers and electronic equipment	3-5 years	0%-12%	17.6%-33.3%
Furniture tools	3-5 years	10%-12%	17.6%-30.0%

The Group reviews the useful lives, estimated net residual values and depreciation methods of fixed assets at least annually at the end of each year and makes adjustments where necessary.

III. Significant accounting policies and accounting estimates (continued)

12. Construction in progress

The cost of construction in progress is determined on the basis of actual construction expenditure, including all necessary construction expenditure incurred during the construction period, borrowing costs to be capitalized before the construction work reaches its intended state of use and other related costs.

Construction in progress is transferred to fixed assets when it reaches its intended state of use, based on the following criteria:

	Criteria for carrying forward fixed assets
Houses and buildings	Earlier of actual commencement of use/completion of acceptance
machinery and equipment	Sooner actual start of use/completion of installation and commissioning
carrier	Sooner actual start of use/completion of installation and commissioning
Computers and electronic equipment	Sooner actual start of use/completion of installation and commissioning
Furniture tools	Sooner actual start of use/completion of installation and commissioning

13. Borrowing costs

Borrowing costs directly attributable to the acquisition or production of assets eligible for capitalization are capitalized, while other borrowing costs are charged to current profit or loss.

Capitalization of borrowing costs begins when capital expenditures and borrowing costs have been incurred and the acquisition or production activities necessary to bring the asset to its intended use or marketable condition have begun.

Capitalization of borrowing costs ceases when the acquisition or production of assets eligible for capitalization reaches their intended use or saleable condition. Borrowing costs incurred thereafter are recognized in profit or loss.

The amount of interest capitalized for each accounting period during the capitalization period is determined as follows: for special-purpose borrowings, it is determined by the actual interest expense incurred in the current period, less interest income on deposits of a temporary nature or investment income; and for general-purpose borrowings taken up, it is determined on the basis of the weighted average number of asset expenditures in excess of cumulative asset expenditures over special-purpose borrowings multiplied by the weighted average interest rate of the general-purpose borrowings taken up.

The capitalization of borrowing costs shall be suspended if, in the course of the acquisition, construction or production of an asset eligible for capitalization, there is

an abnormal interruption other than that necessary to reach the state of intended use or sale, and the interruption lasts for a period of more than three consecutive months. Borrowing costs incurred during the interruption period are recognized as expenses and charged to profit or loss until the acquisition of the asset or the recommencement of production activities.

III. Significant accounting policies and accounting estimates (continued)

14. Intangible assets

Intangible assets are amortized using the straight-line method over their useful lives as follows:

	service life	Basis of determination
land use right	30-50 years or permanent	Duration of land use rights
Non-patented technology	8 years	Projected useful life in conjunction with product life cycle
hardware	3-10 years	Shorter of contract period or expected useful life

The Group distinguishes between expenditures on internal research and development projects as research phase expenditures and development phase expenditures. Research-phase expenditures are recognized in profit or loss when incurred. Expenditure in the development stage can only be capitalized if the following conditions are simultaneously met, namely: it is technically feasible to complete the intangible asset so that it can be used or sold; there is an intention to complete the intangible asset and to use or sell it; the manner in which the intangible asset generates economic benefits, including the ability to demonstrate that there is a market for the product produced by applying the intangible asset or that there is a market for the intangible asset itself, and that the intangible asset will be be used internally, can demonstrate its usefulness; is supported by sufficient technical, financial and other resources to complete the development of the intangible asset and has the ability to use or sell the intangible asset; and expenditures attributable to the development phase of the intangible asset can be measured reliably. Development expenditures that do not meet the above conditions are recognized in profit or loss when incurred.

The scope of research and development expenditures is summarized to include the wages, salaries and benefits costs of personnel directly engaged in research and development activities, the costs of materials, fuel and power directly consumed by research and development activities, the depreciation of instruments and equipment used in research and development activities, and the costs of trial production required for research and experimental development. The Group uses the approval of research and development product projects as a specific criterion to classify the research stage and development stage. After passing the project evaluation and meeting the relevant conditions regarding the capitalization of R&D expenditures, the relevant R&D inputs are included in development expenditures.

15. Impairment of assets

Impairment of assets other than inventories, deferred income tax and financial assets is determined as follows: whether there is any indication that an asset may be

impaired at the balance sheet date, and if there is such an indication, the Group estimates its recoverable amount and performs an impairment test.

The recoverable amount is determined based on the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. The Group estimates the recoverable amount of an asset on an individual basis; if it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined on the basis of the asset group to which the asset belongs. Asset groups are recognized on the basis of whether the major cash inflows generated by the asset group are independent of those from other assets or groups of assets.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the Group writes down its carrying amount to the recoverable amount, and the amount of the write-down is recognized in profit or loss for the current period, and a corresponding provision for asset impairment is made.

Once recognized, the above asset impairment losses are not reversed in subsequent accounting periods.

III. Significant accounting policies and accounting estimates (continued)

16. Long-term amortization

Long-term amortization expense is amortized using the straight-line method over the following periods:

	amortization period
network service fee	3 years
renovation cost	5 years

17. Employee remuneration

Employee remuneration refers to all forms of remuneration or compensation, other than share-based payments, given by the Group for services rendered by employees or for the termination of labor relationships. Employee compensation includes short-term compensation, post-employment benefits, termination benefits and other long-term employee benefits.

short-term compensation

In the accounting period in which employees provide services, the actual short-term remuneration incurred is recognized as a liability and included in profit or loss or the cost of the related assets.

Post-employment benefits (defined contribution plans)

The Group's employees participate in pension and unemployment insurance administered by the local government, and the corresponding expenditures are charged to the cost of the related assets or to current profit or loss as incurred.

Termination benefits

When the Group provides termination benefits to employees, the Group recognizes an employee compensation liability arising from the termination benefits and recognizes it in profit or loss at the earlier of: when the enterprise is unable to unilaterally withdraw the termination benefits provided as a result of a plan to terminate employment or a proposal for a reduction in workforce; or when the enterprise recognizes costs or expenses related to a restructuring that involves the payment of termination benefits.

18. Projected liabilities

Except for contingent consideration and contingent liabilities assumed in business combinations not under common control, the Group recognizes obligations related to contingent events as estimated liabilities when the obligation is a present obligation incurred by the Group and it is probable that the performance of the obligation will result in an outflow of economic benefits to the Group and the related amount can be measured reliably.

Projected liabilities are measured initially on the basis of the best estimate of the expenditure required to settle the related present obligation, taking into account, among other things, the risks, uncertainties and time value of money associated with the contingency. The carrying amount of the projected liability is reviewed at the balance sheet date and adjusted appropriately to reflect the current best estimate.

III. Significant accounting policies and accounting estimates (continued)

19. Share-based payment

Share-based payment, which is categorized into equity-settled share-based payment and cash-settled share-based payment. Equity-settled share-based payments are transactions in which the Group settles for shares or other equity instruments as consideration for services received.

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to the employees. If the option is exercisable immediately after the grant, the related cost or expense will be recognized at fair value on the grant date, and capital surplus will be increased accordingly. If the option is exercisable only after completion of the services within the waiting period or fulfillment of the specified performance conditions, the services acquired during the period will be recognized at the best estimate of the number of equity instruments that will be exercisable, based on the best estimate of the number of equity instruments that will be exercisable at the balance sheet date of the waiting period, at the grant date, and the related cost or expense will be recognized at the fair value on the grant date, and capital surplus will be increased accordingly. capital surplus. The fair value of equity instruments is determined using the binomial model or the Black Scholes option model, see Note 13.

If the terms of equity-settled share-based payments are modified, the services acquired are recognized at least as if the terms had not been modified. In addition, modifications that increase the fair value of equity instruments granted, or changes that are beneficial to the employee at the date of modification, are recognized as an increase in services acquired.

If equity-settled share-based payments are cancelled, they are treated as accelerated exercise on the date of cancellation and the unrecognized amount is recognized immediately. Employees or other parties who are able to elect to satisfy the non-viability condition but fail to do so during the waiting period are treated as canceling equity-settled share-based payments. However, if a new equity instrument is granted and it is determined on the date of grant of the new equity instrument that the new equity instrument granted is intended to be a replacement for the equity instrument that was canceled, the replacement equity instrument granted is treated in the same manner as a modification of the terms and conditions of the original equity instrument is treated.

20. Revenue generated from contracts with customers

The Group recognizes revenue when it has fulfilled its performance obligations under a contract, i.e. when the customer obtains control of the related goods or services. Acquiring control of the good or service in question means being able to dominate the use of that good or the provision of that service and derive almost total economic benefit from it.

Contracts for the sale of goods

The Group uses the amount of consideration that it expects to be entitled to receive as a result of the transfer of goods to the customer as the transaction price, which is determined in accordance with the terms of the contract, taking into account past business practices. Some of the Group's contracts provide for certain discounts when customers purchase more than a certain quantity of goods, which are directly offset against the amount payable by the customer for the goods purchased during the period. The Group makes its best estimate of the discount in accordance with expectations and includes the transaction price in the transaction price to the extent that the estimated discounted transaction price does not exceed the amount by which it is highly probable that the cumulative recognized revenue will not be materially reversed by the time the related uncertainty is removed, and re-estimates it at each balance sheet date.

Contracts for the sale of goods between the Group and its customers usually contain performance obligations for the transfer of goods only. The Group generally recognizes revenue at the point at which the customer obtains control of the relevant merchandise, which is usually the contractually agreed point of delivery of the merchandise, after taking into account a combination of the following factors: the acquisition of the present right to receive payment for the merchandise, the transfer of the principal risks and rewards of ownership of the merchandise, the transfer of legal title to the merchandise, the transfer of the physical assets of the merchandise, and the customer's acceptance of the merchandise. Specific sales recognition principles are described below:

Domestic sales: The Group recognizes revenue from the sale of products upon completion of the obligation to deliver the products by shipping the products to the agreed delivery location or by the buyer picking up the products in accordance with the agreements in the contracts or orders signed with the customers.

III. Significant accounting policies and accounting estimates (continued)

20. Revenue from contracts with customers (continued)

Contracts for the sale of goods (continued)

Export sales: For sales by way of FOB trade, the Group recognizes revenue from the sale of products when the goods have crossed the ship's rail at the designated port of shipment after completing the customs clearance procedures for export; for sales by way of DDP trade, the Group recognizes revenue from the sale of products when the goods have been delivered to the customer after completing the customs clearance procedures for importation of the goods at the designated destinations; and for sales by way of EXW trade, the Group recognizes revenue from the sale of products when the customer has designated the carrier to pick up the goods at the door and the Group has completed its obligation to deliver the products. For sales by way of EXW trade, revenue from product sales is recognized when the customer appoints a carrier to pick up the goods and the Group completes the obligation to deliver the products.

Overseas warehouse shipment sales: The Group recognizes revenue from the sale of products when the products are shipped to the agreed delivery location or will be handed over to the carrier designated by the customer in accordance with the sales contract or order, and when the obligation to deliver the products has been completed.

For sales with sales return clauses, the Group recognizes revenue at the amount of consideration that it expects to be entitled to receive as a result of transferring the merchandise to the customer when the customer obtains control of the relevant merchandise, and recognizes a projected liability at the amount that it expects to refund as a result of the sales return; at the same time, at the carrying value of the merchandise that it expects to be returned at the time of the transfer of the returned merchandise, net of the costs expected to be incurred in recovering the merchandise, including the impairment in the value of the returned merchandise At the same time, an asset, i.e., the cost of returned goods receivable, is recognized as an asset, and the cost is carried forward at the carrying value of the transferred merchandise at the time of transfer, net of the cost of the asset mentioned above. At each balance sheet date, the Group re-estimates future sales returns and re-measures the above assets and liabilities.

In accordance with contractual agreements, laws and regulations, etc., the Group provides quality assurance for the products it sells. For warranty-type quality assurance to assure customers that goods sold meet established standards, the Group accounts for them in accordance with Note III.18. In assessing whether a quality assurance provides a separate service from assuring the customer that the goods sold meet established standards, the Group considers factors such as whether the quality assurance is a statutory requirement, the duration of the quality assurance, and the nature of the task to which the Group is committed.

Contracts for the provision of services

The contracts for the provision of services between the Group and its customers usually include a performance obligation to clear customs at the place of import for the customer. Specific sales recognition principles are described below:

Agent customs clearance services: The Group entrusts agents to handle the customs clearance of products in the place of import for customers in accordance with the sales contracts or orders signed with customers. The point of revenue recognition is the point at which the agent completes the customs clearance in the place of import and notifies the customer of the designated carrier.

The Group uses the amount of consideration that it expects to be entitled to receive as a result of transferring services to customers as the transaction price, which is determined in accordance with the terms of the contract, taking into account past business practices. The Group pays a consideration payable to a customer that is not for the purpose of obtaining other clearly distinguishable goods or services from the customer, and therefore reduces this consideration payable to the customer by the transaction price and eliminates current revenue at the later of the recognition of the related revenue and the payment (or promise to pay) of the consideration to the customer.

The Group pays a consideration payable to a customer that is not for the purpose of obtaining other clearly distinguishable goods or services from the customer, and therefore reduces this consideration payable to the customer by the transaction price and eliminates current revenue at the later of the recognition of the related revenue and the payment (or promise to pay) of the consideration to the customer.

III. Significant accounting policies and accounting estimates (continued)

21. Contractual liabilities

The Group presents contractual liabilities in the balance sheet based on the relationship between the fulfillment of performance obligations and payments from customers.

Contractual liabilities

Obligations to transfer goods or services to customers for which consideration has been received from the customer or for which an unconditional right to receive consideration has been acquired prior to the transfer of the goods or services to the customer are recognized as contractual liabilities.

22. Government grants

Government grants are recognized when the conditions attached to them can be met and they are receivable. Where government grants are monetary assets, they are measured at the amount received or receivable. Government grants that are non-monetary assets are measured at fair value; if the fair value cannot be reliably obtained, they are measured at a nominal amount.

If a government document specifies that the subsidy is to be used for the purchase, construction or other formation of long-term assets, it is treated as an asset-related government subsidy; if the government document is unclear, the subsidy is judged on the basis of the basic conditions that must be met to obtain the subsidy, and those that are based on the basic conditions of the purchase, construction or other formation of long-term assets are treated as asset-related government subsidies, while those that are not are treated as revenue-related government subsidies.

The Group recognizes government grants received on a gross basis.

Government grants related to income that are used to compensate for related costs and expenses or losses in future periods are recognized as deferred income and charged to current profit or loss in the period in which the related costs and expenses or losses are recognized; those that are used to compensate for related costs and expenses or losses that have already been incurred are charged directly to current profit or loss.

Government grants related to assets are recognized as deferred income and are amortized to profit or loss over the useful lives of the related assets in a rational and systematic manner (except for government grants measured at nominal amounts, which are recognized directly in profit or loss for the current period), and the balance of the unallocated deferred income related to the relevant assets is transferred to profit or loss in the period in which the assets are disposed of if the relevant assets are sold, transferred, retired or destroyed before the end of their useful lives.

III. Significant accounting policies and accounting estimates (continued)

23. Deferred income taxes

The Group provides for deferred income tax using the balance sheet liability method based on temporary differences between the carrying amounts and tax bases of assets and liabilities at the balance sheet date and temporary differences arising from differences between the carrying amounts and tax bases of items not recognized as assets and liabilities but whose tax bases are determinable in accordance with the provisions of the tax laws.

Deferred tax liabilities are recognized for all taxable temporary differences, unless:

(1) Taxable temporary differences arise from the initial recognition of goodwill or from the initial recognition of assets or liabilities arising from a single transaction that is not a business combination, that affects neither accounting profit nor taxable income or deductible losses at the time of the transaction, and that does not result in the creation of equivalent taxable temporary differences and deductible temporary differences;
(2) For taxable temporary differences associated with subsidiaries, the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward to future years, the Group recognizes the resulting deferred tax assets to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, deductible losses and tax credits can be utilized, unless:

(1) Deductible temporary differences arise from a single transaction that is not a business combination, that at the time of the transaction affects neither accounting profit nor taxable income or deductible losses, and that does not result in the initial recognition of assets and liabilities that give rise to taxable temporary differences and deductible temporary differences of equal amount;
(2) For deductible temporary differences related to subsidiaries, it is probable that the temporary differences will reverse in the foreseeable future and it is probable that taxable income will be available in the future against which the temporary differences can be utilized.

The Group's deferred tax assets and deferred tax liabilities at the balance sheet date are measured at the tax rates that are expected to apply in the period in which the asset is expected to be recovered or the liability settled, in accordance with the tax laws, and reflect the income tax effects of the manner in which the asset is expected to be recovered or the liability settled at the balance sheet date.

At the balance sheet date, the Group reviews the carrying amount of deferred tax assets and writes down the carrying amount of deferred tax assets to the extent that it is more likely than not that sufficient taxable income will not be available to allow the benefit of the deferred tax assets to be realized in future periods. At the balance

sheet date, the Group reassesses unrecognized deferred tax assets and recognizes deferred tax assets to the extent that it is more likely than not that sufficient taxable income will be available to allow all or part of the deferred tax assets to reverse.

Deferred income tax assets and deferred income tax liabilities are stated at the net amount after offsetting when the following conditions are simultaneously met: there is a legal right to settle current income tax assets and current income tax liabilities on a net basis; the deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax authority on the same taxable entity or are related to different taxable entities, but are material in the future; the deferred income tax assets and deferred income tax liabilities are reversed in the period in which they relate to the taxable entities' intention to settle current income tax assets and current income tax liabilities on a net basis; and the assets are acquired or settled simultaneously. Deferred tax assets and deferred tax liabilities are recognized in the period in which the taxable entity intends to settle current income tax assets and current income tax liabilities on a net basis or to acquire assets and settle liabilities simultaneously.

III. Significant accounting policies and accounting estimates (continued)

24. Leasing

At the inception date of a contract, the Group assesses whether the contract is a lease or contains a lease if one of the parties to the contract cedes the right to control the use of one or more identified assets for a specified period in exchange for consideration.

as lessee

The Group recognizes right-of-use assets and lease liabilities for leases, except for short-term leases and leases of low-value assets.

At the commencement date of the lease term, the Group recognizes its right to use the leased asset over the lease term as a right-of-use asset, which is initially measured at cost. The cost of a right-of-use asset consists of: the amount of the initial measurement of the lease liability; the amount of lease payments (net of amounts relating to lease incentives that have been utilized) to be made on or before the commencement date of the lease term; the initial direct costs incurred by the lessee; and the costs expected to be incurred by the lessee to dismantle and remove the leased asset, to rehabilitate the site on which the leased asset is located, or to restore the leased asset to the condition agreed upon in the terms of the lease. Where the Group remeasures a lease liability for changes in lease payments, the carrying amount of the right-of-use asset is adjusted accordingly. The Group subsequently depreciates right-of-use assets using the average annual life method. Where it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, the Group depreciates the leased asset over its remaining useful life.

At the commencement date of the lease term, the Group recognizes a lease liability for the present value of the lease payments outstanding, except for short-term leases and leases of low-value assets. Lease payments include fixed payments and substantially fixed payments net of lease incentives, variable lease payments that depend on indices or ratios, amounts expected to be payable based on the residual value of the guarantees, and also include the exercise price of a purchase option or amounts payable upon exercise of an option to terminate the lease if the Group is reasonably certain that it will exercise the option or the term of the lease reflects the fact that the Group will exercise the option to terminate the lease . Variable lease payments that are not included in the measurement of the lease liability are recognized in profit or loss when they are actually incurred, unless otherwise provided for in the cost of the related asset.

When there is a change in the substantive fixed payments, a change in the amount expected to be payable for the residual value of the guarantee, a change in the index or rate used to determine the lease payments, a change in the valuation or actual exercise of the option to purchase, renew or terminate the lease, the Group remeasures the lease liability based on the present value of the lease payments after the change.

The Group recognizes as short-term leases leases those leases with a term of not more than 12 months at the commencement date of the lease term that do not include an option to purchase, and as low value asset leases those leases with a lower value when the individual leased asset is a brand new asset. The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The cost of the related assets or current profit or loss is recognized on a straight-line basis over the lease term in each period.

