



WEIFU HIGH-TECHNOLOGY GROUP CO., LTD.

ANNUAL REPORT 2025

April 2026

Section I. Important Notice, Contents and Interpretation

Board of Directors, all directors and senior executives of Weifu High-Technology Group Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

Yin Zhenyuan, Principal of the Company, and Feng Zhiming, person in charge of accounting works, and Li Yanqing, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of 2025 Annual Report is authentic, accurate and complete.

All directors have attended the Meeting for the Report deliberation.

The forward-looking statements with future plans involved in the Report do not constitute a substantial commitment for investors. Investors and related parties should maintain sufficient risk awareness and investors are advised to exercise caution of investment risks.

Main risks that the Company may face in future operation are described in the “prospects for the future development” under the “Management Discussion and Analysis” in the Report and investors are advised to check them out.

The profit distribution plan that was deliberated and approved by the Board Meeting is: based on total share capital of 966,785,693, distributed 7.00 yuan (tax included) bonus in cash for every 10-share held by all shareholders, 0 share bonus issued (tax included) and no transfer of capital reserve into share capital. When the profit distribution plan is implemented, if there is a change in the total amount of shares entitled to profit distribution, the total amount of shares entitled to profit distribution on the equity registration date at the time of implementation of the distribution plan shall be adjusted based on the principle of unchanged distribution proportion.

The Report is prepared in Chinese and English respectively. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

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Documents Available for Reference

- I. Financial statement carrying the signatures and seals of person in charge of the Company, principal of the accounting works and person in charge of accounting organ (accounting supervisor);
- II. Original audit report with the seal of accounting firm and signature and seal of the CPA;
- III. Original documents of the Company and manuscripts of public notices that were disclosed in the website designated by CSRC in the reporting period;
- IV. Text of the Annual Report 2025 containing the signature of the legal representative of the Company;
- V. Place for preparation: Office of the BoD of the Company

Interpretation

Items	Refers to	Contents
Company, The Company, WFHT	Refers to	WEIFU HIGH-TECHNOLOGY GROUP CO., LTD.
Weifu Group	Refers to	Wuxi Weifu Group Co., Ltd.
Wuxi Industry Group	Refers to	Wuxi Industry Development Group Co., Ltd.
Robert Bosch, Robert Bosch Company	Refers to	Robert Bosch Co., Ltd, ROBERT BOSCH GMBH
RBCD	Refers to	Robert Bosch Powertrain Ltd.
WFLD	Refers to	WUXI WEIFU LIDA CATALYTIC CONVERTER CO., LTD.
WFJN	Refers to	NANJING WFJN CO., LTD.
WFTT	Refers to	NINGBO WFTT TURBOCHARGING TECHNOLOGY CO., LTD.
WFCA	Refers to	WUXI WEIFU CHANG'AN CO., LTD.
WFMA	Refers to	WUXI WEIFU MASHAN FUEL INJECTION EQUIPMENT CO., LTD.
WFTR	Refers to	WUXI WEIFU INTERNATIONAL TRADE CO., LTD.
WFSC	Refers to	WUXI WEIFU SCHMITTER POWERTRAIN COMPONENTS CO., LTD.
WFAM	Refers to	WUXI WFAM PRECISION MACHINERY CO., LTD.
WFDT	Refers to	Wuxi WeifuE-DRIVE TechnologiesCo., Ltd.
WFAS	Refers to	WUXI WEIFU AUTOSMART SEATING SYSTEM CO., LTD.
WFLH	Refers to	Weifu Lianhua Automotive Parts (Fuzhou) Co., Ltd.
SPV	Refers to	Weifu Holding ApS
IRD	Refers to	IRD Fuel Cells A/S
Borit	Refers to	Borit NV
WFQL	Refers to	Wuxi Weifu Qinglong Power Technology Co., Ltd.
VHIO	Refers to	VHIT S.p.A. Società Unipersonale
VHWX, VHCN	Refers to	VHIT Automotive Systems (Wuxi) Co.Ltd
Lezhuo Bowei	Refers to	Lezhuo Bowei Hydraulic Technology (Shanghai) Co., Ltd
WuXi Zhuowei	Refers to	Wuxi Zhuowei Times High-Tech Co., Ltd.
WFSS	Refers to	WEIFU Smart Sensing (Wuxi) Technology Co., Ltd.
WFET	Refers to	Weifu Eter Hydrogen Energy Technology (Wuxi) Co., Ltd.
WFBL	Refers to	Weifu BAOLONG (Nanjing) Technology Co., Ltd.
HySTech	Refers to	Voith HySTech GmbH
WFEC	Refers to	Wuxi WFECal Catalysts. Co., Ltd.
WFPM	Refers to	Wuxi Weifu Precision Machinery Manufacturing Co., Ltd.
Zhonglian Electronics	Refers to	Zhonglian Automobile Electronics Co., Ltd.
AutoLink	Refers to	Wuxi AutoLink Global Information Technology Co., Ltd.
Changchun Xuyang	Refers to	Changchun Xuyang Weifeng Automotive Parts Technology Co., Ltd.
CSRC	Refers to	China Securities Regulatory Commission
SZSE	Refers to	Shenzhen Stock Exchange
Zhongxinghua	Refers to	Zhongxinghua Certified Public Accountants LLP
The reporting period	Refers to	January 1, 2025 to December 31, 2025