III. Significant accounting policies and accounting estimates (continued)

25. Hedge accounting

For the purposes of the hedge accounting method, the Group's hedges are classified as:

(1) A fair value hedge is a hedge of the exposure to changes in the fair value of a firm commitment (other than exchange rate risk) for which an asset or liability has been recognized and for which a firm commitment (other than exchange rate risk) has not yet been recognized.

(2) Cash flow hedges are hedges of the exposure to variability in cash flows arising from a particular type of risk associated with a recognized asset or liability, a probable forecast transaction, or the exchange rate risk of an unrecognized firm commitment.

At the inception of a hedging relationship, the Group has a formal designation of the hedging relationship and prepares formal written documentation of the hedging relationship, risk management objectives and risk management strategies. This document sets out the hedging instrument, the hedged item, the nature of the risk being hedged and the Group's approach to assessing hedge effectiveness. Hedge effectiveness is the extent to which changes in the fair value or cash flows of the hedging instrument offset the fair value or cash flows of the hedged item arising from the hedged risk. Such hedges are continually evaluated for hedge effectiveness at the initial designation date and in subsequent periods.

The Group discontinues the application of hedge accounting if the hedging instrument has expired, been sold, contractually terminated or exercised (except that rollovers or substitutions that are part of the hedging strategy are not treated as having expired or contractually terminated), or if the hedging relationship no longer meets the risk management objective due to a change in the risk management objective, or the hedge no longer meets the other conditions of the hedge accounting method.

The Group rebalances a hedging relationship if the hedging relationship no longer meets the hedge effectiveness requirements due to the hedge ratio, but the risk management objective for designating the hedging relationship has not changed.

If the conditions for hedge accounting methods are met, they are treated as follows:

fair value hedge

Gains or losses arising from hedging instruments are recognized in profit or loss for the period. Gains or losses arising from hedging exposures on hedged items are recognized in profit or loss for the period, and the carrying amount of the hedged item that is not measured at fair value is adjusted.

For fair value hedges relating to debt instruments measured at amortized cost, adjustments made to the carrying amount of the hedged item are amortized over the remaining period of the hedge using the effective interest rate method and

recognized in profit or loss. Amortization under the effective interest rate method may begin immediately after the book value adjustment and no later than the adjustment for changes in fair value based on hedged risk as a result of the termination of the hedged item. The hedged item is a debt instrument measured at fair value through other comprehensive income, and the cumulative recognized hedging gains or losses are amortized in the same manner and recognized in profit or loss, without adjusting the carrying amount of the financial asset. If the hedged item is derecognized, the unamortized fair value is recognized in profit or loss for the period.

If the hedged item is a firm commitment that has not yet been recognized, the cumulative change in the fair value of the firm commitment arising from the hedged risk is recognized as an asset or liability, with the related gain or loss recognized in profit or loss.

III. Significant accounting policies and accounting estimates (continued)

25. Hedge accounting (continued)

Where the conditions for hedge accounting methods are met, they are treated as follows: (continued)

cash flow hedge

The portion of the gain or loss on the hedging instrument that is attributable to the effectiveness of the hedge is recognized directly in other comprehensive income, and the portion that is attributable to the ineffectiveness of the hedge is recognized in profit or loss for the period.

If the forecast transaction being hedged is subsequently recognized as a non-financial asset or non-financial liability, or if the forecast transaction for the non-financial asset or non-financial liability creates a firm commitment to apply a fair value hedge, the amount of the cash flow hedge reserve that would otherwise be recognized in other comprehensive income is reversed out to the amount initially recognized for that asset or liability. The remaining cash flow hedges are reversed out of the cash flow hedge reserve recognized in other comprehensive income to profit or loss in the same period in which the expected cash flows to be hedged affect profit or loss, if a sale is expected to occur.

When the Group terminates the application of hedge accounting to cash flow hedges, if the hedged future cash flows are still expected to occur, the amount previously recognized in other comprehensive income shall not be reversed until the expected transaction actually occurs or a firm commitment is fulfilled; if the hedged future cash flows are no longer expected to occur, the amount of the cumulative cash flow hedge reserve shall be reversed out of other comprehensive income and recognized in profit or loss for the current period. .

26. Fair value measurement

Assets and liabilities that are measured or disclosed at fair value in the financial statements are identified within the fair value hierarchy based on the lowest level of inputs that are significant to the fair value measurement as a whole: Level 1 inputs, unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date; Level 2 inputs, inputs in addition to Level 1 inputs that are observable for the related assets or liabilities, either directly or indirectly; and Level 3 inputs, unobservable inputs for the related assets or liabilities. Level 2 inputs are inputs other than Level 1 inputs that are observable for the underlying asset or liability; Level 3 inputs are unobservable inputs for the underlying asset or liability.

At each balance sheet date, the Group reassesses the assets and liabilities recognized in the financial statements that are measured at fair value on a continuous basis to determine whether there has been a transition between the fair value measurement hierarchy.

27. Share buybacks

Consideration and transaction costs paid to repurchase own equity instruments, reducing shareholders' equity. Except for share-based payments, the issuance (including refinancing), repurchase, sale or cancellation of own equity instruments is treated as a change in equity.

III. Significant accounting policies and accounting estimates (continued)

28. Critical accounting judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and their disclosure, as well as the disclosure of contingent liabilities at the balance sheet date. However, the results of uncertainties in these assumptions and estimates could result in material adjustments to the carrying value of assets or liabilities affected in the future.

judgements

In the process of applying the Group's accounting policies, management has made the following judgments that have a significant effect on the amounts recognized in the financial statements:

contingent liability
The Group estimates and judges the impact on the financial statements of the results and losses of matters such as pending arbitration based on external expert advice. The Group does not recognize such obligations and discloses them only in the notes to the financial statements if they represent potential obligations arising from past transactions or events, the existence of which will be confirmed by the occurrence or non-occurrence of uncertain future events, or if they represent present obligations arising from past transactions or events, the performance of which is not probable to result in an outflow of economic benefits to the enterprise, or the amount of which cannot be reliably measured (including contingent liabilities that have a remote likelihood of causing an outflow of economic benefits to the enterprise). (excluding contingent liabilities for which it is highly unlikely that an outflow of economic benefits will result from the enterprise). Whether a contingent event creates an estimated liability or constitutes only a contingent liability is largely dependent on management's judgment, and in making that judgment the Group is required to assess, among other things, the risks and uncertainties associated with such contingent events.

business model
The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. In determining the business model, the Group considers, among other things, the manner in which the enterprise evaluates and reports the performance of the financial assets to key management personnel, the risks affecting the performance of the financial assets and how they are managed, and the manner in which the management of the relevant business is compensated. In assessing whether the objective is to collect the contractual cash flows, the Group needs to analyze the reasons, timing, frequency and value of sales of financial assets before their maturity date.

Contractual cash flow characteristics
The classification of a financial asset at initial recognition depends on the contractual cash flow characteristics of the financial asset, which requires a judgment as to whether the contractual cash flows are only payments of principal and interest based on the principal outstanding, whether there is a significant difference in comparison

with the base cash flows when including revisions to the time value of money in the valuation, whether the fair value of the early repayment feature is very small, etc. for financial assets that include an early repayment feature. of financial assets that contain early repayment features, whether the fair value of the early repayment feature is very small, etc.

Lease term - leases containing renewal options
The lease term is the period during which the Group has the right to use the leased asset and is non-cancellable, and where there is an option to renew the lease and it is reasonably certain that the option will be exercised, the lease term also includes the period covered by the option to renew. Some of the Group's leases have renewal options. In assessing whether it is reasonably certain that the renewal option will be exercised, the Group considers all relevant facts and circumstances relating to the economic benefits to be derived from the Group's exercise of the renewal option, including expected changes in facts and circumstances between the commencement of the lease term and the date of exercise of the option. On the commencement date of the lease term, the Group considers that the lease term includes the period covered by the renewal option as the Group can be reasonably certain that it will exercise the renewal option due to the more favorable contractual terms and conditions during the period of the renewal option as compared to the market value, the importance of the leased asset to the Group's operations and the fact that suitable replacement assets are not readily available, and the conditions associated with the exercise of the option and the probability of fulfilling the relevant conditions, and the Group can be reasonably certain that it will exercise the renewal option. If, after the commencement date of the lease term, there is a significant event or change within the Group's control that affects whether the Group is reasonably certain that the corresponding renewal option will be exercised, the Group will reassess whether to exercise the renewal option and revise the lease term based on the reassessment result.

III. Significant accounting policies and accounting estimates (continued)

28. Critical accounting judgments and estimates (continued)

Estimated uncertainty

The following are the key assumptions concerning the future at the balance sheet date and other key sources of estimation uncertainty that may result in material adjustments to the carrying amounts of assets and liabilities in future accounting periods.

Impairment of financial instruments
The Group uses the expected credit loss model to assess the impairment of financial instruments. The application of the expected credit loss model requires significant judgments and estimates that take into account all reasonable and supportable information, including forward-looking information. In making such judgments and estimates, the Group extrapolates the expected changes in credit risk of debtors based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment, and the provision for impairment that has been made may not equal the actual amount of future impairment losses.

Impairment of non-current assets other than financial assets (other than goodwill)
The Group determines whether there is any indication that non-current assets other than financial assets may be impaired at the balance sheet date. Intangible assets with indefinite useful lives are tested for impairment when there is an indication of impairment, in addition to the annual impairment test. Non-current assets other than financial assets are tested for impairment when there is an indication that the carrying amount may not be recoverable. Impairment is indicated when the carrying amount of an asset or group of assets exceeds the recoverable amount, which is the higher of fair value less costs of disposal and the present value of estimated future cash flows. Fair value, net of disposal costs, is determined by reference to the agreed sale price or observable market price of similar assets in an arm's length transaction, less incremental costs directly attributable to the disposal of the asset. When projecting the present value of future cash flows, management must estimate the expected future cash flows from the asset or group of assets and select an appropriate discount rate to determine the present value of the future cash flows.

Fair value of financial instruments
Valuation techniques are required to determine the fair value of financial instruments for which there is no actively traded market in which a quoted price can be provided. Valuation techniques include the use of up-to-date trading information from the market, discounted cash flow methods and option pricing models. The Group has established a workflow to ensure that professionally qualified personnel are responsible for fair value calculations, validations and reviews. The valuation models used by the Group incorporate as much market information as possible and as little information specific to the Group as possible. It should be noted that some of the information used in the valuation model requires estimates by management (e.g., discount rate, volatility of the underlying exchange rate, etc.). The Group regularly

reviews the above estimates and assumptions and makes adjustments where necessary.

development expenditure
In determining the amount to be capitalized, management must make assumptions about the expected future cash flows of the asset, the discount rate to be applied and the period over which the asset is expected to benefit.

Deferred tax assets
Deferred tax assets should be recognized for all unused deductible losses to the extent that it is probable that sufficient taxable income will be available against which those deductible losses can be utilized. This requires management to apply significant judgment in estimating the timing and amount of future taxable income to be earned, combined with tax planning strategies, to determine the amount of deferred tax assets to be recognized.

III. Significant accounting policies and accounting estimates (continued)

28. Critical accounting judgments and estimates (continued)

Estimated uncertainties (continued)

Provision for decline in value of inventories
The management of the Group estimates the provision for decline in value of inventories. The estimate is based on historical experience and with reference to the Company's relevant policy on provision for inventory write-downs. The Group regularly examines and evaluates the serviceability of inventories, time in storage, etc. to determine whether the provision for decline in value of inventories has been made in full. Management will increase or decrease the annual provision for inventory write-downs in the future if the valuation results are significantly different from the estimates previously made.

quality assurance (QA)
The Group makes reasonable estimates of warranty rates for a portfolio of contracts with similar characteristics based on historical warranty data, current warranty conditions, taking into account all relevant information such as product improvements and market changes. The estimated warranty rates may not be equal to the actual future warranty rates and the Group reassesses the warranty rates at least at each balance sheet date and determines the projected liability based on the reassessed warranty rates.

Incremental Tenant Borrowing Rate
For leases where the interest rate embedded in the lease cannot be determined, the Group uses the lessee's incremental borrowing rate as the discount rate to calculate the present value of the lease payments. In determining the interest rate for incremental borrowings, the Group uses observable interest rates as the reference basis for determining the interest rate for incremental borrowings in accordance with the economic environment in which it operates. On this basis, the Group adjusts the reference interest rate in accordance with its own circumstances, the circumstances of the underlying assets, the lease term and the amount of the lease liabilities, and other specific circumstances of the leasing business, in order to arrive at the applicable interest rate for incremental borrowings.

29. Changes in accounting policies

The Ministry of Finance issued Accounting Standards Interpretation No. 17, "Accounting Standards for Business Enterprises" ("ASBJ Interpretation No. 17") in October 2023 . Interpretation No. 17, which is effective for the Group from January 1, 2024, stipulates the classification of current liabilities and non-current liabilities, disclosure of supplier financing arrangements, and accounting treatment of sale and leaseback transactions.

In December 2024, the Ministry of Finance issued Interpretation No. 18 of the Accounting Standards for Business Enterprises ("Interpretation No. 18"). Interpretation No. 18 stipulates that when accounting for projected liabilities arising

from guarantees that are not single performance obligations, enterprises shall, in accordance with the relevant provisions of "Accounting Standard No. 13 - Contingencies", debit "Cost of main business" according to the amount of projected liabilities determined, "Other Business Costs" and credited to "Projected Liabilities", and accordingly recorded in "Operating Costs" in the income statement and "Other Current Liabilities" in the balance sheet. "Other current liabilities", "Non-current liabilities due within one year" and "Projected liabilities" are shown in the income statement and balance sheet accordingly.

The Accounting Division of the Department of the Treasury issued the "Implementation Questions and Answers for Financial Statement Presentation Standards" (the "Implementation Questions and Answers") in April 2025. It is stated in the implementation Q&A that in accordance with Accounting Standard for Business Enterprises (ASBE) No. 30 - Presentation of Financial Statements (Caijing [2014] No. 7) and with reference to the application guide, the liabilities of an enterprise should be presented separately for current liabilities and non-current liabilities. For projected liabilities arising from guaranteed quality assurance with a term of more than one year or one business cycle, enterprises shall record the amount of projected liabilities for guaranteed quality assurance that is expected to be settled within one year or one business cycle in the future as a current liability under the item of "Non-current liabilities due within one year" in the balance sheet, and record the rest under the item of "Projected liabilities" in the balance sheet. The rest is recognized as non-current liabilities and shown under the item "projected liabilities" in the balance sheet; if the enterprise cannot reasonably expect the amount to be settled within one year or one business cycle in the future, the whole amount is recognized as current liabilities and shown under the item "other current liabilities" in the balance sheet.

III. Significant accounting policies and accounting estimates (continued)

29. Changes in accounting policies (continued)

The main effects of the implementation of the above accounting policies on the financial statements are set out below:

financial statements

2024

	pre-change	Amount of impact	after change
	Current year's incidence		Current year's incidence
business costs	3,905,543,267.61	90,517,540.82	3,996,060,808.43
sales expense	728,217,414.01	(90,517,540.82)	637,699,873.19

	pre-change	Amount of impact	after change
	Balance at the beginning of the year		Balance at the beginning of the year
projected liability	107,978,883.84	(56,166,501.86)	51,812,381.98
Non-current liabilities due within one year	273,943,685.12	56,166,501.86	330,110,186.98

2023

	pre-change	Amount of impact	after change
	Current year's incidence		Current year's incidence
business costs	3,568,069,546.28	98,633,016.93	3,666,702,563.21
sales expense	811,045,954.21	(98,633,016.93)	712,412,937.28

	pre-change	Amount of impact	after change
	Balance at the beginning of the year		Balance at the beginning of the year
projected liability	98,152,873.62	(45,012,205.59)	53,140,668.03
Non-current liabilities due within one year	540,194,246.05	45,012,205.59	585,206,451.64

Company

2024

	pre-change	Amount of impact	after change
	Current year's incidence		Current year's incidence
business costs	2,944,755,377.51	835,753.50	2,945,591,131.01
sales expense	106,341,861.45	(835,753.50)	105,506,107.95

	pre-change	Amount of impact	after change
	Balance at the beginning of the year		Balance at the beginning of the year
projected liability	5,454,959.25	(2,973,883.06)	2,481,076.19
Non-current liabilities due within one year	239,769,285.89	2,973,883.06	242,743,168.95

III. Significant accounting policies and accounting estimates (continued)

29. Changes in accounting policies (continued)

2023

	pre-change	Amount of impact	after change
	Current year's incidence		Current year's incidence
business costs	2,237,965,540.82	7,056,268.38	2,245,021,809.20
sales expense	75,333,382.91	(7,056,268.38)	68,277,114.53

	pre-change	Amount of impact	after change
	Balance at the beginning of the year		Balance at the beginning of the year
projected liability	7,002,952.37	(3,026,948.67)	3,976,003.70
Non-current liabilities due within one year	510,886,716.30	3,026,948.67	513,913,664.97

四、 tax items

1. Major tax types and rates

Value-added tax (VAT) - Taxable income is subject to output tax at the applicable rate and is subject to VAT on the difference between the amount of input tax deducted and the amount of input tax credit allowed for the period.

Sales tax is calculated at the rates of 6% and 13% on the taxable income of general taxpayers of Chinese enterprises.

The VAT rate applicable to exports of products by Chinese enterprises is zero.

The Vietnam subsidiaries, GREENWORKS (VIETNAM) COMPANY LIMITED and GREENWORKS (THAI BINH) COMPANY LIMITED, are EPE enterprises (Export Processing Enterprises), and the applicable VAT rate is zero.

The Swedish subsidiary Globe Technologies Sweden AB calculates output tax at 25% of taxable income, and the applicable VAT rate for exports to EU countries is zero.

The German subsidiary Greenworks Tools Europe GmbH calculates output tax at 19% of taxable income, and the VAT rate applicable to exports to EU countries is zero.

The Italian subsidiary GLOBE TECHNOLOGIES ITALIA S.R.L. calculates output tax on domestic sales at 22% of taxable income.

The UK subsidiaries GLOBE TECHNOLOGIES UK LTD and Greenworks Power UK LTD calculate output tax on domestic sales at 20% of taxable income.

Singaporean company ULTRAPOWER SG PTE. LTD. Domestic sales are subject to GST at 7% of taxable income.

The Canadian company Greenworks Tools Canada Inc. calculates GST on domestic sales at 5% of taxable income, and the Harmonized Sales Tax (HST), which is implemented in certain provinces of Canada, calculates HST at between 13% and 15% of taxable income.

Urban maintenance and construction tax	-	Chinese enterprises are charged at 7% of the actual turnover tax paid.
Education surcharge	-	Chinese enterprises are charged 3% of the actual turnover tax paid.
Local education surcharge	-	Chinese enterprises are charged 2% of the actual turnover tax paid.

四、 Taxation (continued)

1. Major taxes and rates (continued)

Enterprise income tax - Except for the tax incentives listed in Note IV.2, enterprise income tax of the Group's domestic subsidiaries is accrued at 25% of taxable income.

The Vietnamese subsidiaries GREENWORKS (VIETNAM) COMPANY LIMITED and GREENWORKS (THAI BINH) COMPANY LIMITED are subject to the income tax tax regulations of their place of incorporation at a rate of 20%.

The U.S. subsidiaries Greenworks Holding, Inc., Greenworks North America, LLC. and Greenworks Logistics, Inc. are subject to the income tax regulations of the state of North Carolina in the U.S., where they are domiciled, with an applicable tax rate of 21%. Greenworks TN MFG, LLC and Greenworks TN Real Estate, LLC are subject to the income tax tax regulations of the state of Tennessee, USA, where they are incorporated, with an applicable tax rate of 21%.

The Swedish subsidiary Globe Technologies Sweden AB applies the income tax tax regulations of its registered office in Malmö, Sweden, at a rate of 20.6%.