Section II Company Profile and Main Financial Indexes

I. Company information

Short form of the stock	WFHT, Su Weifu-B	Stock code	000581, 200581
Former Short form of the stock	Su Weifu-A		
Stock exchange for listing	Shenzhen Stock Exchange		
Name of the Company (in Chinese)	无锡威孚高科技集团股份有限公司		
Short form of the Company (in Chinese)	威孚高科		
Foreign name of the Company (if applicable)	WEIFU HIGH-TECHNOLOGY GROUP CO.,LTD.		
Short form of foreign name of the Company (if applicable)	WFHT		
Legal representative	Yin Zhenyuan		
Registrations add.	No.5 Huashan Road, Xinwu District, Wuxi (production & operation place:1. No.8 Huashan Road, Xinwu District, Wuxi; 2. No.17 Changjiang Road, Xinwu District, Wuxi; 3. No.139 Xixie Road, Xinwu District, Wuxi; 4. No.13 Xinhua Road, Xinwu District, Wuxi)		
Code for registrations add	214028		
Historical changes of registered address	On May 25, 1994, registered address of the Company changed to “Lot 46, National High-Tech Industrial Development Zone, Wuxi” instead of “No.107, Renmin West Road, Wuxi”; on December 9, 2008, registered address changed to “No.5 Huashan Road, New District, Wuxi” instead of “Lot 46, National High-Tech Industrial Development Zone, Wuxi”; on June 12, 2019, registered address changed to “No.5 Huashan Road, Xiwu District, Wuxi (production & operation place:1. No.8 Huashan Road, Xinwu District, Wuxi; 2. No.17 Changjiang Road, Xinwu District, Wuxi; 3. No.139 Xixie Road, Xinwu District, Wuxi; 4. No.13 Xinhua Road, Xinwu District, Wuxi)”		
Offices add.	No.6 Huashan Road, Xinwu District, Wuxi		
Codes for office add.	214028		
Company’s Internet Web Site	http://www.weifu.com.cn		
E-mail	Web@weifu.com.cn		

II. Person/Way to contact

	Secretary of the Board	Rep. of security affairs
Name	Liu Jinjun	Xu Kan
Contact add.	No.6 Huashan Road, Xinwu District, Wuxi	No.6 Huashan Road, Xinwu District, Wuxi
Tel.	0510-80505999	0510-80505999
Fax.	0510-80505199	0510-80505199
E-mail	Web@weifu.com.cn	Web@weifu.com.cn

III. Information disclosure and preparation place

Website of the Stock Exchange where the annual report of the Company is disclosed	Shenzhen Stock Exchange(http://www.szse.cn/)
Media and Website where the annual report of the Company is disclosed	<i>China Securities Journal</i> ; <i>Securities Times</i> ; and Juchao Website(http://www.cninfo.com.cn)

Preparation place for annual report	Office of the Board of Directors
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IV. Registration changes of the Company

Organization code	91320200250456967N
Changes of main business since listing (if applicable)	No change
Previous changes of controlling shareholders (if applicable)	Controlling shareholder of the Company was Weifu Group before 2009, and controlling shareholder changed to Wuxi Industry Group since 31 May 2009 due to the merge of Weifu Group by Wuxi Industry Group. Weifu Group and Wuxi Industry Group are wholly state-owned companies of Wuxi State-owned Assets Supervision & Administration Commission of State Council, therefore, the actual controller of the Company turns to Wuxi State-owned Assets Supervision & Administration Commission of State Council.

V. Other relevant information

CPA engaged by the Company

Name of CPA	Zhongxinghua Certified Public Accountants LLP
Offices add. for CPA	20 th Floor, South Building, Building 1, No. 20 Lize Road, Fengtai District, Beijing
Signing Accountants	Pan Hua, Zhang Xiaoping

Sponsor engaged by the Company for performing continuous supervision duties in reporting period

Applicable Not applicable

Financial consultant engaged by the Company for performing continuous supervision duties in reporting period

Applicable Not applicable

VI. Main accounting data and financial indexes

Whether the Company is required to retrospectively adjust or restate prior year's accounting data or not?

Yes No

	2025	2024	Year-on-year increase (+)/decrease (-)	2023
Operation income (RMB)	12,023,879,058.27	11,167,263,155.85	7.67%	11,093,141,950.98
Net profit attributable to shareholders of the listed company (RMB)	1,068,167,498.05	1,659,533,740.63	-35.63%	1,837,291,259.68
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses (RMB)	667,839,223.85	1,579,109,476.17	-57.71%	1,597,321,239.86
Net cash flows arising from operating activities (RMB)	992,727,022.87	1,582,332,648.74	-37.26%	1,626,249,911.90
Basic earnings per share (RMB/Share)	1.10	1.71	-35.67%	1.88
Diluted earnings per share (RMB/Share)	1.10	1.71	-35.67%	1.88
Weighted average ROE	5.39%	8.47%	-3.08%	9.92%
	Year-end of 2025	Year-end of 2024	Year-on-year increase (+)/decrease (-)	Year-end of 2023
Total assets (RMB)	29,667,727,447.65	28,404,900,411.22	4.45%	28,081,087,791.81
Net assets attributable to shareholder of listed company (RMB)	19,917,552,613.16	19,840,528,176.64	0.39%	19,399,892,671.78

The lower of the company's net profit before or after deduction of non-recurring gains/losses for the last three financial years is negative, and the audit report for the latest year indicates that there is uncertainty about the company's ability to continue as a going concern

Yes No

The lower of the net profit before or after deduction of non-recurring gains/losses is negative

Yes No

VII. Difference of the accounting data under accounting rules in and out of China

1. Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either IAS (International Accounting Standards) or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

2. Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either foreign accounting rules or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

VIII. Quarterly main financial index

In RMB

	Q1	Q2	Q3	Q4
Operation income	2,834,349,666.20	2,926,068,966.91	2,738,647,789.90	3,524,812,635.26
Net profit attributable to shareholders of the listed company	354,413,869.98	347,456,438.77	450,242,976.47	-83,945,787.17
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses	318,796,605.21	336,545,849.23	435,075,971.06	-422,579,201.65
Net cash flows arising from operating activities	-197,825,158.15	690,699,436.89	456,569,622.93	43,283,121.20

Whether there are significant differences between the above-mentioned financial index or its total number and the relevant financial index disclosed in the company's quarterly report and semi-annual report or not?

Yes No

IX. Items and amounts of non-recurring gains/losses

Applicable Not applicable

In RMB

Item	2025	2024	2023	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	14,328,949.27	9,510,530.25	126,538,939.67	
Governmental subsidy reckoned into current gains/losses (except for those with normal operation business concerned, and conform to the national policies & regulations and are enjoyed according to certain standard, and having a continuous impact on the company's gains/losses)	37,391,293.43	48,616,030.83	31,251,345.14	
Except for effective hedging business related to the normal operation of the company, gains/losses arising from changes in fair value of trading financial assets and trading financial liabilities held by non-financial enterprises, as well as investment income obtained from disposal of trading financial assets, trading financial liabilities, and available for sale financial assets	103,877,478.05	-4,243,156.82	23,096,322.48	

Gains/losses of assets delegation on others' investment or management		43,932,736.08	94,647,509.98	
Reversal of provision of impairment of accounts receivable which are treated with separate depreciation test	476,700.90	4,270,595.02	5,862,949.67	
Gains/losses from debt reorganization	5,433,965.62	-599,671.45	-323,525.00	
Other non-operating income and expenditure except for the aforementioned items	3,498,446.82	10,738,857.90	22,253,986.90	
Other gains/losses items that meet the definition of non-recurring profit and loss	264,044,480.51	-10,418.17		
The write-off of previous years recovered in current period			63,149.93	
Less: impact on income tax	23,966,266.80	30,485,887.28	40,956,611.82	
Impact on minority shareholders' equity (after-tax)	4,756,773.60	1,305,351.90	22,464,047.13	
Total	400,328,274.20	80,424,264.46	239,970,019.82	--

Other gains/losses items that conform to the definition of non-recurring gains/losses:

Applicable Not applicable

The Company does not have other gains/losses items that conform to the definition of non-recurring gains/losses.