The German subsidiary Greenworks Tools Europe GmbH is subject to the income tax tax regulations of the city of Cologne, Germany, where it is registered, with a corporate income tax rate of 15% plus a solidarity surtax of 5.5%, resulting in an effective effective tax rate of 15.825%. The average effective rate of sales tax applied is approximately 14%.

The Canadian subsidiary Greenworks Tools Canada Inc. is subject to the income tax tax regulations of its domicile, Toronto, Canada, at a rate of 27%.

The Hong Kong subsidiaries, Hong Kong Sun Rise Trading Limited and Aegis (Hong Kong) Limited, are subject to the income tax regulations of Hong Kong, where they are incorporated, at a rate of 16.5%.

The Italian subsidiary GLOBE TECHNOLOGIES ITALIA S.R.L. is subject to the income tax regulations of the city of Milan, Italy, where it is incorporated, with a tax rate of 27.9%.

The UK subsidiaries GLOBE TECHNOLOGIES UK LTD and Greenworks Power UK LTD are subject to the income tax tax regulations of their domicile in Birmingham, UK, at a rate of 25%.

nullLTD. is subject to the income tax regulations of the Republic of Singapore, where it is incorporated, at a rate of 17%.

IV. Taxation (continued)

1. Major taxes and rates (continued)

Property Tax	-	Paid on the basis of the original value of the property after deducting a certain percentage or on the basis of rental income at a rate set by the state.
Land use tax	-	Chinese companies pay on the basis of land use area.
Stamp Duty	-	Taxable items are taxed at the rates specified in the Provisional Regulations of the People's Republic of China on Stamp Duty.

2. Tax incentives

The Company received the Certificate of High and New Technology Enterprise (Certificate No. GR202432007283) jointly issued by Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance and Jiangsu Provincial Taxation Bureau of the State Administration of Taxation on December 16, 2024, which recognizes the Company as a high and new technology enterprise. In accordance with the relevant national tax policies for high-tech enterprises, the enterprise income tax rate applicable to the Company from FY2024 to FY2026 is 15%.

GREENWORKS (VIETNAM) COMPANY LIMITED and GREENWORKS (THAI BINH) COMPANY LIMITED, subsidiaries in Vietnam, are subject to a reduced corporate income tax rate of 10% for 15 years from the year of incorporation in accordance with local income tax incentives, and are exempted from corporate income tax for the first to fourth years starting from the first profitable year (after making up losses of previous years). At the same time, from the first profit-making year (after making up for the previous years' losses), we are exempted from corporate income tax for the first to fourth years, and are entitled to a 50% reduction in corporate income tax for the fifth to thirteenth years. GREENWORKS (VIETNAM) COMPANY LIMITED has been profitable since FY2020.

The Hong Kong subsidiaries, Hong Kong Sun Rise Trading Limited and Aegis (Hong Kong) Limited, are entitled to Hong Kong profits tax exemption on profits from Hong Kong offshore operations that meet the requirements.

The Company's subsidiaries, Yixinjia Technology (Changzhou) Company Limited, Greenworks (Nantong) Trading Company Limited and Shanghai Hsu Sheng Garden Technology Company Limited, in accordance with the "Announcement on the Preferential Policies on Income Tax for Small and Micro Enterprises and Individual Business Enterprises" (Cai Shui [2023] No. 6), from 1 January 2023 to 31 December 2024, the annual taxable income of small and micro enterprises shall not exceed 1 million yuan, the portion of the annual taxable income of small micro-profit enterprises shall be reduced by 25% of the taxable income and the enterprise income tax shall be paid at a tax rate of 20%; according to the provisions of the

Announcement on Further Implementation of Preferential Policies on Income Tax for Small and Micro-Enterprises (Cai Shui [2022] No. 13), from January 1, 2022 to December 31, 2024, the portion of the annual taxable income of small micro-profit enterprises that is more than 1 million yuan but not more than 3 million yuan shall be reduced by 25% of the annual taxable income of small micro-profit enterprises. million yuan, the portion of the annual taxable income of small micro-profit enterprises shall be reduced by 25% to be included in the taxable income, and the enterprise income tax shall be paid at a tax rate of 20%.

The UK subsidiaries GLOBE TECHNOLOGIES UK LTD and Greenworks Power UK LTD are subject to reduced corporate income tax at a rate of 19% on their annual taxable profits of less than £50,000.

V. Notes to the main items of the consolidated financial statements

1. Currency funds

	2024	2023
(accountancy)	-	1,081,216.40
a bank account	2,324,920,862.60	2,357,821,543.46
Other monetary funds	328,574,522.30	357,041,723.20
add up the total	2,653,495,384.90	2,715,944,483.06
Of which: total deposits abroad	740,723,031.93	498,746,455.19

As at December 31, 2024, the Group's monetary funds with restricted ownership or right of use amounted to RMB288,970,220.29 (December 31, 2023: RMB334,095,375.03), refer to Note V.18.

2. Financial assets held for trading

	2024	2023
Financial assets at fair value through profit or loss		
banking products	-	63,213,703.12
Bank Structured Deposits	401,360,078.81	50,252,777.78
add up the total	401,360,078.81	113,466,480.90

3. Derivative financial assets

	2024	2023
Derivative financial assets arising from hedging instruments		
forward exchange contract (finance)	-	222,137.01
Derivative financial assets arising from non-hedging instruments		
foreign exchange swap (finance)	33,503,779.09	-
currency swap contract (finance)	7,737,344.71	-
add up the total	41,241,123.80	222,137.01

The Group's use of derivative financial instruments for hedging purposes is described in Note X.3.

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts receivable

（1） Disclosure by age

	2024	2023
Within 1 year	1,205,361,191.10	1,043,740,085.65
1 to 2 years	111,252,408.35	79,173,564.77
2 to 3 years	44,786,982.58	1,761,492.86
3 to 4 years	875,264.19	602,710.37
4 to 5 years	380,511.91	498,344.00
More than 5 years	4,300,347.49	5,526,065.40
	1,366,956,705.62	1,131,302,263.05
Less: Provision for bad debts on accounts receivable	50,398,007.16	35,895,937.29
add up the total	1,316,558,698.46	1,095,406,325.76

As at December 31, 2024, the Group had no accounts receivable with restricted ownership or right of use (December 31, 2023: RMB187,860,917.60), refer to Note V.18.

（2） Disclosure by bad debt accrual method

2024

	Carrying amount		provision for bad debts		book value
	sum of money	proportions (%)	sum of money	Percentage of accruals (%)	
Individual provision for bad debts	7,690,004.28	0.56	7,690,004.28	100.00	-
Provision for bad debts by combination of credit risk characteristics	1,359,266,701.34	99.44	42,708,002.88	3.14	1,316,558,698.46
add up the total	1,366,956,705.62	100.00	50,398,007.16	3.69	1,316,558,698.46

2023

	Carrying amount	provision for bad debts	book value

	sum of money	proportions (%)	sum of money	Percentage of accruals (%)	
Individual provision for bad debts	7,163,287.51	0.63	7,163,287.51	100.00	-
Provision for bad debts by combination of credit risk characteristics	1,124,138,975.54	99.37	28,732,649.78	2.56	1,095,406,325.76
add up the total	1,131,302,263.05	100.00	35,895,937.29	3.17	1,095,406,325.76

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts receivable (continued)

（2） Disclosure by bad debt accrual method (continued)

At December 31, 2024, the portfolio's accounts receivable with bad debt provisions were as follows:

	2024			2023		
	Carrying amount estimated to be in default	prospective credit loss Loss rate (%)	Expected credit losses over lifetime	Carrying amount estimated to be in default	Expected credit loss ratio (%)	Expected credit losses over lifetime
Within 1 year	1,202,832,798.08	1.41	16,964,906.97	1,043,590,001.64	1.44	15,066,102.84
1 to 2 years	111,128,864.73	13.06	14,517,069.86	78,277,162.02	16.56	12,960,857.60
2 to 3 years	44,179,328.79	24.17	10,678,236.64	1,771,937.11	28.75	509,486.34
3 to 4 years	753,629.61	37.65	283,763.87	486,555.31	38.23	185,994.99
4 to 5 years	359,692.42	69.96	251,637.83	10,478.70	70.31	7,367.25
More than 5 years	12,387.71	100.00	12,387.71	2,840.76	100.00	2,840.76
add up the total	1,359,266,701.34		42,708,002.88	1,124,138,975.54		28,732,649.78

（3） Provision for bad debts

The movement in the provision for bad debts on accounts receivable is shown below:

	Balance at the beginning of the year	Provision for the current year	Reversal of current year	Write-offs during the year	Translation of foreign currency statements	Balance at end of year
2024	35,895,937.29	19,185,566.16	(2,167,988.87)	(703,728.26)	(1,811,779.16)	50,398,007.16

（4） Actual write-off of accounts receivable

The actual amount written off during the year was RMB703,728.26, and there were no amounts written off that were material.

(5) Top five accounts receivable with year-end balances summarized by party owed to them

The top five accounts receivable amounts at December 31, 2024 were as follows:

	accounts receivable Balance at end of year	Percentage of year-end balance of accounts receivable (%)	Year-end balance of provision for bad debts in accounts receivable
Client 1	208,169,965.56	15.23	3,478,030.25
Client 2	205,936,071.31	15.07	3,618,073.54
Client 3	115,243,418.32	8.43	1,625,673.35
Client IV	83,593,139.04	6.12	1,179,200.86
Client 5	66,645,585.83	4.88	12,930,295.22
add up the total	679,588,180.06	49.73	22,831,273.22

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Receivables financing

	2024	2023
accounts receivable	401,094,864.18	225,946,399.54

The ageing analysis of receivables financing is as follows:

	2024	2023
less than one year	406,834,139.44	229,262,296.37
Less: Provision for bad debts in receivables financing	5,739,275.26	3,315,896.83
add up the total	401,094,864.18	225,946,399.54

The movement in the provision for bad debts in receivables financing is shown below:

	Balance at the beginning of the year	Provision for the current year	Reversal of current year	Translation of foreign currency statements	Balance at end of year
2024	3,315,896.83	2,529,739.74	(190,268.53)	83,907.22	5,739,275.26

A summary analysis of receivables financing summarized by party owed at December 31, 2024 is as follows:

	balances	As a percentage of receivables financing Proportion of year-end balance (%)	Receivables financing Year-end balance of provision for bad debts
Client 1	406,834,139.44	100.00	5,739,275.26

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Advances

(1) Prepayments by ageing

	2024		2023	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	48,670,748.77	92.54	63,384,297.63	93.60
1 to 2 years	1,845,055.80	3.51	3,229,646.73	4.77
2 to 3 years	1,820,771.93	3.46	590,413.69	0.87
More than 3 years	259,401.29	0.49	511,221.58	0.76
add up the total	52,595,977.79	100.00	67,715,579.63	100.00

As at December 31, 2024, the Group had no significant prepayments aged over one year (December 31, 2023: Nil).

(2) Top five prepayments with year-end balances, grouped by prepayment recipients

	Balance at end of year	Percentage of prepayment balance Proportion of total (%)
first place	4,633,837.55	8.81
second place	3,603,997.02	6.85
third place	3,171,556.56	6.03
fourth place	2,611,787.74	4.97
fifth place	1,236,645.61	2.35
add up the total	15,257,824.48	29.01

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Other receivables

	2024	2023
Other receivables	187,638,264.81	143,717,246.00

Other receivables

(1) Disclosure by age

	2024	2023
Within 1 year	140,133,439.35	110,432,440.29
1 to 2 years	18,914,614.02	18,960,859.55
2 to 3 years	15,235,216.20	11,470,469.67
More than 3 years	14,358,293.11	3,397,255.44
	188,641,562.68	144,261,024.95
Less: Provision for bad debts in other receivables	1,003,297.87	543,778.95
add up the total	187,638,264.81	143,717,246.00

(2) Breakdown by nature of payments

	2024	2023
Deposits and Guarantees	104,020,905.93	69,057,877.04
Export tax refunds	70,304,033.12	64,371,070.37
Receivables from related parties	799,721.23	64,789.71
Employee Provisions and Borrowings	1,517,601.33	3,876,572.97
advance payment	2,207,828.55	1,673,096.31
(sth. or sb) else	9,791,472.52	5,217,618.55
add up the total	188,641,562.68	144,261,024.95

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Other receivables (continued)

Other accounts receivable (continued)

(3) Provision for bad debts

2024

	Carrying amount		provision for bad debts		book value
	sum of money	proportions (%)	sum of money	Percentage of accruals (%)	
Individual provision for bad debts	36,850.00	0.02	36,850.00	100.00	-
Provision for bad debts by combination of credit risk characteristics	188,604,712.68	99.98	966,447.87	0.51	187,638,264.81
add up the total	188,641,562.68	100.00	1,003,297.87	0.53	187,638,264.81

2023

	Carrying amount		provision for bad debts		book value
	sum of money	proportions (%)	sum of money	Percentage of accruals (%)	
Provision for bad debts by combination of credit risk characteristics	144,261,024.95	100.00	543,778.95	0.38	143,717,246.00

At December 31, 2024, the portfolio's other receivables with a bad debt provision were as follows:

	Carrying amount	provision for	Accrual ratio (%)

		impairment	
Combination I: Deposit Guarantee, Export Tax Refunds and Social Security Advances	176,532,767.61	-	-
Combination II: other payments	12,071,945.07	966,447.87	8.01
add up the total	188,604,712.68	966,447.87	0.51

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Other receivables (continued)

Other accounts receivable (continued)

（3） Provision for bad debts (continued)

The changes in the bad debt provision for other receivables based on expected credit losses for the next 12 months and expected credit losses for the entire expected life, respectively, are as follows:

	Phase I Next 12 months Expected credit losses	Phase II entire duration Expected credit losses (No credit impairment)	Phase III entire duration Expected credit losses (credit impairment has occurred)	add up the total
Balance at the beginning of the year	108,442.73	435,336.22	-	543,778.95
Balance at the beginning of the year				
Stage change	(123,910.76)	123,910.76	-	-
Provision for the current year	48,757.05	365,446.48	36,850.00	451,053.53
Reversal of current year	-	-	-	-
Write-offs during the year	-	-	-	-
Translation of foreign currency statements	8,465.39	-	-	8,465.39
Balance at end of year	41,754.41	924,693.46	36,850.00	1,003,297.87

(4) Provision for bad debts

The movement in the bad debt provision for other receivables is shown below:

Balance at the beginning of the year	Provision for the current year	Reversal of current year	Write-offs during the year	Translation of foreign currency	Balance at end of year

					statements	
2024	543,778.95	451,053.53	-	-	8,465.39	1,003,297.87

(5) Other receivables actually written off

At December 31, 2024, the Group had no other receivables actually written off.

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Other receivables (continued)

Other accounts receivable (continued)

(6) Top five amounts of other receivables with balances at year-end, grouped by party owed

The top five amounts of other receivables at December 31, 2024 were as follows:

	Balance at end of year	Percentage of total other receivable balances (%)	characteristic	age of accounts	provision for bad debts Balance at end of year
first place	70,304,033.12	37.27	Export tax refunds	Within 1 year Less than 1 year; 1-2 years; 2-3 years	-
second place	30,011,570.00	15.91	Deposits and Guarantees		-
third place	16,022,059.64	8.49	Deposits and Guarantees	Within 1 year	-
fourth place	14,170,544.53	7.51	Deposits and Guarantees	Within 1 year	-
fifth place	8,599,568.10	4.56	Deposits and Guarantees	Within 1 year	-
add up the total	139,107,775.39	73.74			-

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Inventory

	2024			2023		
	Carrying amount	allowance for price decreases	book value	Carrying amount	allowance for price decreases	book value
Goods in transit	16,674,287.09	-	16,674,287.09	875,094.22	-	875,094.22
raw materials	467,673,858.13	21,927,165.68	445,746,692.45	366,727,516.15	21,788,851.58	344,938,664.57
in product	70,537,342.01	-	70,537,342.01	44,509,468.81	-	44,509,468.81
semi-manufactured goods	37,445,245.97	5,147,995.83	32,297,250.14	66,974,970.70	1,593,966.72	65,381,003.98
merchandise in stock	1,722,127,782.55	117,292,209.00	1,604,835,573.55	1,757,751,823.21	77,460,819.86	1,680,291,003.35
swing space	49,874,474.10	2,207,996.43	47,666,477.67	60,117,715.37	1,459,893.72	58,657,821.65
Commissioned materials	2,330,346.23	-	2,330,346.23	4,010,833.45	-	4,010,833.45
add up the total	2,366,663,336.08	146,575,366.94	2,220,087,969.14	2,300,967,421.91	102,303,531.88	2,198,663,890.03

The movement in the provision for inventory write-downs is shown below:

	Balance at the beginning of the year	Provision for the current year	Decrease in current year		Foreign currency statements	Balance at end of year
			melodic inversion (in music)	resell	Translation differences	
raw material	21,788,851.58	952,811.05	-	(951,701.30)	137,204.35	21,927,165.68
swing space	1,459,893.72	829,524.08	-	-	(81,421.37)	2,207,996.43

semi-manufactured goods	1,593,966.72	4,135,463.72	-	(593,715.39)	12,280.78	5,147,995.83
merchandise in stock	77,460,819.86	40,497,720.94	-	(5,161,616.44)	4,495,284.64	117,292,209.00
add up the total	102,303,531.88	46,415,519.79	-	(6,707,033.13)	4,563,348.40	146,575,366.94

Net realizable value is specifically based on the estimated selling price less costs estimated to be incurred to completion, estimated selling expenses and related taxes.

At December 31, 2024, the Group had no inventories with restricted ownership or right to use (December 31, 2023: nil).

9. Other current assets

	2024	2023
Input tax, GST and Harmonized Sales Tax (HST) to be deducted	17,700,023.30	7,944,667.06
cost to be amortized	7,982,095.16	6,989,750.17
Prepayment of other taxes	-	6,262,555.80
Prepayment of enterprise income tax	4,234,025.28	4,402,374.87
(sth. or sb) else	-	153,066.69
add up the total	29,916,143.74	25,752,414.59

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Fixed assets

	Houses and buildings	machinery and equipment	carrier	Computers and electronic equipment	Furniture tools	add up the total
original price						
Balance at the beginning of the year	222,377,986.06	712,078,461.18	59,491,736.54	123,907,863.09	94,255,364.13	1,212,111,411.00
procurement	160,125.75	87,465,774.93	17,049,027.69	6,263,432.73	22,943,363.10	133,881,724.20
Disposal or scrapping	-	(12,406,289.23)	(8,568,925.42)	(9,980,748.20)	(4,308,046.29)	(35,264,009.14)
Transfer from construction in progress	205,464,151.85	133,604,122.67	1,835,832.83	914,808.25	2,975,989.31	344,794,904.91
Translation of foreign currency statements	2,268,585.85	5,151,088.24	185,085.16	1,403,485.84	2,727,632.90	11,735,877.99
Balance at end of year	430,270,849.51	925,893,157.79	69,992,756.80	122,508,841.71	118,594,303.15	1,667,259,908.96
Accumulated depreciation						
Balance at the beginning of the year	53,649,552.84	265,872,380.36	26,498,408.92	93,044,325.81	45,390,847.06	484,455,514.99
make provision for (capital requirements)	9,846,557.90	88,665,453.48	12,413,647.80	13,360,601.42	17,003,644.14	141,289,904.74
Disposal or scrapping	-	(4,025,658.39)	(5,266,054.06)	(9,686,196.54)	(3,749,290.36)	(22,727,199.35)
Translation of foreign currency statements	(322,357.28)	2,209,895.03	131,994.26	1,293,496.65	1,943,515.58	5,256,544.24

Balance at end of year	63,173,753.46	352,722,070.48	33,777,996.92	98,012,227.34	60,588,716.42	608,274,764.62
provision for impairment						
Balance at the beginning of the year	-	1,286,562.00	92,832.85	34,697.93	15,147.71	1,429,240.49
make provision for (capital requirements)	-	-	-	-	-	-
Disposal or scrapping	-	(1,272,667.29)	(36,971.15)	(8,505.67)	(7,261.89)	(1,325,406.00)
Translation of foreign currency statements	-	16,337.38	-	-	-	16,337.38
Balance at end of year	-	30,232.09	55,861.70	26,192.26	7,885.82	120,171.87
book value						
end of the year	367,097,096.05	573,140,855.22	36,158,898.18	24,470,422.11	57,997,700.91	1,058,864,972.47
beginning of the year	168,728,433.22	444,919,518.82	32,900,494.77	30,828,839.35	48,849,369.36	726,226,655.52

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Fixed assets (continued)

As at December 31, 2024 and December 31, 2023, the Group had no fixed assets under operating leases.