Information on the definition of Non-Recurring Gain/Loss listed in the Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Non-Recurring Gains/Losses as the Recurring Gains/Losses

Applicable Not applicable

The Company does not have any Non-Recurring Gain/Loss listed in the Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Non-Recurring Gains/Losses as the Recurring Gains/Losses.

Section III Discussion and Analysis of the Management

I. Industrial information of the Company within the reporting period

The company shall comply with the disclosure requirements of auto manufacturing related industries in the No.3 Guidelines for Self-regulation of Listed Companies of Shenzhen Stock Exchange - Disclosure of Industry Information.

(I) Main business engaged by the Company

The Company has been deeply involved in the core automotive parts for many years. With deep technical accumulation, perfect production system and extensive market layout, the Company has formed four core business segments, including energy saving and emission reduction, intelligent electric drive, green hydrogen energy, industry and others, and built a product matrix covering traditional fuel vehicles, new energy vehicles, off-road machinery, industrial equipment, energy storage and other fields, which can provide supporting solutions for OEMs, automotive manufacturers and related enterprises at home and abroad. During the reporting period, the Company's core products continued to maintain a leading position in the industry in terms of market share, technical level and production scale, while the Company was actively developed in automotive intelligent control, new industries and other fields to promote the optimization and upgrading of business structure and achieve sustainable development.

1. Core products of energy saving and emission reduction segment

This segment involves the Company's core advantage business, focusing on energy saving and emission reduction in the field of energy and power, and deeply cultivating supporting parts of diesel, gasoline, natural gas and other power types. The products can fully meet the latest emission regulations of CN VI and Off-road Phase IV vehicles in many countries and industries, and widely support various types of power equipment, providing core support for the environmental protection upgrade of traditional power equipment.

(1) Fuel injection system: It mainly includes high-pressure fuel pump, high-pressure fuel rail, fuel injector, filter and other products, which can be adapted to diesel engines of various power and clean alternative fuels, and are widely used in diversified scenarios such as trucks, buses, construction machinery, agricultural machinery, marine machinery, generator sets, etc. The Company's products are at the leading level in variety, production scale and market share. While stabilizing the domestic OEM supporting market, the Company actively expanded overseas markets, and some products were successfully exported to America, Southeast Asia, the Middle East and other regions, which were widely recognized by overseas customers.

(2) Exhaust post-treatment system: It mainly includes diesel purifier, gasoline purifier, natural gas purifier, muffler, catalyst and other products, which can meet the needs of traditional power and plug-in hybrid passenger cars, commercial vehicles, construction machinery, agricultural machinery, generator sets and other fields, and the technical level, market scale and production capacity are at the leading level in China. By virtue of advanced catalytic technology and efficient purification efficiency, the products can provide strong support for the upgrading of main equipment manufacturers' products, help customers to meet the latest emission regulations and enhance the market competitiveness of products.

(3) Intake system: It mainly includes diesel turbocharger, gasoline turbocharger, natural gas turbocharger and other products, covering traditional power and plug-in hybrid passenger cars, commercial vehicles, construction machinery, agricultural machinery, generator sets and other fields, and the products can provide stable and efficient supporting services for major domestic OEMs and automotive manufacturers. The products have the core advantages of power improvement, energy saving and consumption reduction, and can be used to effectively optimize the engine performance, taking into account the power output and environmental protection requirements, and adapting to the power equipment requirements of different scenarios.