11. Construction in progress

(1) Construction in progress

	2024	2023
Xinzha Cubic Warehouse Project	-	39,841,844.70
Xinzha No.2 Workshop Project	38,031,576.72	-
Vietnam Taiping Plant	23,591,480.57	122,457,979.31
Equipment to be installed	19,773,256.75	85,040,660.61
Other incidental works	11,641,311.98	22,410,169.09
add up the total	93,037,626.02	269,750,653.71

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Construction in progress (continued)

(2) Significant changes in construction in progress

	budget	Balance at the beginning of the year	Increase in the current year	Transferred during the year fixed assets	Balance at end of year	Source of funds	Engineering inputs Percentage of budget Proportion (%)
Xinzha Cubic Warehouse Project	70,770,000.00	39,841,844.70	12,628,961.64	(52,470,806.34)	-	Proceeds/own funds	100.00
Xinzha No.2 Workshop Project	65,578,000.00	-	38,031,576.72	-	38,031,576.72	Proceeds/own funds	57.99
Vietnam Taiping Plant	1,150,000,000.00	122,457,979.31	93,884,488.44	(192,750,987.18)	23,591,480.57	Proceeds/own funds	18.81

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Right-to-use assets

	building	carrier	machinery and equipment	add up the total
(manufacturing, production etc) costs				
Balance at the beginning of the year	270,438,321.37	19,376,211.56	742,348.84	290,556,881.77
rise	59,226,495.88	3,819,911.36	41,651.06	63,088,058.30
take care of	(16,872,282.03)	(8,532,925.44)	-	(25,405,207.47)
Translation of foreign currency statements	(10,926,936.90)	(131,084.05)	11,498.20	(11,046,522.75)
Balance at end of year	301,865,598.32	14,532,113.43	795,498.10	317,193,209.85
accumulated amortization				
Balance at the beginning of the year	87,775,572.78	8,641,558.47	433,036.77	96,850,168.02
make provision for	63,500,467.10	4,169,484.41	290,288.56	67,960,240.07
(capital requirements)	(16,474,302.51)	(6,378,003.26)	-	(22,852,305.77)
take care of				
Translation of foreign currency statements	(1,675,384.62)	(30,246.31)	9,387.13	(1,696,243.80)
Balance at end of year	133,126,352.75	6,402,793.31	732,712.46	140,261,858.52
book value				
end of the year	168,739,245.57	8,129,320.12	62,785.64	176,931,351.33
beginning of the year	182,662,748.59	10,734,653.09	309,312.07	193,706,713.75

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Intangible assets

	land use right	Non-patented technology	hardware	add up the total
original price				
Balance at the beginning of the year	212,427,732.86	-	85,270,126.12	297,697,858.98
procurement	-	-	12,553,569.01	12,553,569.01
Transfer from construction in progress	-	-	14,344,473.12	14,344,473.12
Transfer from development expenditure	-	102,181,201.22	-	102,181,201.22
take care of	-	-	(6,173,461.48)	(6,173,461.48)
Translation of foreign currency statements	2,225,723.27	-	59,653.17	2,285,376.44
Balance at end of year	214,653,456.13	102,181,201.22	106,054,359.94	422,889,017.29
accumulated amortization				
Balance at the beginning of the year	16,430,721.43	-	48,981,573.49	65,412,294.92
make provision for (capital requirements)	4,795,853.86	1,064,387.51	13,060,543.58	18,920,784.95
take care of	-	-	(6,094,387.04)	(6,094,387.04)
Translation of foreign currency statements	77,168.05	-	24,503.14	101,671.19
Balance at end of year	21,303,743.34	1,064,387.51	55,972,233.17	78,340,364.02
book value				
end of the year	193,349,712.79	101,116,813.71	50,082,126.77	344,548,653.27

beginning of the year	195,997,011.43	-	36,288,552.63	232,285,564.06

At December 31, 2024, intangible assets formed through internal research and development accounted for 24% of the year-end balance of intangible assets (December 31, 2023: no intangible assets formed through internal research and development).

At December 31, 2024, the Group had no intangible assets with restrictions on ownership or use (December 31, 2023: Nil).

14. Development expenditure

See note VI.

15. Long-term amortization

	Balance at the beginning of the year	Increase in the current year	Amortization for the year	Translation of foreign currency statements	Balance at end of year
renovation cost	62,743,327.79	22,502,770.91	(31,268,835.53)	(529,912.05)	53,447,351.12
network service fee	265,885.77	-	(93,267.92)	-	172,617.85
(sth. or sb) else	-	273,889.17	(73,525.96)	-	200,363.21
add up the total	63,009,213.56	22,776,660.08	(31,435,629.41)	(529,912.05)	53,820,332.18

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Deferred tax assets/liabilities

Deferred tax assets and deferred tax liabilities not offset:

	2024		2023	
	deductible Temporary differences	deferred Income tax assets	deductible Temporary differences	deferred Income tax assets
Deferred tax assets				
Provision for impairment of assets	206,426,589.22	45,313,351.93	118,229,392.04	26,669,927.52
Accrued expenses and compensation payable	440,795,594.91	73,635,118.08	126,602,286.85	24,334,834.95
Deferred income	7,692,394.58	1,264,879.67	8,200,737.43	1,356,193.34
Unrealized profit on internal transactions	169,052,845.51	28,514,454.96	163,585,807.26	24,439,682.99
Deductible losses	1,334,694,081.02	241,345,398.58	1,405,366,861.55	259,453,581.02
share-based payment	6,946,459.93	1,041,968.99	62,990,979.60	9,448,646.94
Cash flow hedges in other comprehensive income	-	-	5,384,572.33	807,685.85
(sth. or sb) else	79,544,795.77	17,036,351.66	39,953,796.68	8,002,779.86
add up the total	2,245,152,760.94	408,151,523.87	1,930,314,433.74	354,513,332.47

	2024		2023	
	taxable Temporary differences	deferred Income tax liabilities	taxable Temporary differences	deferred Income tax liabilities
Deferred income tax liabilities				
Differences in depreciable lives of fixed assets	282,593,415.11	48,238,661.09	248,552,209.17	43,163,468.49
Gain on change in fair value of derivative financial instruments	41,241,123.80	6,186,168.57	161,573.29	24,235.99
Gain on change in fair value of financial assets held for trading	1,360,078.81	204,011.82	320,752.80	82,742.95

(sth. or sb) else	74,131,912.63	15,883,556.93	39,883,627.15	8,005,036.08
add up the total	399,326,530.35	70,512,398.41	288,918,162.41	51,275,483.51

Deferred tax assets and deferred tax liabilities are presented net of offsets:

	2024		2023	
	Offset amount	Balance after offset	Offset amount	Balance after offset
Deferred tax assets	65,490,651.35	342,660,872.52	43,798,042.35	310,715,290.12
Deferred income tax liabilities	65,490,651.35	5,021,747.06	43,798,042.35	7,477,441.16

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Deferred tax assets/liabilities (continued)

The deductible temporary differences and deductible losses for which no deferred tax assets have been recognized are as follows:

	2024	2023
Deductible temporary differences	2,856,244.82	559,017.95
Deductible losses	49,845,246.16	26,846,029.68
add up the total	52,701,490.98	27,405,047.63

The deductible temporary differences and deductible losses for which no deferred tax assets have been recognized will expire or reverse in the following years:

	2024	2023
2027	6,128,940.58	6,193,966.41
2028	6,786,255.74	7,359,463.46
2029	5,930,325.59	-
2044	11,374,599.46	-
Permanent (note)	22,481,369.61	13,851,617.76
add up the total	52,701,490.98	27,405,047.63

Note: Represents foreign subsidiaries with an unlimited number of years to cover losses.

17. Other non-current assets

	2024	2023
Prepayments for engineering equipment	29,036,201.44	25,629,449.79
(sth. or sb) else	409,802.06	864,283.04
add up the total	29,446,003.50	26,493,732.83

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Assets subject to restrictions on ownership or use

2024

	Carrying amount	book value	Type of restriction	Restrictions
money funds	288,970,220.29	288,970,220.29	Security deposits, loan pledges, export tax refund accounts, judicial freezes	Note 1

2023

	Carrying amount	book value	Type of restriction	Restrictions
money funds	334,095,375.03	334,095,375.03	Margin, loan pledge, export tax refund account	Note 1
accounts receivable	187,860,917.60	187,860,917.60	loan pledge	Note 2
add up the total	521,956,292.63	521,956,292.63		

Note 1: As at 31 December 2024, bank deposits with a carrying value of RMB0.14 (31 December 2023: RMB12,166,191.68) were used for forward foreign exchange contract margin; bank deposits with a carrying value of RMB103,724,906.00 (31 December 2023: RMB26,250,162.75)) bank deposits with a carrying value of RMB8,000,000.00 (31 December 2023: RMB529,151.63) were used for bank acceptance bills deposits; bank deposits with a carrying value of RMB2,305,761.06 (31 December 2023: RMB1,999, 256.59) bank deposits for guarantee deposits; time deposits with a carrying value of RMB154,505,821.91 (December 31, 2023: RMB293,141,638.75 time deposits and RMB187,860,917.60 accounts receivable) were restricted for obtaining long-term borrowings of RMB490, 070,000.00 (December 31, 2023: short-term borrowings of RMB342,211,765.31); accounts receivable with a carrying value of RMB20,365,672.14 were judicially frozen (December 31, 2023: nil); accounts

payable with a carrying value of RMB68,059.04 (December 31, 2023: RMB8,973.63) of the export tax rebate account was used to obtain pledge of bank borrowings.

Note 2: As at December 31, 2024, no receivables were subject to pledge (December 31, 2023: RMB187,860,917.60).

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Short-term loans

	2024	2023
credit loan	1,073,120,303.39	514,275,246.96
Guaranteed and Pledged Borrowings	-	131,763,194.44
loan on pledge	-	342,211,765.31
Secured and pledged borrowings	-	6,092,431.38
add up the total	1,073,120,303.39	994,342,638.09

At December 31, 2024, there were no short-term borrowings due but not repaid (December 31, 2023: nil).

20. Derivative financial liabilities

	2024	2023
Derivative financial liabilities arising from hedging instruments		
forward exchange contract (finance)	-	5,606,709.34
Derivative financial liabilities arising from non-hedging instruments		
Foreign Exchange Option Contracts	-	91,204.49
add up the total	-	5,697,913.83

The Group's use of derivative financial instruments for hedging purposes is described in Note X.3.

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Notes payable

	2024	2023
banker's acceptance	490,107,770.42	186,213,257.68

At December 31, 2024, the Group had no notes payable that were due and unpaid.

22. Accounts payable

	2024	2023
accounts payable	1,326,183,454.05	1,112,016,627.10

At December 31, 2024, the Group had no significant accounts payable aged over one year.

23. Contractual liabilities

	2024	2023
Payments received in advance	25,480,364.37	20,509,868.46
Withholding of sales discounts	47,012,169.68	45,186,243.58
add up the total	72,492,534.05	65,696,112.04

At December 31, 2024, the Group had no significant contractual liabilities aged over one year.

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Employee compensation payable

	Balance at the beginning of the year	Increase in the current year	Decrease in current year	Translation of foreign currency statements	Balance at end of year
short-term compensation	66,788,466.33	891,899,371.87	(870,718,993.01)	(1,017,354.36)	86,951,490.83
Post-employment benefits (defined contribution plan)	3,664,326.89	47,465,297.55	(47,511,610.82)	(167,971.14)	3,450,042.48
add up the total	70,452,793.22	939,364,669.42	(918,230,603.83)	(1,185,325.50)	90,401,533.31

Short-term remuneration is as follows:

	Balance at the beginning of the year	Increase in the current year	Decrease in current year	Translation of foreign currency statements	Balance at end of year
Wages, bonuses, allowances and subsidies	64,255,149.77	795,125,833.26	(774,861,821.46)	(1,033,183.82)	83,485,977.75
Employee benefits	971.60	49,007,623.94	(47,716,677.20)	13,020.67	1,304,939.01
social security contributions	481,193.39	32,373,939.04	(32,500,414.14)	2,790.98	357,509.27
Of which: medical insurance premiums	477,504.84	28,993,625.50	(29,141,475.78)	2,827.06	332,481.62
Employment injury insurance premiums	1,287.98	1,871,072.46	(1,871,995.68)	(36.08)	328.68
Maternity insurance premiums	2,400.57	1,509,241.08	(1,486,942.68)	-	24,698.97

housing provident fund	520,414.00	9,709,389.77	(9,649,849.77)	-	579,954.00
Funds for trade unions and staff education	1,517,595.49	5,682,585.86	(5,990,230.44)	2,341.82	1,212,292.73
Other short-term remuneration	13,142.08	-	-	(2,324.01)	10,818.07
add up the total	66,788,466.33	891,899,371.87	(870,718,993.01)	(1,017,354.36)	86,951,490.83

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Remuneration payable to employees (continued)

Setting up a withdrawal plan is as follows:

	Balance at the beginning of the year	Increase in the current year	Decrease in current year	Translation of foreign currency statements	Balance at end of year
Basic old-age insurance premiums	3,663,126.61	44,912,365.40	(44,958,638.62)	(167,971.14)	3,448,882.25
unemployment insurance premium	1,200.28	2,552,932.15	(2,552,972.20)	-	1,160.23
add up the total	3,664,326.89	47,465,297.55	(47,511,610.82)	(167,971.14)	3,450,042.48

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Taxes payable

	2024	2023
value-added tax (VAT)	6,203,789.76	14,979,219.67
corporate income tax	12,652,885.26	5,930,012.77
Withholding of personal income tax	2,038,062.34	3,661,654.15
property tax	1,604,518.13	1,257,742.36
Urban maintenance and construction tax	196,323.92	81,629.04
Education surcharge	129,891.99	58,207.10
land use tax	179,361.01	179,361.01
non-residential property	605,798.08	686,507.71
(sth. or sb) else	162,719.94	1,241,777.53
add up the total	23,773,350.43	28,076,111.34

26. Other accounts payable

	2024	2023
Other accounts payable	151,569,510.50	134,882,097.63

Other accounts payable

	2024	2023
Payment for work and warranty	84,954,048.28	79,712,482.02
Expenses payable	63,360,650.98	52,650,981.93
(sth. or sb) else	3,254,811.24	2,518,633.68
add up the total	151,569,510.50	134,882,097.63

At December 31, 2024, there were no significant other payables aged over one year.

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Non-current liabilities due within one year

	2024	2023 restated
Long-term loans due within one year (note)	564,237,130.09	235,448,906.52
Lease liabilities due within one year	57,080,819.86	38,494,778.60
Projected liabilities due within one year	55,094,948.97	56,166,501.86
add up the total	676,412,898.92	330,110,186.98

Note: At December 31, 2024, the interest rates on the above borrowings ranged from 2.65% to 3.35% per annum (December 31, 2023: 2.65% to 6.70%).

28. Other current liabilities

	2024	2023
accruals	57,618,838.10	70,625,358.79
Sales tax to be transferred	127,850.78	24,165.50
Withholding of sales discounts	89,379,893.29	91,197,470.52
add up the total	147,126,582.17	161,846,994.81

29. Long-term loans

	2024	2023
credit loan	792,887,341.78	534,654,015.06
loan on pledge	550,453,458.85	-
Guaranteed and Pledged Borrowings	-	350,295,342.47
Subtotal	1,343,340,800.63	884,949,357.53
Less: Long-term loans due within one year		
credit loan	213,952,438.36	130,000,000.00
loan on pledge	350,284,691.73	-
Guaranteed and Pledged Borrowings	-	105,448,906.52
Subtotal	564,237,130.09	235,448,906.52
add up the total	779,103,670.54	649,500,451.01

At December 31, 2024, the interest rates on the above borrowings were 2.65%-3.28% per annum (December 31, 2023: 2.65%-3.55%).

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. Lease liabilities

	2024	2023
building	178,479,720.69	183,759,183.06
carrier	11,424,047.06	8,580,280.96
machinery and equipment	12,192.07	320,957.57
	189,915,959.82	192,660,421.59
Less: Lease liabilities due within one year	57,080,819.86	38,494,778.60
add up the total	132,835,139.96	154,165,642.99

31. Projected liabilities

	Balance at the beginning of the year restated	ncrease in he current year	)ecrease in current year	ranslation of foreign currency statements	Balance at end of year	
Product Quality Assurance	106,642,819.84	64,459,401.81	(60,582,067.64)	(4,268,317.21)	106,251,836.80	classifier for sums of money
Pending litigation	1,336,064.00	-	(1,336,064.00)	-	-	
Subtotal	107,978,883.84	64,459,401.81	(61,918,131.64)	(4,268,317.21)	106,251,836.80	
Less: projected liabilities to be paid within one year	56,166,501.86				55,094,948.97	
add up the total	51,812,381.98				51,156,887.83	

Note: The Group provides product warranty services in accordance with the requirements of laws and regulations of different sales countries under agreements with customers and undertakes to compensate or replace defective running product parts. Product quality assurance is an estimate based on historical warranty data, current warranty conditions, consideration of product improvements, market changes, and all other relevant information. The Group reassesses the warranty

rates at least at each balance sheet date and determines the projected liability based on the reassessed warranty rates.

32. Deferred income

	Balance at the beginning of the year	Increase in the current year	Decrease in current year	Ba en
Government grants related to assets	8,200,737.43	-	(508,342.85)	7,69

33. Share capital

	Balance at the beginning of the year	Increase/decrease during the year					Balance at end of year
		issue new shares	ash are gra nt	transfer of provide nt fund	(sth. or sb) else	Subtotal	
globe holdings (hong kong) co., ltd.	255,598,466.00	-	-	-	-	-	255,598,466.00
ZAMA Corporation Limited	90,790,870.00	-	-	-	-	-	90,790,870.00
Chen Yin (1858-1943), Chinese writer	18,232,632.00	-	-	-	-	-	18,232,632.00
Renminbi ordinary shares	124,637,575.00	1,032,631.00	-	-	-	1,032,631.00	125,670,206.00
add up the total	489,259,543.00	1,032,631.00	-	-	-	1,032,631.00	490,292,174.00

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Share capital (continued)

On December 6, 2024, the Company issued 1,032,631.00 shares of RMB ordinary shares (A shares), with a par value of RMB1.00 per share, to the incentive recipients who fulfilled the conditions for exercise of the second exercise period of the stock option incentive plan on a directional basis, with an exercise price of RMB8.9383 per share for the stock options, an additional registered capital (share capital) of RMB1,032, 631.00, new registered capital (share capital) of RMB1,032,631.00 and new capital surplus share premium of RMB8,197,381.97.

34. Capital surplus

	Balance at the beginning of the year	Increase in the current year	Decrease in current year	Balance at end of year
Equity premium (note 1)	4,134,742,083.06	11,140,380.32	(8,793.90)	4,145,873,669.48
Other (note 2)	20,034,643.21	2,076,325.33	(9,940,628.39)	12,170,340.15
add up the total	4,154,776,726.27	13,216,705.65	(9,949,422.29)	4,158,044,009.63

Note 1: In 2024, the Company increased the capital surplus equity premium by RMB8,197,381.97 due to the issuance of RMB ordinary shares (A shares), see Note V.33. 2024 Reduction of capital surplus capital premium by RMB8,793.90 due to transaction costs arising from the repurchase of shares by the Company, please refer to Note V.35.

Note 2: In 2024, the Group's capital surplus was reduced by RMB6,908,012.55 as a result of the reversal of deferred income tax related to share-based payment expenses. Reduction of capital surplus by RMB89,617.49 as a result of the reversal of share-based payment expenses as the Company expected that the exercise conditions for part of the exercise period of the Share Option Incentive Scheme would not be realized. Increase in capital surplus of RMB2,076,325.33 as a result of the granting of stock options to employees by the Company. In 2024, the Company made a directed issue of RMB ordinary shares (A shares) to the incentive recipients eligible for the stock option incentive plan, and accordingly carried forward other capital surplus recognized in the waiting period of RMB2,942,998.35 to capital surplus share premium.

35. Treasury Unit

	Balance at the beginning of the year	Increase in the current year	Decrease in current year	Balance at end of year

stockpile unit	-	87,903,623.05	-	87,903,623.05

On April 26, 2024, the Eighth Meeting of the Second Session of the Board of Directors of the Company considered and passed the "Proposal on the Share Repurchase Program", in which the Company proposed to use not less than RMB100 million (inclusive) and not more than RMB200 million (inclusive) of the over-allotment proceeds obtained from the initial public offering of RMB ordinary shares, the Company's own funds or self-financing funds to repurchase by means of centralized bidding transactions a portion of the Company's issued RMB ordinary shares (A shares)) shares. As of December 31, 2024, the Company has repurchased a total of 6,645,100 shares of the Company through the special securities account for share repurchase by means of centralized bidding transactions, accounting for 1.36% of the Company's current total share capital of 490,292,174 shares, with the highest transaction price at RMB15.07 per share and the lowest at RMB12.11 per share, and with a total cumulative turnover of RMB87,903,. 623.05 Yuan (excluding transaction fees).

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. Other comprehensive income

Accumulated balance of other comprehensive income attributable to shareholders of the parent company in the consolidated balance sheet:

2024

	Balance at the beginning of the year	Increase/decrease /change	Balance at end of year
Changes in fair value of receivables financing	(3,315,896.83)	(2,423,378.43)	(5,739,275.26)
Provision for impairment of receivables financing credit	3,315,896.83	2,423,378.43	5,739,275.26
Translation differences on foreign currency financial statements	(60,394,314.64)	(130,795,696.12)	(191,190,010.76)
Cash flow hedge reserve	(4,654,188.12)	4,654,188.12	-
add up the total	(65,048,502.76)	(126,141,508.00)	(191,190,010.76)

2023

	Balance at the beginning of the year	Increase/decrease /change	Balance at end of year
Changes in fair value of receivables financing	(4,454,661.65)	1,138,764.82	(3,315,896.83)

Provision for impairment of receivables financing credit	4,454,661.65	(1,138,764.82)	3,315,896.83
Translation differences on foreign currency financial statements	(48,008,439.49)	(12,385,875.15)	(60,394,314.64)
Cash flow hedge reserve	27,449,946.94	(32,104,135.06)	(4,654,188.12)
add up the total	(20,558,492.55)	(44,490,010.21)	(65,048,502.76)

Other comprehensive income incurred:

2024

	Pre-tax incidence	Less: prior period accruals Other comprehensive income Transfer to profit or loss for the period	Less: Income tax	be attributed Shareholders of the parent company	be attributed minority shareholder
Other comprehensive income to be reclassified to profit or loss					
Changes in fair value of receivables financing	(5,739,275.26)	(3,315,896.83)	-	(2,423,378.43)	-
Provision for impairment of receivables financing credit	5,739,275.26	3,315,896.83	-	2,423,378.43	-
Translation differences on foreign currency statements	(130,795,696.12)	-	-	(130,795,696.12)	-
Cash flow hedge reserve	-	(5,461,873.97)	807,685.85	4,654,188.12	-
add up the total	(130,795,696.12)	(5,461,873.97)	807,685.85	(126,141,508.00)	-

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. Other comprehensive income (continued)

Other comprehensive income incurred: (continued)

2023

	Pre-tax incidence	Less: prior period accruals Other comprehensive income Transfer to profit or loss for the period	Less: Income tax	be attributed Shareholders of the parent company	be attributed minority shareholder
Other comprehensive income to be reclassified to profit or loss					
Changes in fair value of receivables financing	(3,315,896.83)	(4,454,661.65)	-	1,138,764.82	-
Provision for impairment of receivables financing credit	3,315,896.83	4,454,661.65	-	(1,138,764.82)	-
Translation differences on foreign currency statements	(12,385,875.15)	-	-	(12,385,875.15)	-
Cash flow hedge reserve	(7,684,652.22)	30,015,414.66	(5,595,931.82)	(32,104,135.06)	-
add up the total	(20,070,527.37)	30,015,414.66	(5,595,931.82)	(44,490,010.21)	-

37. Surplus reserves

	Balance at the beginning of	Increase in the current year	Decrease in current	Balance at end of year

	the year		year
Statutory surplus surplus	110,239,392.12	-	-110,239,392.12

In accordance with the Company Law and the Company's Articles of Incorporation, the Company is required to set aside 10% of net income as legal reserve. If the accumulated legal reserve is more than 50% of the Company's registered capital, it may not be withdrawn.

38. Undistributed profits

	2024	2023
Undistributed profit at the end and beginning the previous year	(190,429,889.26)	313,885,359.15
Net profit attributable to shareholders of th parent company	87,893,797.46	(474,319,054.98)
Less: Distribution of cash dividends o ordinary shares	-	29,996,193.43
Undistributed profit at the end of the year	(102,536,091.80)	(190,429,889.26)

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Operating income and operating costs

(1) Operating revenues and operating costs

	2024		2023	
	incomes	(manufacturing, production etc) costs	incomes	(manufacturing, production etc) costs restated
Main business	5,411,073,422.53	3,982,107,957.52	4,596,434,608.61	3,653,648,287.28
Other business	14,469,369.57	13,952,850.91	20,449,916.46	13,054,275.93
add up the total	5,425,542,792.10	3,996,060,808.43	4,616,884,525.07	3,666,702,563.21

(2) Operating Income Breakdown Information

Reporting segment	2024	2023
Product Type		
New Energy Gardening Machinery	4,028,517,297.91	3,110,615,032.10
Alternating current garden machinery	781,279,684.61	1,014,348,710.38
(sth. or sb) else	615,745,809.58	491,920,782.59
add up the total	5,425,542,792.10	4,616,884,525.07
operating area		
outside (a country's) borders	5,318,732,585.87	4,527,667,853.73
internal (a country, province, city etc)	106,810,206.23	89,216,671.34
add up the total	5,425,542,792.10	4,616,884,525.07
Commodity transfer time		
Transfer at a point in time	5,425,542,792.10	4,616,884,525.07

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Operating income and operating costs (continued)

（3） Operating Cost Breakdown Information

Reporting segment	2024
Product Type	
New Energy Gardening Machinery	2,968,869,462.82
Alternating current garden machinery	553,455,058.39
(sth. or sb) else	473,736,287.22
add up the total	3,996,060,808.43
operating area	
outside (a country's) borders	3,903,168,316.24
internal (a country, province, city etc)	92,892,492.19
add up the total	3,996,060,808.43
Commodity transfer time	
Transfer at a point in time	3,996,060,808.43

（4） performance obligation

Revenue recognized is derived from:

	2024	2023
Opening book value of contractual liabilities	65,696,112.04	61,047,473.12

The Group's information relating to performance obligations is set out below:

	Time for fulfilling performance obligations	Important payment terms	Nature of the goods promised to be transferred	Whether or not the person is primarily responsible	Assumptions expected to be refunded to customers	Type of quality assurance provided and related obligations
Selling Products	Fulfillment of performance obligations when delivering	The contract price is usually paid in the	garden machinery	be	not have	Product Warranty

	goods to customers	manner agreed in the contract					
	Fulfillment of performance obligations upon completion of customs clearance at the place of import and notification to the customer	The contract price is usually paid in the manner agreed in the contract					
Customs clearance services			Customs clearance services		be	not have	not have

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. Taxes and surcharges

	2024	2023
Urban maintenance and construction tax	2,822,343.90	12,487,180.48
Education fees and local education surcharges	2,018,147.29	8,922,097.52
property tax	3,000,295.79	2,508,715.11
non-residential property	1,609,432.62	1,440,041.40
land use tax	717,444.00	883,615.30
(sth. or sb) else	2,030,191.99	2,449,280.00
add up the total	12,197,855.59	28,690,929.81

41. Cost of sales

	2024	2023 restated
wages and salaries	228,554,072.35	209,800,493.14
travel costs	23,683,498.46	19,758,315.34
Business hospitality	2,959,368.78	2,831,020.43
Advertising and marketing expenses	205,150,245.55	270,050,594.98
Depreciation and amortization	21,314,246.40	17,453,067.74
sample fee	9,750,952.34	17,832,047.10
Fees for consultancy services	17,752,836.29	13,546,769.48
Warehousing and rental costs	87,506,736.01	123,557,107.76
Office and software costs	28,714,213.20	25,246,500.85
(sth. or sb) else	12,313,703.81	12,337,020.46
add up the total	637,699,873.19	712,412,937.28

42. Administrative expenses

	2024	2023
wages and salaries	283,869,400.15	300,826,320.51
Commercial insurance premiums	24,241,375.13	22,061,122.47
office expenses	36,659,018.97	39,223,040.74
travel costs	17,318,306.37	25,400,441.17
rental fee	7,348,859.14	7,169,448.86
Business hospitality	3,623,126.63	4,648,848.78
Depreciation and amortization	37,869,893.91	40,267,071.21
Fees for consultancy services	58,962,462.30	60,738,488.40
Material Consumption	10,930,385.50	10,034,669.62

(sth. or sb) else	27,525,060.68	34,431,339.78
add up the total	508,347,888.78	544,800,791.54

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

43. Research and development costs

	2024	2023
Trial production and material costs	40,625,776.44	44,610,932.90
Depreciation and amortization	12,489,927.44	11,204,918.84
Fuel and power	1,482,056.00	1,208,518.62
wages and salaries	131,826,291.17	127,827,646.78
travel costs	5,585,478.08	7,252,293.03
Fees for consultancy services	10,874,536.58	13,373,232.04
(sth. or sb) else	15,133,805.71	17,068,050.32
add up the total	218,017,871.42	222,545,592.53

44. Finance costs

	2024	2023
interest expense	85,217,503.10	109,047,946.76
Less: interest income	104,320,293.37	95,804,753.32
Currency exchange gains and losses	(75,075,668.19)	(47,030,864.24)
(sth. or sb) else	18,098,017.73	12,490,998.32
add up the total	(76,080,440.73)	(21,296,672.48)

45. Other gains

	2024	2023
Government grants related to ordinary activities	16,556,527.77	15,429,933.28
Reimbursement of handling fee for withholding of personal income tax	474,176.88	207,625.55
add up the total	17,030,704.65	15,637,558.83

46. Investment income

	2024	2023

Financial Products Investment Income	11,573,550.18	13,141,531.67
Loss on investment in foreign exchange derivative financial instruments	(7,748,139.08)	(71,879,754.30)
add up the total	3,825,411.10	(58,738,222.63)

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

47. Gain on change in fair value

	2024	2023
Foreign exchange derivative financial instruments	41,485,154.18	(77,022.22)
banking products	383,519.10	583,077.80
add up the total	41,868,673.28	506,055.58

48. Credit impairment losses

	2024	2023
Bad debt losses on accounts receivable	(17,017,577.29)	(8,230,544.76)
Bad debt losses on other accounts receivable	(451,053.53)	457,964.37
Bad debt losses on receivables financing	(2,339,471.21)	1,234,423.76
add up the total	(19,808,102.03)	(6,538,156.63)

49. Impairment losses on assets

	2024	2023
Loss on decline in value of inventories	(46,415,519.79)	(23,946,776.30)
Impairment losses on fixed assets	-	(172,263.89)
add up the total	(46,415,519.79)	(24,119,040.19)

50. Gain on disposal of assets

	2024	2023
Gains and losses on disposal of fixed assets	1,330,736.93	629,068.15
Gains and losses on disposal of right-of -use assets	-	(35,093.06)
add up the total	1,330,736.93	593,975.09

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

51. Non-operating income

	2024	2023	Credited to 2024 Non-recurring gains and losses
Insurance claims income	359,072.48	1,645,227.86	359,072.48
Income from fines	842.40	318,968.34	842.40
(sth. or sb) else	398,148.66	253,507.51	398,148.66
add up the total	758,063.54	2,217,703.71	758,063.54

52. Non-operating expenses

	2024	2023	Credited to 2024 Non-recurring gains and losses
Losses from asset obsolescence and destruction	34,002,326.15	591,540.87	34,002,326.15
Product fines and compensation expenses	4,405,841.14	2,351,113.33	4,405,841.14
Endowment expenditures	264,158.38	847,139.09	264,158.38
(sth. or sb) else	920,048.96	453,201.34	920,048.96
add up the total	39,592,374.63	4,242,994.63	39,592,374.63

53. Income tax expense

	2024	2023
Current income tax expense	44,664,326.32	11,239,792.95
Deferred income tax expense	(43,658,700.54)	(148,533,060.00)
add up the total	1,005,625.78	(137,293,267.05)

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

53. Income tax expense (continued)

The relationship between income tax expense and total profit is presented below:

	2024	2023
total profit	88,296,528.47	(611,654,737.69)
Income tax expense at statutory rate (25%)	22,074,132.12	(152,913,684.42)
Effect of applying different tax rates to subsidiaries (Note)	(1,412,115.27)	38,267,180.16
Adjustments to current income taxes of prior periods	3,469,668.33	1,839,665.31
Impact of non-deductible costs, expenses and losses	5,545,228.19	1,342,413.04
Effect of deductible temporary differences or deductible losses from the use of unrecognized deferred tax assets in prior years	(25,404.01)	(13,653,749.55)
Effect of deductible temporary differences for which no deferred tax assets have been recognized or the effect of deductible losses	5,469,484.70	2,514,683.64
Effect of changes in tax rates on opening deferred income tax balances	(807,713.57)	-
Deduction of R&D expenses	(53,628,655.23)	(62,429,422.83)
Impact of preferential tax rates for high-tech enterprises	24,802,848.59	49,514,660.20
Impact of share-based payments	(4,490,346.15)	(1,786,745.34)
Withholding of income tax on cross-border profit distribution	8,498.08	11,732.74
Income tax expense at the Group's effective tax rate	1,005,625.78	(137,293,267.05)

Note: Refer to Note 4 for the applicable income tax rates of the Group's subsidiaries.

54. Earnings per share

	2024 Yuan/share	2023 Yuan/share
basic earnings per share going concern	0.18	(1.02)
diluted earnings per share		

going concern	0.18	(1.02)

Basic earnings per share is calculated by dividing the net income for the period attributable to the Company's common shareholders by the weighted average number of common shares outstanding. The number of new shares of common stock to be issued is determined by calculating the number of shares of common stock to be issued from the date the consideration is receivable, which is generally the date of issuance of the stock, in accordance with the specific terms of the issuance contract.

No adjustment has been made to basic earnings per share for fiscal 2024 and 2023 for dilution as the Company's outstanding share options are anti-dilutive.

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

54. Earnings per share (continued)

The numerator of diluted earnings per share is determined using net income attributable to the Company's common stockholders for the period, adjusted for (1) interest on dilutive potential common stock recognized as expense for the period, (2) the gain or expense that would be incurred upon conversion of dilutive potential common stock, and (3) the income tax effect related to the adjustments described above.

The denominator of diluted earnings per share is equal to the sum of (1) the weighted average number of common shares of the Parent Company outstanding for basic earnings per share and (2) the weighted average number of common shares increased by the assumption of conversion of dilutive potential common shares into common shares.

In calculating the weighted average number of additional shares of common stock resulting from the conversion of dilutive potential common stock into outstanding common stock, dilutive potential common stock issued in prior periods is assumed to be converted at the beginning of the current period, and dilutive potential common stock issued in the current period is assumed to be converted on the date of issuance.

The specific calculations of basic and diluted earnings per share are as follows:

	2024	2023
earnings		
Net profit for the period attributable to ordinary shareholders of the Company going concern	87,893,797.46	(474,319,054.98)
Adjusted net income for the period attributable to ordinary shareholders of the Company	87,893,797.46	(474,319,054.98)
Attribution: going concern	87,893,797.46	(474,319,054.98)

	2024	2023
holders		
Weighted average number of ordinary shares of the Company outstanding	486,701,843.00	466,163,432.58
Dilution effect - weighted average number of ordinary shares		
Employee share options	-	-
Adjusted weighted average number of	486,701,843.00	466,163,432.58

ordinary shares of the Company issued and outstanding		

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

55. Notes to the statement of cash flows items

(1) Cash related to operating activities

	2024	2023
Other cash received in connection with operating activities		
government grant	16,522,361.80	14,762,839.30
Interest income	81,024,279.28	47,740,245.10
Deposit and bond recovery	454,480.98	659,012.15
(sth. or sb) else	758,063.54	2,217,703.71
add up the total	98,759,185.60	65,379,800.26
Payments of other cash related to operating activities		
Default and indemnity expenses	4,405,841.14	2,351,113.33
Expenditures on deposits and bonds	34,963,028.89	5,012,015.35
Endowment expenditures	264,158.38	847,139.09
sales expense	404,292,621.28	529,746,826.81
overhead	186,608,594.72	203,707,399.82
R&D costs	33,075,876.37	38,902,094.01
(sth. or sb) else	57,966,918.60	24,811,003.43
add up the total	721,577,039.38	805,377,591.84

(2) Cash related to investing activities

	2024	2023
Other cash received related to investing activities		
Foreign Exchange Margin Recovery	12,166,191.54	-
Net gain on settlement of foreign exchange derivatives	-	6,812,815.95
add up the total	12,166,191.54	6,812,815.95
Payments of other cash related to investing activities		
Foreign exchange margin expenses	-	11,816,105.64
Foreign exchange derivatives settlement expenses	7,595,313.19	72,724,038.46

add up the total	7,595,313.19	84,540,144.10

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

55. Notes to the statement of cash flows items (continued)

(3) Cash related to financing activities

	2024	2023
Other cash received related to financing activities		
Deposits such as bankers' accepta and pledges of bank borrowings retake	138,635,816.84	52,123,961.56
Payments of other cash related to financing activities		
Deposits such as bankers' accepta and pledges of bank borrowings expenditures	85,004,677.03	222,831,891.26
share buyback	87,912,416.95	-
Expenditure on lease liabilities	68,223,076.51	59,320,943.35
Listing fees	-	19,936,426.38
add up the total	241,140,170.49	302,089,260.99

The movements in the various liabilities arising from financing activities are shown below:

	Balance at the beginning of the year	Increase in the current year		Decrease in current year		Balance at end of year
		Cash movements	Non-cash changes	Cash movements	Non-cash changes	
short term loan	994,342,638.09	978,633,656.00	12,971,646.39	912,827,637.09	-	1,073,120,303.39
Long-term borrowings (including non-current liabilities due within one year)	884,949,357.53	1,130,520,000.00	61,642,331.91	733,770,888.81	-	1,343,340,800.63
Lease liabilities (including non-	192,660,421.59	-	66,697,200.38	68,223,076.51	1,218,585.64	189,915,959.82

current liabilities due within one year)						
add up the total	2,071,952,417.21	2,109,153,656.00	141,311,178.68	1,714,821,602.41	1,218,585.64	2,606,377,063.84

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

56. Supplementary information to the statement of cash flows

(1) Reconciliation of net income to cash flows from operating activities:

	2024	2023
net profit	87,290,902.69	(474,361,470.64)
Add: Impairment losses on assets	46,415,519.79	24,119,040.19
Credit impairment losses	19,808,102.03	6,538,156.63
Depreciation of fixed assets	141,289,904.74	115,787,231.28
Depreciation of right-of-use assets	67,960,240.07	48,740,275.34
Amortization of intangible assets	18,920,784.95	17,801,017.67
Amortization of long-term amortized expenses	31,435,629.41	26,413,076.70
Gain on disposal of fixed assets, intangible assets and other long-term assets	(1,330,736.93)	(593,975.09)
Loss on retirement of fixed assets	7,633,726.30	591,540.87
Gain on change in fair value	(41,868,673.28)	(506,055.58)
financial cost	(63,793,923.12)	(45,404,496.15)
Investment (gains)/losses	(3,825,411.10)	58,738,222.63
Increase in deferred income tax assets	(39,715,105.37)	(138,362,282.08)
Decrease in deferred income tax liabilities	(3,943,595.17)	(10,170,777.92)
(Increase)/decrease in inventories	(91,822,687.41)	762,836,821.17
Increase in operating receivables	(459,196,904.05)	(130,893,902.82)
Increase/(decrease) in operating payables	515,822,319.92	(191,828,893.45)
Share-based payment expenses	1,986,707.84	(7,146,981.39)
Net cash flows from operating activities	233,066,801.31	62,296,547.36