2. Core products of intelligent electric drive segment

This section closely follows the development trend of new energy vehicles and intelligent driving industry, focuses on the R&D and production of core parts of new energy vehicles and intelligent driving sensing systems, and accurately grasps the upgrading

direction of the industry. The products mainly support new energy vehicles and related intelligent driving fields to help the automotive industry to transform into electrification and intelligence, including:

(1) Core parts of electric drive system, including motor shaft, end cover, water jacket and other products, which have the advantages of high precision, high reliability and wide adaptability, and are mainly used to provide support for new energy passenger car enterprises and electric drive system manufacturers at home and abroad to improve the power performance and endurance of new energy vehicles.

(2) Core parts of thermal management system, including electronic fuel pump, electronic water pump, thermostat, water cooling plate and other products, which focus on the thermal management requirements of new energy vehicles and hydrogen fuel cell stacks, and can be effectively used to control the operating temperature, improve the stability and safety of new energy vehicles and hydrogen fuel cell systems, providing support for new energy passenger cars, commercial vehicles and hydrogen fuel cell system manufacturers at home and abroad.

(3) Core parts of cabin, including automotive seat assembly, seat frame, electric long slide rail, shock absorber and other products, taking into account the requirements of comfort, safety and intelligence, providing support for passenger car and commercial vehicle enterprises at home and abroad. The products can be customized according to customer needs.

(4) Core parts of braking system, mainly including mechanical vacuum pumps and other products, which have the advantages of high braking efficiency, stability and reliability, mainly provide support for mainstream passenger car and commercial vehicle enterprises at home and abroad, to meet the requirements of automotive braking system and ensure the driving safety of vehicles.

(5) Core intelligent sensing modules, including 4D imaging radar, front radar, angle radar, cabin radar, road brake radar and other products, in which the technical level is at the leading level of the industry. The products are mainly used in intelligent driving, intelligent cockpit, intelligent parking, vehicle-road coordination and other scenarios, providing accurate sensing solutions for car companies and related technology enterprises and help the large-scale application of intelligent driving technology.

3. Core products of green hydrogen energy segment

This segment focuses on the core links of the hydrogen energy industry, closely follows the development trend of the global hydrogen energy industry, and focuses on the R&D of hydrogen fuel cells and related supporting products to help the green and low-carbon development of the new energy industry. The main products include membrane electrodes, bipolar plates (graphite and metal), catalysts, BOP key parts (such as pumps such as hydrogen circulating pump, valves such as bottle valves, and key parts such as air compressors) and hydrogen storage bottles, forming a complete product layout from core materials to key parts, mainly providing high-quality supporting services for hydrogen fuel cell stack and system manufacturers and energy storage enterprises at home and abroad, and helping the large-scale application of hydrogen energy in transportation, energy storage and other fields.

4. Core products of industry and others segment

This segment focuses on supporting the core parts in the industrial field, and relies on the Company's mature R&D and production capacity to develop the core parts of the hydraulic system, improve the business layout and expand the market space. The main products include forklift hydraulic system, motor pump, internal gear pump, motor controller, piston parts, etc. The products have high precision and high reliability to provide stable support for major domestic hydraulic enterprises and are widely used in industrial forklifts, construction machinery, general machinery and other fields to upgrade industrial equipment and improve industrial production efficiency.

(II) Business model of the Company

The Company follows the business philosophy of "Making Excellent Products, Creating Famous Brands and Realizing Common Growth of Value", and implements the business model with unified management of the parent company and decentralized production of subsidiaries. The parent company is responsible for formulating strategic development plans and business objectives, and implementing unified management, guidance and assessment on subsidiaries in finance, major personnel management, core raw materials, quality control and technology research and development. The subsidiaries is responsible for arranging production in

market order management mode, not only to ensure the unified quality of products, but also help to understand customer needs and save logistics costs in time, maintain the timeliness of production and supply, and improve the company's economic benefits.

Production and operation of complete vehicle manufacturing during the reporting period