Significant financing activities not involving cash:

	2024	2023
Acquisition of right-of-use assets by assuming lease liabilities	63,088,058.30	158,244,761.88

Net change in cash and cash equivalents:

	2024	2023
Year-end balance of cash	1,935,968,730.24	1,759,160,002.70
Less: opening balance of cash	1,759,160,002.70	248,612,688.64

Net increase in cash and cash equivalents	176,808,727.54	1,510,547,314.06

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

56. Supplementary information on the statement of cash flows (continued)

(2) Cash and cash equivalents

	2024	2023
in cash		
Of which: cash on hand	-	1,081,216.40
Bank deposits available for payment	1,580,719,741.69	1,748,016,997.01
Other monetary funds readily available for disbursement	39,604,302.01	9,619,870.03
cash equivalent		
Of which: time certificates of deposit maturing within three months	315,644,686.54	441,919.26
Balance of cash and cash equivalents at end of year	1,935,968,730.24	1,759,160,002.70

(3) Monetary funds not classified as cash and cash equivalents

	2024	2023	rationale
loan guarantee	154,505,821.91	293,141,638.75	Not withdrawable at any time
Pledge of export tax refund account	68,059.04	8,973.63	Not withdrawable at any time
promissory note deposit	103,724,906.00	26,250,162.75	Not withdrawable at any time
Litigation Freeze	20,365,672.14	-	Not withdrawable at any time
Letter of Credit Deposit	8,000,000.00	529,151.63	Not withdrawable at any time
Letter of Guarantee Deposit	2,305,761.06	1,999,256.59	Not withdrawable at any time
Margin on forward foreign exchange contracts	0.14	12,166,191.68	Not withdrawable at any time
Time deposits of three months and above	428,556,434.37	622,689,105.33	Management intent hold to maturity (finance)
add up the total	717,526,654.66	956,784,480.36	

57. Foreign currency monetary items

	primitive currency	exchange	Renminbi (RMB)

		rates	equivalent
money funds			
dollar	249,320,948.70	7.1884	1,792,218,707.64
Euro (currency)	7,867,655.93	7.5257	59,209,618.23
Vietnamese dong (VND)	19,073,757,333.33	0.0003	5,722,127.20
pound sterling	413,518.89	9.0765	3,753,304.21
Swedish krona	3,307,822.15	0.7110	2,351,861.55
ruble (Russian currency) (loanword)	4,778,807,782.90	0.0661	315,879,194.45
Canadian dollar	1,470,009.01	5.0498	7,423,251.50
Hong Kong dollar	1,251,017.27	0.9062	1,133,671.85
Australian dollar	5,532.57	4.8484	26,824.11
add up the total			2,187,718,560.74

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. Foreign currency monetary items (continued)

	primitive currency	exchange rates	Renminbi (RMB) equivalent
accounts receivable			
dollar	141,935,852.87	7.1884	1,020,291,684.77
Euro (currency)	13,541,959.31	7.5257	101,912,723.18
Japanese yen (unit of currency)	623,109.75	0.0501	31,217.80
pound sterling	141,692.01	9.0765	1,286,067.53
ruble (Russian currency) (loanword)	1,754,561,951.44	0.0661	115,976,544.99
Canadian dollar	8,831,201.34	5.0498	44,595,800.53
add up the total			1,284,094,038.80

	primitive currency	exchange rates	Renminbi (RMB) equivalent
Receivables financing			
dollar	55,797,516.02	7.1884	401,094,864.18

	primitive currency	exchange rates	Renminbi (RMB) equivalent

Other receivables			
dollar	9,872,011.90	7.1884	70,963,970.34
Euro	310,630.20	7.5257	2,337,709.70
(currency)			
Vietnamese dong (VND)	67,059,555,900.00	0.0003	20,117,866.77
Hong Kong dollar	156,320.65	0.9062	141,657.77
ruble (Russian currency) (loanword)	58,449,040.70	0.0661	3,863,481.59
Canadian dollar	508,886.07	5.0498	2,569,772.88
add up the total			99,994,459.05

	primitive currency	exchange rates	Renminbi (RMB) equivalent
short term loan			
dollar	46,192,614.26	7.1884	332,050,988.35

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. Foreign currency monetary items (continued)

	primitive currency	exchange rates	Renminbi (RMB) equivalent
accounts payable			
dollar	15,453,433.15	7.1884	111,085,458.85
Euro (currency)	811,112.59	7.5257	6,104,190.02
Vietnamese dong (VND)	341,464,131,333.33	0.0003	102,439,239.40
Canadian dollar	2,006,538.11	5.0498	10,132,616.15
Japanese yen (unit of currency)	1,275,382.04	0.0501	63,896.64
add up the total			229,825,401.06

	primitive currency	exchange rates	Renminbi (RMB) equivalent
Other accounts payable			
dollar	5,034,594.61	7.1884	36,190,679.89
Euro (currency)	563,338.12	7.5257	4,239,513.69
Vietnamese dong (VND)	28,391,852,866.67	0.0003	8,517,555.86
Swedish krona	2,418,247.43	0.7110	1,719,373.92
ruble (Russian currency) (loanword)	91,473,101.06	0.0661	6,046,371.98
Canadian dollar	25,283.99	5.0498	127,679.09
add up the total			56,841,174.43

	primitive currency	exchange rates	Renminbi (RMB) equivalent
Non-current liabilities due within one year			
dollar	9,460,483.61	7.1884	68,005,740.37
Euro (currency)	48,712.91	7.5257	366,598.75
ruble (Russian currency) (loanword)	78,601,734.04	0.0661	5,195,574.62
Canadian dollar	1,799,332.01	5.0498	9,086,266.78
add up the total			82,654,180.52

V. NOTES TO MAJOR ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. Foreign currency monetary items (continued)

	primitive currency	exchange rates	Renminbi (RMB) equivalent
Lease liabilities			
dollar	3,884,269.66	7.1884	27,921,684.02
Euro (currency)	771,829.54	7.5257	5,808,557.57
ruble (Russian currency) (loanword)	217,550,263.09	0.0661	14,380,072.39
Canadian dollar	16,646,579.69	5.0498	84,061,898.12
add up the total			132,172,212.10

58. Leasing

as lessee

	2024	2023
Interest expense on lease liabilities	10,835,889.44	8,621,427.79
Short-term leases recognized in profit or loss with simplified treatment		
leasehold fee	105,151,312.86	136,957,961.94
Total cash outflows related to leases	173,374,389.37	196,278,905.29

Leased assets leased by the Group include buildings and structures, machinery and equipment, transportation equipment and other equipment used in the course of operations. The lease terms of buildings and structures and machinery and equipment usually range from 1 to 8 years, and the lease terms of transportation equipment and other equipment usually range from 1 to 4 years. Lease contracts usually stipulate that the Group cannot sublease the leased assets, and some of the lease contracts require the Group to maintain a certain level of financial indicators. Some leases contain provisions for renewal options and termination options.

Other Rental Information

For right-of-use assets, see Note V, 12; for simplified treatment of short-term leases and leases of low-value assets, see Note III, 24; and for lease liabilities, see Note V, 27 and Note V, 30.

VI. Research and development expenditure

The classification by nature is as follows:

	2024	2023
Personnel labor costs	167,535,875.32	169,121,887.47
Direct input costs	46,572,851.19	50,690,086.67
Fees for consultancy services	10,925,663.32	15,126,331.88
Depreciation and amortization expense	15,561,948.12	12,289,610.30
Design test costs	5,775,165.16	5,709,431.61
Other expenses	23,604,108.60	19,831,705.53
add up the total	269,975,611.71	272,769,053.46
Of which: Expensed research and development expenditure	218,017,871.42	222,545,592.53
Capitalized research and development expenditure	51,957,740.29	50,223,460.93

Development expenditures on R&D projects eligible for capitalization are shown below:

	Amount at beginning of year	Increase in the current year	Decrease in current year		Balance at end of year
		Internal R&D	Recognition of intangible assets	Recognized in profit or loss for the period	
Intelligent Weeding Robot	50,223,460.93	51,957,740.29	102,181,201.22	-	-

Significant capitalized research and development projects are listed below:

	R&D Progress	Completion time	Mode of generation of economic benefits	Point of commencement of capitalization	Specific basis for commencement of capitalization
Intelligent Weeding Robot	100%	December 2024	self-occupation	2023	project report

VII. Changes in the scope of consolidation

1. Changes in the scope of consolidation for other reasons

Refer to Note VIII.1 for new subsidiaries.

VIII. Interests in other subjects

1. Interests in subsidiaries

Information on the Company's major subsidiaries is set forth below:

	Principal place of business /registration	Nature of business	registered capital	percentage of shareholding	
				direct	overhead
Changzhou Bokang Electronic Technology Co.	Changzhou, Jiangsu	industrial manufacturing	RMB5,000,000 *4	100%	-
greenworks (vietnam) company limited	Haiphong, Vietnam	industrial manufacturing	VND 23,927,000 million	100%	-
Greenworks (Nantong) Trading Co.	Nantong, Jiangsu	(commercial) trade	RMB5,000,000	100%	-
Changzhou Geteng Auto Parts Co.	Changzhou,	industrial manufacturing	RMB7,737,501	100%	-

Changzhou Vika Plastic Industry Co.	Jiangsu Changzhou, Jiangsu	industrial manufacturing	CNY 1,510,575	100%	-
Shanghai Hsu Sheng Landscape Technology Co.	Shanghai	Landscape technology development services	RMB 500,000	100%	-
Hong Kong Sun Rise Trading Limited	Hong Kong, China	Investment, trade	*1	100%	-
Aegis (Hong Kong) Limited	Hong Kong, China	(commercial) trade	*2	100%	100%
Greenworks Holding, Inc. (formerly: Sunrise Global Holding, Inc.)	United States of America	investors	*3	-	100%
Greenworks North America, LLC. (formerly: Sunrise Global Marketing, LLC)	United States of America	(commercial) trade	*3	-	

VIII. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

The Company's principal subsidiaries are as follows: (continued)

	Principal place of business/ registration	Nature of business	registered capital	percentage of shareholding	
				direct	overhead
Greenworks Logistics, Inc. (formerly: Sunrise Global Logistics, Inc.)	United States of America	E-commerce Operation (commercial)	*3	-	100%
Greenworks Tools Europe GmbH	German	trade	Euro 25,000	-	100%
Greenworks Tools Canada Inc.	Canadian	after-sales service (commercial)	*3	-	100%
Globe Technologies Sweden AB (formerly: Globgro AB)	Sweden	trade	*5 SEK 58,170	-	100%
Greenworks TN MFG, LLC	United States of America	industrial manufacturing	US$ 100	-	100%
Greenworks TN Real Estate, LLC	United States of America	investors	US$ 100	-	100%
Ichimokuya Technology (Changzhou) Co.	Changzh	(commercial)	CNY 1,000,000	100%	-

	ou, Jiangsu	trade			
Greenworks Mobility, LLC	United States of America	(commercial) trade	-	-	100%
globe technologies italia s.r.l.	Italy	(commercial) trade	Euro 25,000	-	100%
globe technologies uk ltd	United Kingdom of Great Britain and Northern Ireland	(commercial) trade	GBP 10,000	-	100%
Greenworks Power UK LTD	United Kingdom of Great Britain and Northern Ireland	(commercial) trade	GBP 10,000	-	75%
Hainan Greenworks Technology Co.	Wenchang, Hainan	investors	RMB210,000,000	100%	-
ULTRAPOWER SG PTE. LTD.	Singapore	(commercial) trade	S$10,000	-	100%
greenworks (thai binh) company limited	Vietnam Taiping	industrial manufacturing	VND 9,420,000 mil*4 lion	100%	-

*1 The company has issued 1,001 ordinary shares with a par value of HK$1,500.00.
*2 The company has issued 100 ordinary shares with a par value of HK$10.00.
*3 The company has issued 100 ordinary shares of no par value.

*4 In April 2024, due to business development needs, the Company carried out a surviving spin-off of its wholly-owned subsidiary GREENWORKS (VIETNAM) COMPANY LIMITED, which will continue to survive after the spin-off, and at the same time newly spun-off a wholly-owned subsidiary GREENWORKS (THAI BINH) COMPANY LIMITED in the province of Taipyong, Vietnam, with its main GREENWORKS (THAI BINH COMPANY LIMITED) was newly established as a wholly-owned subsidiary in Taiping Province, Vietnam, with the main business scope of manufacturing and assembling of high-pressure cleaners and registered capital of VND94.2 million.

*5 In February 2024 Globe Technologies Sweden AB carried out a merger by absorption of its wholly owned subsidiary Fastighetsbolaget Grönarbete AB, which ceased to exist and was canceled.

ix . government grants

At December 31, 2024, the liability items involving government grants were as follows:

	Balance at the beginning of the year	New for the year	Included in non-operating income for the year	Charged to other income during the year	Other changes during the year	Balance at end of year	Asset/revenue related
Deferred income	8,200,737.43	-	-	(508,342.85)	-	7,692,394.58	Asset-related

Government grants recognized in profit or loss are as follows:

	2024	2023
Government grants related to assets		
Charged to other gains	508,342.85	1,494,719.53
Government grants related to revenue		
Charged to other gains	16,522,361.80	14,142,839.30
add up the total	17,030,704.65	15,637,558.83

X. Risks related to financial instruments

1. Financial instrument risk

The Group is exposed to a variety of risks associated with financial instruments in its ordinary course of activities, which primarily include credit risk, liquidity risk and market risk. The Group's risk management policy in this regard is summarized below.

The Board is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and related guidelines and supervising the implementation of risk management measures. The Group has risk management policies in place to identify and analyze the risks to which the Group is exposed, and these risk management policies specify specific risks and cover a wide range of areas such as market risk, credit risk and liquidity risk management. The Group regularly assesses changes in the market environment and the Group's operations to determine whether to update its risk management policies and systems.

The Group diversifies its exposure to financial instruments through an appropriately diversified portfolio of investments and businesses, and reduces the risk of concentration in any single industry, in a particular geographic region or with a particular counterparty by establishing appropriate risk management policies.

（1） credit risk

The Group only transacts with related parties and recognized, reputable third parties. In accordance with the Group's policy, credit risk needs to be evaluated at the time of acceptance of a new customer and limits are set on individual customer credit risk exposures. In addition, the Group monitors its accounts receivable balances on an ongoing basis to ensure that the Group is not exposed to significant risk of bad debts.

Money funds, bank financial products and derivative financial instruments are subject to low credit risk because the counterparties to these instruments are reputable banks with high credit ratings.

The Group's other financial assets include accounts receivable, receivables financing and other receivables, which are subject to credit risk arising from default of the counterparties, with the maximum exposure to credit risk equal to their carrying amounts.

The Group's maximum exposure to credit risk at each balance sheet date is the total amount collected from customers less provisions.

X. Risks associated with financial instruments (continued)

1. Financial instrument risk (continued)

（1） Credit risk (continued)

No collateral is required as the Group only transacts with related parties and approved and reputable third parties. Credit risk concentrations are managed by customer, geographic area and industry. As at December 31, 2024, the Group has specific concentrations of credit risk, with 15.23% (December 31, 2023: 16.38%) and 49.73% (December 31, 2023: 50.69%) of the Group's accounts receivable originating from the largest and the top five customers, respectively, with the largest accounts receivable balances. The Group entered into a short-term export credit insurance contract with China Export and Credit Insurance Corporation, under which the insurance coverage was agreed to be all exports by non-letter of credit payment method and all exports by letter of credit payment method, with the compensation ratio differing under letter of credit and non-letter of credit.

Criteria for determining significant increase in credit risk

The Group assesses at each balance sheet date whether the credit risk of the relevant financial instrument has increased significantly since initial recognition. The Group's main criteria for determining a significant increase in credit risk are the number of overdue days exceeding 30 days, or significant changes in one or more of the following indicators: significant adverse changes in the operating environment in which the debtor operates, internal or external credit ratings, and actual or expected results of operations.

Definition of credit-impaired assets

The Group's primary criterion for determining that credit impairment has occurred is that the number of days past due exceeds 90 days, however, the Group also considers credit impairment to have occurred in certain circumstances where internal or external information suggests that full recovery of the contractual amount may not be possible before considering any credit enhancements held.

A credit impairment of a financial asset may be the result of a combination of events and may not necessarily be the result of separately identifiable events.

Credit risk exposure

The Group's maximum exposure to financial assets and their classification at year-end according to credit risk level are as follows:

2024

	Next 12 months Expected credit losses	Life-cycle expected credit losses			
	Phase I	Phase II	Phase III	simple solution	add up the total

money funds	2,653,495,384.90	-	-	-	2,653,495,384.90
accounts receivable	-	-	-	1,316,558,698.46	1,316,558,698.46
Receivables financing	-	-	-	401,094,864.18	401,094,864.18
Other receivables	186,294,422.00	1,343,842.81	-	-	187,638,264.81
add up the total	2,839,789,806.90	1,343,842.81	-	1,717,653,562.64	4,558,787,212.35

X. Risks associated with financial instruments (continued)

1. Financial instrument risk (continued)

（2） liquidity risk

The Group's objective is to utilize a variety of financing instruments in order to maintain a balance between continuity and flexibility of financing. The Group finances its operations through funds generated from operations and borrowings.

The following table summarizes the maturity analysis of financial liabilities based on undiscounted contractual cash flows:

2024

	Within 1 year	1-5 years	More than 5 years	add up the total
short term loan	1,083,855,823.43	-	-	1,083,855,823.43
long term loan	-	894,313,304.54	-	894,313,304.54
Lease liabilities	-	115,699,221.75	35,993,612.66	151,692,834.41
notes payable	490,107,770.42	-	-	490,107,770.42
accounts payable	1,326,183,454.05	-	-	1,326,183,454.05
Other accounts payable	151,569,510.50	-	-	151,569,510.50
Non-current due within one year current liability	633,226,263.98	-	-	633,226,263.98
add up the total	3,684,942,822.38	1,010,012,526.29	35,993,612.66	4,730,948,961.33

2023

	Within 1 year	1-5 years	More than 5 years	add up the total
short term loan	997,024,790.57	-	-	997,024,790.57
long term loan	-	666,689,753.61	-	666,689,753.61
Lease liabilities	-	125,862,414.03	54,991,193.77	180,853,607.80
notes payable	186,213,257.68	-	-	186,213,257.68
accounts payable	1,112,016,627.10	-	-	1,112,016,627.10
Other accounts payable	134,882,097.63	-	-	134,882,097.63
Non-current due	304,173,972.14	-	-	304,173,972.14

within one year current liability				
add up the total	2,734,310,745.12	792,552,167.64	54,991,193.77	3,581,854,106.53

X. Risks associated with financial instruments (continued)

1. Financial instrument risk (continued)

（3） market risk

interest rate risk

The Group's exposure to changes in market interest rates relates primarily to the Group's long-term borrowings that bear interest at floating rates. The Group manages interest rate risk by closely monitoring changes in interest rates and reviewing borrowings on a regular basis.

In order to manage its debt portfolio in a cost-effective manner, the Group utilizes interest rate swaps, whereby the Group agrees to exchange, at specified intervals, the difference between a fixed interest amount calculated on the basis of an agreed-upon notional principal amount and a variable interest amount. As at December 31, 2024, approximately 75.26% (December 31, 2023: 61.07%) of the Group's interest-bearing borrowings bore interest at fixed rates, after taking into account the effect of interest rate swaps.

The following table presents a sensitivity analysis of interest rate risk, reflecting the impact that a reasonably possible change in interest rates would have on net profit or loss (through the impact on variable rate borrowings) and other comprehensive income, net of tax, under the assumption that all other variables are held constant.

2024

	Base point increase/(decrease)	Increase/(decrease) in net gains and losses	Increase/(decrease) in other comprehensive income, net of tax	Increase/(decrease) in total shareholders' equity
Chinese Yuan (CNY)	100	(5,081,067.51)	-	(5,081,067.51)
	(100)	5,081,067.51	-	5,081,067.51

2023

	Base point increase/(decrease)	Increase/(decrease) in net gains and losses	Increase/(decrease) in other comprehensive income, net of tax	Increase/(decrease) in total shareholders' equity

Chinese Yuan (CNY)	100	(6,153,338.54)	-	(6,153,338.54)
	(100)	6,153,338.54	-	6,153,338.54

X. Risks associated with financial instruments (continued)

1. Financial instrument risk (continued)

（3） Market risk (continued)

Exchange rate risk

The Group is exposed to exchange rate risk on a transactional basis. This type of risk arises from sales or purchases made by an operating unit in a currency other than its local currency of account. The Group's principal production is located in the PRC but part of its operations are denominated in US dollars. Therefore, the Group's recognized foreign-currency assets and liabilities and future foreign-currency transactions (foreign-currency assets and liabilities and foreign-currency transactions are mainly denominated in U.S. dollars) are exposed to foreign exchange risk. The finance department of the Group's head office is responsible for monitoring the scale of the Group's foreign currency transactions and foreign currency assets and liabilities in order to minimize the exposure to foreign exchange risk; to this end, the Group has entered into forward foreign exchange contracts and foreign exchange option contracts to achieve the purpose of hedging a portion of its foreign exchange risk.

The following table presents a sensitivity analysis of exchange rate risk, reflecting the impact that a reasonably possible change in the U.S. dollar exchange rate would have on net profit or loss (due to U.S. dollar-denominated financial instruments) and on net after-tax other comprehensive income (due to changes in the fair value of foreign exchange forward contracts) under the assumption that all of its other variables are held constant.

2024

	dollar exchange rate Increase/(decrease)	net profit and loss (Decrease)/increase	Other comprehensive income, net of tax (Decrease)/increase	Total shareholders' equity (Decrease)/increase
Renminbi appreciation against the US dollar	1%	(45,004,838.36)	(13,736,876.73)	(58,741,715.09)
Depreciation of the yuan against the dollar	(1%)	45,004,838.36	13,736,876.73	58,741,715.09
Appreciation of the euro against the United States dollar	1%	1,873,007.18	-	1,873,007.18
Depreciation of the euro against	(1%)	(1,873,007.18)	-	(1,873,007.18)

the United States dollar				
RMB appreciates against the ruble	1%	(3,337,910.41)	(4,172,388.02)	(7,510,298.43)
Yuan depreciates against the ruble	(1%)	3,337,910.41	4,172,388.02	7,510,298.43

2023

	dollar exchange rate Increase/(decrease)	net profit and loss (Decrease)/increase	Other comprehensive income, net of tax Increase/(decrease)	Total shareholders' equity (Decrease)/increase
Renminbi appreciation against the US dollar	1%	(20,560,513.26)	2,968,727.85	(17,591,785.41)
Depreciation of the yuan against the dollar	(1%)	20,560,513.26	(2,968,727.85)	17,591,785.41
Appreciation of the euro against the United States dollar	1%	8,548,867.27	-	8,548,867.27
Depreciation of the euro against the United States dollar	(1%)	(8,548,867.27)	-	(8,548,867.27)

X. Risks associated with financial instruments (continued)

2. Capital management

The primary objectives of the Group's capital management are to ensure the Group's ability to continue as a going concern and to maintain healthy capital ratios to support business development and maximize shareholder value.

The Group manages its capital structure and adjusts it in accordance with the economic situation. In order to maintain or adjust the capital structure, the Group may adjust the profit distribution to shareholders, return capital to shareholders or issue new shares. There were no changes in capital management objectives, policies or procedures during fiscal years 2024 and 2023.

The Group uses gearing ratio to manage capital and the Group's gearing ratio as at December 31, 2024 was 53.46% (December 31, 2023: 46.82%), which the Group's management believes is in line with the Group's capital management requirements.

3. Hedging

cash flow hedge

The Group designates foreign exchange forward contracts as hedging instruments for future sales settled in USD/EUR. The balances of these foreign exchange forward contracts vary with the size of the expected foreign currency sales and with changes in the forward exchange rates. The key terms of the foreign exchange forward contracts have been negotiated to match the anticipated sales that are likely to occur. The portion of the gain or loss on the hedging instrument that is attributable to the effectiveness of the hedge is recognized directly in other comprehensive income in the financial statements.

The time distribution of the notional amounts of the hedging instruments and the average exchange rates are shown below:

2023

	Within 6 months	6 to 12 months	1 year later	add up the total
Notional amount of forward contracts in United States dollars	35,000,000.00	14,500,000.00	-	49,500,000.00
Average exchange rate of the renminbi against the United States dollar	6.9810	6.9715	-	
Notional amount of euro forward contracts	3,000,000.00	-	-	3,000,000.00
Average exchange rate of RMB to EUR	7.8971	-	-	

X. Risks associated with financial instruments (continued)

3. Hedging (continued)

The carrying value of the hedging instruments and changes in fair value are shown below:

2024

	Notional amount of hedging instrument	Carrying value of hedging instruments		Balance sheet presentation items that include hedging instruments	Changes in fair value of hedging instruments used as a basis for recognizing hedge ineffectiveness during the year
		liabilities	be in debt		
Exchange rate risk - likely to occur					
Prospective transactions	-	-	-	-	(7,955,392.00)

2023

	Notional amount of hedging instrument	Carrying value of hedging instruments		Balance sheet presentation items that include hedging instruments	Changes in fair value of hedging instruments used as a basis for recognizing hedge ineffectiveness during the year
		liabilities	be in debt		
Exchange rate risk - likely to occur					
Prospective transactions	52,500,000.00	222,137.01	5,606,709.34	Derivative financial assets/derivative financial liabilities	(27,772,049.71)

The carrying amounts of hedged items and related adjustments are shown below:

2024

	Carrying value of hedged items		Balance sheet presentation items containing hedged items	Changes in fair value of hedged items used as a basis for recognizing hedge ineffectiveness during the year	Cash flow hedge reserve
	liabilities	be in debt			
Exchange rate risk - very Expected transactions that can occur	-	-	-	(7,955,392.00)	-

2023

	Carrying value of hedged items		Balance sheet presentation items containing hedged items	Changes in fair value of hedged items used as a basis for recognizing hedge ineffectiveness during the year	Cash flow hedge reserve
	liabilities	be in debt			
Exchange rate risk - very Expected transactions that can occur	-	-	-	(27,772,049.71)	(4,654,188.12)

X. Risks associated with financial instruments (continued)

3. Hedging (continued)

Changes in the fair value of hedging instruments are presented in profit or loss and other comprehensive income for the period as follows:

2024

	Changes in fair value of hedging instruments included in other comprehensive income	Hedge ineffectiveness in profit or loss for the period	Income statement line items that include recognized portion of hedge ineffectiveness	Amounts reclassified from cash flow hedge reserve to current profit or loss	Income statement presentation items containing reclassification adjustments
Exchange rate risk - expected transactions that are highly probable	5,461,873.97	(7,955,392.00)	investment income	(4,010,400.00)	Revenue from main operations

2023

	Changes in fair value of hedging instruments included in other comprehensive income	Hedge ineffectiveness in profit or loss for the period	Income statement line items that include recognized portion of hedge ineffectiveness	Amounts reclassified from cash flow hedge reserve to current profit or loss	Income statement presentation items containing reclassification adjustments
Exchange rate risk - expected transactions that are highly probable	(7,684,652.22)	(27,772,049.71)	investment income	4,970,481.05	Revenue from main operations

XI. Fair value disclosures

1. Assets and liabilities measured at fair value

2024

	Inputs used in fair value measurements			
	Active Market Offer (first level)	Important observable inputs (second level)	Important unobservable inputs (third level)	add up the total
Ongoing fair value measurements				
Financial assets held for trading	-	401,360,078.81	-	401,360,078.81
derivative financial asset	-	41,241,123.80	-	41,241,123.80
Receivables financing	-	401,094,864.18	-	401,094,864.18
add up the total	-	843,696,066.79	-	843,696,066.79

2023

	Inputs used in fair value measurements			
	Active Market Offer (first level)	Important observable inputs (second level)	Important unobservable inputs (third level)	add up the total
Ongoing fair value measurements				
Financial assets held for trading	63,213,703.12	50,252,777.78	-	113,466,480.90
derivative financial asset	-	222,137.01	-	222,137.01
Receivables financing	-	225,946,399.54	-	225,946,399.54
add up the total	63,213,703.12	276,421,314.33	-	339,635,017.45

	Inputs used in fair value measurements			
	Active Market Offer (first level)	Important observable inputs (second level)	Important unobservable inputs (third level)	add up the total

Ongoing fair value measurements				
Derivative financial liabilities	-	5,697,913.83	-	5,697,913.83

XI. Fair value disclosures (continued)

2. Level 2 fair value measurements

For financial instruments that are not traded in an active market, the Group uses valuation techniques to determine their fair value. The valuation model used is the discounted cash flow model. The inputs to the valuation technique consist mainly of risk-free rates, discount rates, forward exchange rates, and so on.

The Group has entered into derivative financial instrument contracts with various counterparties, mainly financial institutions with high credit ratings. Derivative financial instruments, including forward foreign exchange contracts, foreign exchange option contracts and interest rate swaps, are measured using valuation techniques similar to those used in forward pricing and swap models and present value methods. The model covers multiple market-observable inputs, forward rates reflecting the discount rate for counterparty credit risk, foreign exchange forward rates, foreign exchange spot rates, local currency risk-free rates, foreign currency risk-free rates and foreign exchange volatility. The carrying value of foreign exchange forward contracts and forward foreign exchange option contracts is the same as the fair value. The mark-to-market value of derivative financial assets is the net value after offsetting credit valuation adjustments attributable to the default risk of the derivative counterparty. Changes in counterparty credit risk do not have a significant impact on the evaluation of hedge effectiveness of designated derivatives in hedging relationships and other financial instruments measured at fair value.

XII. Related party relationships and their transactions

1. Parent company

	registered office	Nature of business	Shareholding in the Company (%)	Proportion of voting rights in the Company (%)	registered capital (Hong Kong dollars)
globe holdings (hong kong) co., ltd.	fact	Investment Management	52.1319	52.1319	20,000

The parent company of the Group is GLOBE HOLDINGS (HONG KONG) CO., LTD. which is registered in Hong Kong. The de facto controller of the Group is Mr. Chen Yin.

2. Subsidiaries

See Note VIII.1 for details of subsidiaries.

XII. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS (continued)

3. Other related parties

	Related Party Relationships
Stihl Tirol GMBH	Enterprises controlled by STIHL Holding AG & Co. KG, the ultimate controlling party of ZAMA Corporation Limited, a shareholder in which the Company holds an 18.52% equity interest
STIHL Incorporated	Enterprises controlled by STIHL Holding AG & Co. KG, the ultimate controlling party of ZAMA Corporation Limited, a shareholder in which the Company holds an 18.52% equity interest
ANDREAS STIHL AG & Co. KG	Enterprises controlled by STIHL Holding AG & Co. KG, the ultimate controlling party of ZAMA Corporation Limited, a shareholder in which the Company holds an 18.52% equity interest
Andreas Stihl Power Tools (Qingdao) Co.	Enterprises controlled by STIHL Holding AG & Co. KG, the ultimate controlling party of ZAMA Corporation Limited, a shareholder in which the Company holds an 18.52% equity interest

4. Major transactions between the Group and related parties

(1) Related party goods and services transactions

Sales of goods to related parties

	Content of the transaction	2024	2023
Stihl Tirol GMBH	garden machinery	112,652,760.98	125,674,249.00
STIHL Incorporated	garden machinery	212,689,762.31	32,270,247.32
ANDREAS STIHL AG & Co. KG	garden machinery	1,530,391.49	1,351,254.25
Andreas Stihl Power Tools (Qingdao) Co.	garden machinery	603,657.04	459,922.06
add up the total		327,476,571.82	159,755,672.63

The Group's sales of goods to related parties are based on mutual agreements and with reference to market prices as the basis of pricing.

XII. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS (continued)

4. MAJOR TRANSACTIONS OF THE GROUP WITH RELATED PARTIES (continued)

(1) Related party goods and services transactions (continued)

Provision of services to related parties

	Nature of transaction	2024	2023	
ANDREAS STIHL AG & Co. KG	Provision of research and development services	-	36,129,000.00	
	Provision of data services			classifier for sums of
Stihl Tirol GMBH		5,743,600.16	-	money classifier
	Provision of data services			for sums of
STIHL Incorporated		1,517,771.05	-	money
		7,261,371.21	36,129,000.00	

Note: In the year, the Group and STIHL Incorporated and Stihl Tirol GMBH were provided with data transmission support services by the Group, with reference to the market price as the basis of pricing.

Purchase of goods from related parties

	Nature of transaction	2024	Amount approved for delivery ($ million)	Is it more than trading limit	2023	
ANDREAS STIHL AG & Co. KG	Procurement of component raw materials	100,222.99	15.00	clogged	57,994.72	
Stihl Tirol GMBH	Procurement of component raw materials	29,288.41	10.00	clogged	27,828.97	
STIHL Incorporated	Procurement of component raw m	-	-	clogged	74,134.32	classi

aterials					fie r for su m s of m on ey
add up the total		129,511.40	25.00		159,958.01

Note: The Group's purchases of goods from related parties are based on mutual agreements and with reference to market prices as the basis of pricing.

(2) Acceptance of guarantees

2024surname Nian

secured party		warranty sum of money	warranty starting date	warranty maturity (of an investment bond)	Is the guarantee end of performance (math.)
Chen Yin (1858-1943), Chinese writer	(a)	450,000,000.00	2022/8/22	2024/3/1	be

2023

secured party		warranty sum of money	warranty starting date	warranty maturity (of an investment bond)	Is the guarantee end of performance (math.)
Chen Yin (1858-1943), Chinese writer	(a)	450,000,000.00	2022/8/22	2025/12/31	clogged

XII. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS (continued)

4. MAJOR TRANSACTIONS OF THE GROUP WITH RELATED PARTIES (continued)

(2) Acceptance of guarantees (continued)

Note (a): On August 22, 2022, Chen Yin agreed with the Company to provide a guarantee for his loan to China Exim Bank, Jiangsu Branch for a total amount of RMB450,000,000.00. On March 1, 2024, the loan agreement was repaid in full and the security agreement was automatically released upon repayment of the master agreement loan. (December 31, 2023: secured borrowings amounting to RMB376,609,630.39)

(3) Remuneration of key management personnel

	2024	2023
Remuneration of key management personnel	7,114,183.56	7,905,655.65

The remuneration of key management personnel does not include expenses recognized for share-based payments.

5. Balances due from and to related parties

(1) accounts receivable

	related party	2024		2023	
		Carrying amount	provision for bad debts	Carrying amount	provision for bad debts
accounts receivable	Stihl Tirol GMBH	24,025,076.32	339,177.52	21,740,101.08	305,573.68
accounts	STIHL Incorporated	4,447,536.62	62,469.43	21,795,986.7	313,466.73
accounts receivable	ANDREAS STIHL AG & Co. KG	210,426.75	2,968.37	239,829.86	3,449.20
accounts receivable	Andreas Stihl Power Tools (Qingdao) Co.	260,941.35	3,680.95	63,602.28	914.72
add up the		28,943,981.0	408,296.2	43,839,519.9	623,404.33

	related party	2024		2023	
		Carrying amount	provision for bad debts	Carrying amount	provision for bad debts

Other receivables	Stihl Tirol GMBH	255,036.46	-	35,342.68	-
Other	STIHL Incorporated	544,684.77	-	29,447.03	-
add up the		799,721.23	-	64,789.71	-

XII. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS (continued)

5. Balances due from and to related parties (continued)

(2) payables

	related party	2024	2023
accounts payable	Stihl Tirol GMBH	152,639.83	129,516.68
accounts payable	ANDREAS STIHL AG & Co. KG	46,340.92	7,244.30
accounts payable	STIHL Incorporated	74,759.36	73,660.08
accounts payable	Andreas Stihl Power Tools (Qingdao) Co.	6,055.46	6,586.91
add up the total		279,795.57	217,007.97

	related party	2024	2023
Contractual liabilities	Stihl Tirol GMBH	1,973,257.52	77,912.75
Contractual liabilities	ANDREAS STIHL AG & Co. KG	28,508.55	47,359.47
add up the total		2,001,766.07	125,272.22

Receivables from and payables to related parties are non-interest bearing and unsecured.

XIII. Share-based payment

On November 25, 2020, the Board of Directors of the Company considered and approved the "Stock Option Incentive Plan (Draft) of GREENWORKS (Jiangsu) Co." and other motions. On December 10, 2020, the Company held the Fourth Extraordinary General Meeting of 2020 to consider and approve the Draft Stock Option Incentive Plan of GREENWORKS (Jiangsu) Company Limited (hereinafter referred to as the "Stock Option Plan I"). The incentive recipients involved in the granting of stock options under the Plan include directors, senior management, core technical personnel, core business personnel, and consultants of the Company or its domestic and overseas holding subsidiaries, totaling no more than 497 persons. The maximum number of unexercised share options currently available for grant under the Plan shall not exceed 25,508,127. This program is valid for 8 years.

On March 6, 2023, the Board of Directors of the Company considered and approved the "Proposal to Adjust the Exercise Time and Validity Period of the Stock Option Incentive Plan," which adjusted the exercise commencement date to the first day of listing and extended the validity period of the Option Plan to 10 years. On May 9, 2023, the Company held the 2022 Annual General Meeting of Shareholders, which considered and approved the 2022 profit distribution plan to distribute a cash dividend of NT$0.617 (including tax) for every 10 shares to all shareholders, which resulted in a decrease in the exercise price from NT$9 per share to NT$8.9383 per share.

The Company held the Tenth Meeting of the Second Session of the Board of Directors and the Ninth Meeting of the Second Session of the Board of Supervisors on August 28, 2024, and considered and passed the "Motion Concerning the Compliance with the Exercise Conditions for the Second Exercise Period of the First and Second Batches of Incentive Subjects of the Company's Stock Option Incentive Plan", and the exercise conditions for the Second Exercise Period of the first and second batches of incentive subjects of the Company's stock option incentive plan were fulfilled, and the Motion confirmed that the number of feasible options for the second The number of exercisable options for the second exercise period is 1,032,631, the exercise price is RMB8.9383/share, the exercise of options will be carried out in a centralized manner, and the exercised shares will be listed on December 6, 2024, and the restricted period will be 36 months.

The Third Extraordinary General Meeting of 2024, the Eleventh Meeting of the Second Session of the Board of Directors and the Tenth Meeting of the Second Session of the Supervisory Committee of the Company were held on September 18, 2024, respectively, to consider and approve the "Proposal on the First Grant of Stock Options to Incentive Recipients" (hereinafter referred to as the "Stock Option Plan II"), and the source of the shares for the incentive plan is the Company's directed issue of additional A-share common stock. The source of shares under this incentive plan is the Company's directional issue of A ordinary shares, and the first grant of incentive targets under this incentive plan shall not be more than 199 persons, including the directors and senior management of the Company as well as other core employees of the Company (including its subsidiaries), excluding the independent directors and supervisors of the Company. No more than 9,790,000 stock options will be granted under this Incentive Plan, of which 9,440,000 will be granted for the first time and 350,000 will be reserved for grant. Incentive recipients for reserved grants are determined by reference to the criteria

for the initial grant. The validity period of this Incentive Plan shall be from the date of completion of the registration of the first grant of stock options to the date of full exercise or cancellation of the stock options granted to the incentive recipients, with a maximum of 48 months. The exercise price of stock options granted for the first and reserved grants under the Incentive Plan is $12.25 per share.