Applicable Not Applicable

Production and operation of automotive parts during the reporting period

Applicable Not applicable

In ten thousand sets

	Output			Sales volume		
	Current period	Same period of last year	Year-on-year increase/decrease (+/-)	Current period	Same period of last year	Year-on-year increase/decrease (+/-)
By components						
Fuel management system- multi-cylinder pumps	184.24	174.87	5.36%	184.41	177.44	3.93%
Fuel management system- fuel injector	253.57	213.54	18.75%	250.44	239.30	4.66%
After-treatment system - diesel purifier	32.20	37.71	-14.50%	32.70	36.80	-11.06%
After-treatment system - gasoline purifier	471.20	473.52	-0.49%	495.80	439.70	12.76%
Air management system -turbocharger	145.19	136.40	6.44%	144.66	128.27	12.78%
Brake system - vacuum pump	687.69	739.99	-7.07%	707.25	724.72	-2.41%
By vehicle facilities						
By after-service market						
Fuel management system- multi-cylinder pumps	0.21	0.22	-5.09%	0.235	0.24	-2.00%
Fuel management system- fuel injector	1.25	0.32	292.06%	1.67	0.10	1,574.90%
Air management system -turbocharger	3.33	1.40	137.58%	3.47	1.29	168.74%
Other classification						
By domestic area						
Fuel management system- multi-cylinder pumps	184.45	175.09	5.34%	184.65	177.68	3.92%
Fuel management system- fuel injector	254.83	213.86	19.16%	252.12	239.40	5.31%
After-treatment system - purifier	503.46	511.23	-1.52%	528.54	476.50	10.92%
Air management system -turbocharger	148.51	137.80	7.78%	148.13	129.56	14.33%
Brake system - vacuum pump	210.74	251.00	-16.04%	210.45	241.70	-12.93%
By oversea area						
Brake system - vacuum pump	476.94	488.99	-2.46%	496.80	483.02	2.85%

Explanation of reasons for a year-on-year change of 30% or more

Applicable Not applicable

The demand in the after-sales market of automotive has increased, and the production and sales of fuel injectors and turbochargers of the Company have achieved rapid growth.

Sales model of spare parts

The Company adheres to the "Customer-centered & Market-oriented", and can provide accurate response to customer needs through efficient and flexible marketing strategies and standardized development processes. In order to deepen cooperation, the Company has established a regular exchange and dialogue mechanism for high-level key customers, and implemented a full-line account manager collaboration system covering all customers to achieve cross-departmental resource integration and rapid response. The Company has implemented hierarchical and classified management for key customers, and systematically carried out demand analysis and satisfaction tracking. The Company actively promotes digital operation and uses tools such as customer database, business intelligence and mobile office to improve business process efficiency and response speed. At the same time, through the collaborative marketing of existing business and new business, the Company will continue to expand new customers and potential markets and promote sustained business growth.

The Company engages in auto finance business

Applicable Not Applicable

The Company engages in business related to new energy automobile

Applicable Not applicable

Production and operation of new energy vehicles and parts

Category	Capacity (million sets)	Output (million sets)	Sales volume (million sets)	Sales revenue (yuan)
Core components for hydrogen fuel cells	1.5	0.5598	0.5638	84,183,059.54
Core parts for E-drive	3.82	2.8145	2.8231	411,963,541.40
Exhaust (plug-in hybrid) cleaner	2.75	0.2812	0.3147	588,117,145.79
Intake (plug-in hybrid) supercharger	1.4	0.5302	0.5114	421,783,535.28

II. Industrial information of the Company within the reporting period

The company shall comply with the disclosure requirements of auto manufacturing related industries in the No.3 Guidelines for Self-regulation of Listed Companies of Shenzhen Stock Exchange - Disclosure of Industry Information.

The Company belongs to the automotive parts manufacturing industry. In 2025, as the closing year of the "14th Five-Year Plan", China's automotive industry showed strong resilience, and the production and sales reached a record high, achieving a successful closing. Driven by the continuous efforts of the "Two New" policies, the intensive listing of new products and the steady release of terminal demand, the production and sales of automotive were 34.531 million and 34.40 million respectively, with year-on-year increases of 10.4% and 9.4%, and remained above 30 million for three consecutive years.

1. Commercial vehicle market situation

In 2025, the commercial vehicle market showed a double growth trend of "Domestic Demand and Export". Driven by the "Two New" policies, the penetration rate of new energy commercial vehicles increased rapidly, and the superimposed exports were improved continuously. China's commercial vehicle market achieved a recovery and structural growth. In the whole year, the production and sales of commercial vehicles were 4.261 million and 4.296 million respectively, with year-on-year increases of 12% and 10.9%, among which, the sales of natural gas commercial vehicles was 246,000, with a year-on-year increase of 11.6%.