The various equity instruments are listed below:

	Awarded during the year	Options exercised during the year	Unlocked this year	Lapsed during the year
	quantities	quantities	quantities	quantities
managerial staff	6,712,511.00	967,231.00	3,095,960.00	3,347,898.00
sales person	2,727,489.00	65,400.00	832,144.00	1,334,342.00
add up the total	9,440,000.00	1,032,631.00	3,928,104.00	4,682,240.00

The weighted average share price at the date of exercise of share options exercised in 2024 was $14.72 per share (2023: $17.40 per share).

XIII. Share-based payment (continued)

The various equity instruments issued and outstanding at the end of the year are as follows:

Stock Option Plan I

	stock option	
	Range of	Remaining
managerial staff	8.94	1-5 years
sales person	8.94	1-5 years

Stock Option Plan II

	stock option	
	Range of	Remaining
managerial staff	12.25	1-3 years

sales person	12.25	1-3 years

Equity-settled share-based payments are shown below:

Stock Option Plan I

	2024
Method of determining the fair value of equity instruments at the grant date	the binomial model (math.)
Significant parameters of grant date fair value of equity instruments	Stock price volatility, risk-free rate, liquidity discount, strike multiples
Basis for determining the number of equity instruments for which options are exercisable	Projected separation rates, performance indicators
Cumulative amount of equity-settled share-based payments recognized in capital surplus	10,094,014.82

Stock Option Plan II

	2024
Method of determining the fair value of equity instruments at the grant date	Black Scholes option model
Significant parameters of grant date fair value of equity instruments	Risk-free rate, volatility, dividend yield
Basis for determining the number of equity instruments for which options are exercisable	Projected separation rates, performance indicators
Cumulative amount of equity-settled share-based payments recognized in capital surplus	2,076,325.33

Share-based payment expenses incurred during the year are as follows:

	Equity-settled share-based payment expense
managerial staff	1,319,005.12
sales person	667,702.72
add up the total	1,986,707.84

XIV. Commitments and contingencies

1. Important commitments

	2024	2023
Capital commitments	76,184,265.30	119,993,619.56

2. Contingencies

pending arbitration

In relation to a series of foreign exchange derivative financial instrument agreements entered into between Hong Kong Sun Rise Trading Limited ("Hong Kong Sun Rise"), a subsidiary of the Group, and United Overseas Bank (China) Limited ("UOB") in 2023 and prematurely terminated on 14 November 2023, Hong Kong Sun Rise has passively settled RMB35,453,524.04 to UOB in various forms. ("UOB") signed in 2023 and prematurely terminated on November 14, 2023, Hong Kong Sun Rise has passively delivered RMB35,453,524.04 to UOB in various forms, and the Group has incurred a total loss of RMB54,748,259.49 in respect of these agreements.

On December 8, 2023, UOB filed a request for arbitration with the China International Economic and Trade Arbitration Commission ("CIETAC"), requesting for an award that Hong Kong Dongsheng should pay UOB the outstanding early termination payables, together with interest thereon, and attorney's fees in the total amount of RMB19,359,235.02. Hong Kong Dongsheng subsequently filed a jurisdictional objection and submitted a counterclaim application for arbitration to the China International Economic and Trade Arbitration Commission ("CIETAC") on May 24, 2024, requesting CIETAC to rule that the aforesaid series of foreign exchange derivative financial instrument agreements were invalid, and to require UOB to return the funds already delivered in the amount of RMB11,681,590.00; to compulsorily transfer the account funds of RMB10,144.50, USD3,483,865.72, CAD8,593.61 and the loss of funds of the above amounts calculated at the interest rate of one-year loans in the above currencies, provisionally estimated at RMB2 million, and that UOB should bear the attorney's fees in this case and the costs of litigation in the case.

As at the date of approval of the reporting of these financial statements, the case was not yet in court. The Group, in conjunction with the opinion of an external legal expert, is of the view that the foreign exchange derivative financial instrument agreement in question lacks basic and valid authorization documents to carry out, and UOB has not fulfilled its obligation of managing the appropriateness of traders in the transaction business, which is in violation of the relevant laws, regulations and ordinances, and the transaction documents in question should be regarded as a voidable contract in accordance with the law, and the arbitration request of UOB will most likely be unsupported, and therefore, as at December 31, 2024 With reference to the provisions of "ASBE 13 - Contingencies" and other relevant standards, the Group has not made any provision related to this pending arbitration.

XV. Events after the balance sheet date

1. Impact of "reciprocal tariffs"

Since April 2, 2025, the U.S. government has announced a new round of tariff increases based on a "reciprocal tariff" policy. In respect of the Group's business, these matters may affect the Group's future US export business and are expected to have certain impact on the Group's operations and financial position. The Group has closely monitored the impact of these matters on the Group's business and has taken a number of countermeasures. The Group's future U.S. export business is subject to a degree of uncertainty and will be affected by the continued future development of these matters. Nonetheless, the Group maintains a positive attitude and will continue to closely monitor the latest policy changes and take countermeasures where necessary to minimize the impact of these matters on the Group's operations and financial position.

2. Share repurchases

Between the balance sheet date and the approved reporting date of the financial statements, the Company implemented a share repurchase program and repurchased a total of 1,190,000 shares of the Company through open repurchase in the secondary market for a total amount of RMB14,433,329.00, at an average repurchase price of RMB12.19 per share. The main purpose of this share repurchase is to optimize the capital structure and enhance earnings per share.

XVI. Other important matters

1. Segment reporting

Operating segments

The Group sells products that are similar in nature and are subject to similar risks and similar rewards. Accordingly, the Group operates in a single business segment.

Other information

Product and labor information

Please refer to Note V.39 for the Group's revenue from transactions disclosed in accordance with product and labor information.

geographic information

Revenue from external transactions

	2024	2023
North America	4,235,970,616.73	3,647,630,870.37
European	972,555,851.17	777,127,498.47
(sth. or sb) else	217,016,324.20	192,126,156.23

add up the total	5,425,542,792.10	4,616,884,525.07

Revenue from external transactions is attributable to the region in which the customer is located.

XVI. Other important matters (continued)

1. Segment reporting (continued)

Other information (continued)

Geographic information (continued)

Total non-current assets

	2024	2023
Mainland China	727,308,219.05	618,761,750.11
North America	364,243,726.32	364,833,657.47
European	43,511,563.10	53,381,853.56
Vietnam	621,585,430.30	524,718,733.22
add up the total	1,756,648,938.77	1,561,695,994.36

Non-current assets are attributable to the area in which the asset is located, excluding financial assets and deferred tax assets.

Main Customer Information

In 2024, there were three customers (including all entities known to be under the control of such customers) generating revenues amounting to RMB758,841,467.10, RMB573,490,011.83 and RMB558,417,523.76 respectively in operating revenues that reached or exceeded 10% of the Group's revenues (2023: operating revenues of RMB566,104,988.83 and RMB558,417,523.76) (2023: operating revenues of RMB566,104,988.83 and RMB558,417,523.76 respectively). revenue there existed two customers (including all entities known to be under the control of such customers) generating revenue amounting to 10% or more of the Group's revenue, with operating revenue amounting to RMB566,104,988.83 and RMB544,786,200.97 respectively).

xvii. notes to major items in the company's financial statements

1. Accounts receivable

（1） Disclosure by age

	2024	2023
Within 1 year	1,864,616,268.81	1,829,938,326.34
1 to 2 years	1,052,187,856.76	774,994,982.77
2 to 3 years	212,092,763.38	441,412,996.29
3 to 4 years	22,603,293.04	42,419,914.18
4 to 5 years	7,830,589.07	-
	3,159,330,771.06	3,088,766,219.58
Less: Provision for bad debts on accounts receivable	2,604,528.93	2,540,576.91
dd up the total	3,156,726,242.13	3,086,225,642.67

（2） Disclosure by bad debt accrual method

2024

	Carrying amount		provision for bad debts	
	sum of money	Proportion (%)	sum of money	Accrual ratio (%)
Provision by portfolio of credit risk characteristics provision for bad debts	3,159,330,771.06	100.00	2,604,528.93	0.08

2023

	Carrying amount		provision for bad debts	
	sum of money	Proportion (%)	sum of money	Accrual ratio (%)
Provision by portfolio of credit risk characteristics provision for bad debts	3,088,766,219.58	100.00	2,540,576.91	0.08

XVII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

（2） Disclosure by bad debt accrual method (continued)

At December 31, 2024, the portfolio's accounts receivable with bad debt provisions were as follows:

	2024			2023		
	Carrying amount estimated to be in default	prospective credit loss Loss rate (%)	Expected credit losses over lifetime	Carrying amount estimated to be in default	Expected credit loss ratio (%)	Expected credit losses over lifetime
Within 1 year	1,864,616,268.81	0.10	1,783,036.32	1,829,938,326.34	0.12	2,105,707.03
1 to 2 years	1,052,187,856.76	0.03	263,505.45	774,994,982.77	0.02	125,146.05
2 to 3 years	212,092,763.38	0.13	275,760.41	441,412,996.29	0.05	218,172.27
3 to 4 years	22,603,293.04	0.76	171,335.01	42,419,914.18	0.22	91,551.56
4 to 5 years	7,830,589.07	1.42	110,891.74	-	-	-
add up the total	3,159,330,771.06		2,604,528.93	3,088,766,219.58		2,540,576.91

（3） Provision for bad debts

The movement in the provision for bad debts on accounts receivable is shown below:

	Balance at the beginning of the year	Provision for the current year	Reversal of current year	Write-offs during the year	multi-currency Statement translation	Balance at end of year
2024	2,540,576.91	619,754.91	(317,661.24)	(238,141.65)	-	2,604,528.93

（4） Actual write-off of accounts receivable

The actual amount written off during the year was RMB238,141.65, and there were no amounts written off that were material.

（5） Top five accounts receivable with year-end balances, grouped by party owed money

	Balance at end of year	Percentage of year-end balance of accounts receivable (%)	Year-end balance of provision for bad debts in accounts receivable
first place	2,243,075,423.24	71.00	-
second place	269,895,310.76	8.54	-
third place	200,420,883.71	6.34	-
fourth place	135,670,219.53	4.29	-
fifth place	59,327,558.93	1.88	-
	2,908,389,396.17	92.05	-

As at December 31, 2024, the Company had no accounts receivable with restricted ownership (December 31, 2023: RMB114,287,847.43).

XVII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables

	2024	2023
Other receivables	1,172,154,202.41	799,191,821.17

Other receivables

（1） Disclosure by age

	2024	2023
Within 1 year	1,164,506,953.65	793,031,268.96
1 to 2 years	2,921,891.33	1,838,579.92
2 to 3 years	692,846.93	4,684,185.52
More than 3 years	5,035,219.12	562,577.17
	1,173,156,911.03	800,116,611.57
Less: Provision for bad debts in other receivables	1,002,708.62	924,790.40
dd up the total	1,172,154,202.41	799,191,821.17

（2） Breakdown by nature of funds

	2024	2023
Receivables from related parties	1,087,874,733.82	721,227,664.66
Export tax refunds	70,304,033.12	64,371,070.37
Deposits and Guarantees	7,560,662.74	7,368,848.10
Employee Provisions and Borrowings	1,187,138.37	3,674,449.77
advance payment	1,116,673.09	1,181,150.10
(sth. or sb) else	5,113,669.89	2,293,428.57
add up the total	1,173,156,911.03	800,116,611.57

XVII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

(3) Provision for bad debts

2024

	Carrying amount		provision for bad debts		book value
	sum of money	proportions (%)	sum of money	Percentage of accruals (%)	
Individual provision for bad debts	36,850.00	-	36,850.00	100.00	-
Portfolio by Credit Risk Characteristics					
Provision for bad debts	1,173,120,061.03	100.00	965,858.62	0.08	1,172,154,202.41
add up the total	1,173,156,911.03	100.00	1,002,708.62	0.09	1,172,154,202.41

2023

	Carrying amount		provision for bad debts		book value
	sum of money	proportions (%)	sum of money	Percentage of accruals (%)	
Provision for bad debts by combination of credit risk characteristics	800,116,611.57	100.00	924,790.40	0.12	799,191,821.17

At December 31, 2024, the portfolio's other receivables with a bad debt provision were as follows:

	Carrying amount	provision for	Accrual ratio (%)

			impairment
Combination I: Deposit Guarantee, Export Tax Refund, Intra-Group Related Party Transactions and Social Security Advances	1,169,092,865.39	-	-
Combination II: other payments	4,027,195.64	965,858.62	23.98
add up the total	1,173,120,061.03	965,858.62	0.08

XVII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

(3) Provision for bad debts (continued)

The movement in the bad debt provision for other receivables based on expected credit losses for the next 12 months and expected credit losses for the entire expected duration is as follows:

	Phase I Next 12 months Expected credit losses	Phase II entire duration Expected credit losses	Phase III entire duration Expected credit losses	add up the
Balance at the	91,272.57	833,517.83	-	924,790.40
Beginning balance	(91,272.57)	91,272.57	-	-
Provision for the current year	-	97,854.65	36,850.00	134,704.65
Reversal of current year	30,226.52	(87,012.95)	-	(56,786.43）
Write-offs during	-	-	-	-
Balance at end of	30,226.52	935,632.10	36,850.00	1,002,708.62

（4） Provision for bad debts

The movement in the bad debt provision for other receivables is shown below:

	Balance at the beginning of the year	Provision for the current year	Reversal of current year	Write-offs during the year	Balance at end of year
2024	924,790.40	134,704.65	(56,786.43)	-	1,002,708.62

（5） Top five amounts of other receivables with balances at year-end, grouped by party owed

	Balance at end of year	Percentage of total other receivable balances (%)	characteristic	age of accounts	provision for bad debts Balance at end of year
first place	778,403,172.50	66.35	Receivables from related parties	Within 1 year	-

second place	216,057,905.64	18.42	Receivables from related parties	Within 1 year	-
third place	70,304,033.12	5.99	Export tax refunds receivable	Within 1 year	-
fourth place	24,169,768.13	2.06	Receivables from related parties	Within 1 year	-
fifth place	22,984,693.04	1.96	Receivables from related parties	Within 1 year	-
add up the total	1,111,919,572.43	94.78			-

XVII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. Long-term equity investments

	Balance at the beginning of the year	Change in current year		Balance at end of year	Provision for impairment at year-end
		Increased investment	(sth. or sb) else		
cost approach					
associated company					
Changzhou Bokang Electronic Technology Co.	11,636,551.13	-	58,268.37	11,694,819.50	-
Greebo (Nantong) New Energy Power Co.	2,490,000.00	2,510,000.00	-	5,000,000.00	-
Changzhou Geteng Auto Parts Co.	16,394,348.26	-	16,452.25	16,410,800.51	-
Changzhou Vika Plastic Industry Co.	3,366,599.00	-	43,325.16	3,409,924.16	-
Shanghai Hsu Sheng Landscape Technology Co.	535,187.87	-	91,401.36	626,589.23	-
Hong Kong Sun Rise Trading Limited	8,988,575.06	500,000.00	576,301.35	10,064,876.41	-
Aegis (Hong Kong) Limited	57,381,163.96	-	-	57,381,163.96	57,381,163.96
greenworks (vietnam) company limited	90,222,499.13	-	(25,487,856.00)	64,734,643.13	-
Ichimokuya Technology (Changzhou) Co.	1,000,000.00	-	-	1,000,000.00	-
Hainan Greenworks	210,000,00	-	-	210,000,0	-

classifier for sum of money

Technology Co.	0.00		00.00		
greenworks (thai binh) company limited	-	25,487,856.00	-	25,487,856.00	-y
add up the total	402,014,924.41	28,497,856.00	(24,702,107.51)	405,810,672.90	57,381,163.96

classifiers of money

Note: For changes in GREENWORKS (VIETNAM) COMPANY LIMITED and GREENWORKS (THAI BINH) COMPANY LIMITED during the year, refer to Note VIII.1.

Provision for impairment of long-term equity investments:

	Balance at	Increase in the	Decrease	Balance at
Aegis (Hong Kong) Limited	57,381,163.96	-	-	57,381,163.96

XVII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

4. Operating income and operating costs

（1） Operating revenues and operating costs

	2024		2023	
	incomes	(manufacturing, production etc) costs	incomes	(manufacturing, production etc) costs restated
Main business	3,032,734,011.99	2,937,722,308.10	2,409,485,006.03	2,227,949,957.56
Other business	403,186,905.34	7,868,822.91	191,774,064.40	17,071,851.64
add up the total	3,435,920,917.33	2,945,591,131.01	2,601,259,070.43	2,245,021,809.20

（2） Operating Income Breakdown Information

Reporting segment	2024	2023
Product Type		
New Energy Gardening Machinery	1,499,301,535.97	1,266,553,952.68
Alternating current garden machinery	61,626,490.46	113,959,737.45
(sth. or sb) else	1,874,992,890.90	1,220,745,380.30
add up the total	3,435,920,917.33	2,601,259,070.43
operating area		
outside (a country's) borders	3,337,871,897.82	2,524,377,377.63
internal (a country, province, city etc)	98,049,019.51	76,881,692.80
add up the total	3,435,920,917.33	2,601,259,070.43
Commodity transfer time		
Transfer at a point in time	3,435,920,917.33	2,601,259,070.43

（3） Operating Cost Breakdown Information

Reporting segment	2024
Product Type	
New Energy Gardening Machinery	1,300,317,619.74
Alternating current garden machinery	54,041,818.68
(sth. or sb) else	1,591,231,692.59

add up the total	2,945,591,131.01

XVII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

4. Operating income and operating costs (continued)

(3) Operating Cost Breakdown Information (continued)

	2024
operating area	
outside (a country's) borders	2,854,596,951.92
internal (a country, province, city etc)	90,994,179.09
add up the total	2,945,591,131.01
Commodity transfer time	
Transfer at a point in time	2,945,591,131.01

(4) performance obligation

Revenue recognized is derived from:

	2024	2023
Opening book value of contractual liabilities	81,702,306.84	66,534,032.19

The Group's information relating to performance obligations is set out below:

	Time for fulfilling performance obligations	Important payment terms	Nature of the goods promised to be transferred	Whether or not the person is primarily responsible	Assumptions expected to be refunded to customers	Type of quality assurance provided and related obligations
Selling Products	Fulfillment of performance obligations when delivering goods to customers	The contract price is usually paid in the manner agreed in the contract	garden machinery	be	not have	Product Warranty
Customs clearance services	Fulfillment of performance obligations	The contract price is	Customs clearance services	be	not have	not have

upon completion of customs clearance at the place of import and notification to the customer	usually paid in the manner agreed in the contract	

5. Investment income

	2024	2023
Income from long-term equity investments accounted for under the cost method	62,767,571.58	-
Loss on investment in foreign exchange derivative financial instruments	(7,748,139.08)	(36,108,620.51)
Financial Products Investment Income	4,069,240.97	5,100,870.12
add up the total	59,088,673.47	(31,007,750.39)

1. Breakdown of non-recurring gains and losses

	Amount (positive numbers represent gains, negative numbers represent losses)
Gains and losses on disposal of non-current assets, including elimination of provision for impairment of assets	(32,671,589.22)
Government grants recognized in profit or loss (except for government grants that are closely related to normal business operations, in line with national policies and in accordance with defined criteria, and have a continuing effect on profit or loss)	16,522,361.81
Gains and losses from changes in fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging operations related to normal business operations	45,694,084.38
Non-operating income and expenses other than those listed above	(4,831,984.93)
Other items of profit or loss that meet the definition of non-recurring profit or loss	10,534,800.77
Income tax effect	(8,988,855.37)
add up the total	26,258,817.44

The Group recognizes non-recurring profit and loss items in accordance with the "Interpretative Announcement for Information Disclosure of Companies Issuing Public Securities No. 1 - Non-recurring Profit and Loss" (SEC Announcement [2023] No. 65).

2. Return on net assets and earnings per share

	Weighted average return on net assets (%)	earnings per share	
		fundamental	dilute
Net profit attributable to ordinary shareholders of the Company	1.98	0.18	0.18
Net profit attributable to ordinary shareholders of the Company after extraordinary gains and losses	1.39	0.13	0.13