In 2025, the production and sales of trucks were 3.693 million and 3.723 million respectively, with year-on-year increases of 12% and 10.7% respectively, among which, the sales of heavy trucks was 1.145 million, with a year-on-year increase of 27%; the sales of medium trucks was 125,000, with a year-on-year decrease of 1.9%; the sales of light trucks was 2.024 million, with a year-on-year increase of 6.5%; the sales of mini trucks was 429,000, with a year-on-year decrease 1%. In 2025, the production and sales of passenger cars were 568,000 and 574,000 respectively, with year-on-year increases of 11.8% and 12.3%, among which, the sales of large and medium buses was 126,000, with a year-on-year increase of 5.9%; the sales of light buses was 448,000, with a year-on-year increase of 14.3%.

In 2025, the commercial vehicle market was affected by the rapid increase of pure electric vehicles, and the market share of diesel vehicles and gasoline vehicles dropped to 48.9% and 23.1% respectively, while the market share of new energy vehicles (pure electric, plug-in hybrid, fuel cell) was about 22.2%, of which the market share of pure electric vehicles was 20.5%.

2. Passenger car market situation

In 2025, the passenger car market grew steadily; as the core component of automotive consumption, it effectively promoted the overall growth of the automotive market; the production and sales of passenger cars were 30.27 million and 30.103 million respectively, with year-on-year increases of 10.2% and 9.2%, reaching a record high of over 30 million for the first time, among which, the domestic sales of passenger cars was 24.065 million, with a year-on-year increase of 6.4%; the export of passenger cars was 6.038 million, with a year-on-year increase of 21.9%. In 2025, the sales of China brand passenger cars was 20.936 million, with a year-on-year increase of 16.5%, accounting for 69.5% of the total sales of passenger cars, and the sales share increased by 4.3% compared with that in the same period in 2024.

3. New energy vehicle market situation

In 2025, the production and sales of new energy vehicles were 16.626 million and 16.49 million respectively, reaching a record high, with year-on-year increases of 29% and 28.2%; the sales of new energy vehicles was 47.9% of the total sales of new vehicles. Among the main varieties of new energy vehicles, the production and sales of the three categories of new energy vehicles increased

at varying levels compared those in 2024, among which, the sales of pure electric vehicles was 10.622 million, with a year-on-year increase of 37.6%; the sales of plug-in hybrid vehicles was 5.861 million, with a year-on-year increase of 14%; the sales of fuel cell vehicles was 8,000, with a year-on-year increase of 52.9%.

4. Non-road vehicle market situation

In 2025, the domestic demand of construction machinery picked up under the promotion of equipment renewal policy, and strong demand in overlapping overseas areas such as emerging markets and the "Belt and Road" regions. However, the development of electrification squeezed the space of diesel internal combustion engines, and the annual sales of diesel internal combustion engines for construction machinery was 846,000 units, with a slightly year-on-year increase of 0.21%; agricultural machinery benefited from the expansion of subsidy policy and the strong growth of export market, achieving steady growth. The annual sales of diesel engines for agricultural machinery was 1.51 million units, with a year-on-year increase of 1.46%.

(Note: The above industry data sources are China Association of Automobile Manufacturers, CNWORLD, China Internal Combustion Engine Industry Association)

5. Matching between company operation and the industry

In 2025, under the background of changeable macro-economic environment and increasing competition, China's automotive industry presented the development characteristics of "Domestic Pressure, Overseas Growth and Electrification Leading". The Company's business situation was basically consistent with the overall trend of the industry. While the domestic market was facing slowing demand and increasing profit pressure, the Company actively grasped the development opportunities of export market and electrification transformation. During the reporting period, the Company realized operating income of 12.024 billion yuan, with a year-on-year increase of 7.67%, and realized net profit attributable to the shareholders of the listed company of 1.064 billion yuan, with a year-on-year decrease of 35.86%.

III. Analysis on Core Competitiveness

The Company shall comply with the disclosure requirements of the auto manufacturing related industry in the *No.3 Guidelines for Self-regulation of Listed Companies of Shenzhen Stock Exchange - Disclosure of Industry Information*.

1. Industry and brand advantages. Established in 1958, with more than sixty years of development, the Company has become a renowned manufacturer of auto parts in China and has established long-term and stable cooperation with major domestic OEMs and vehicle manufacturers. The Company's main products have covered key areas such as core parts of fuel injection system, exhaust post-treatment system, air intake system, electric drive system, thermal management system, brake system, cabin, intelligent sensing core modules, hydrogen fuel cell, etc., with complete product system and outstanding market competitive advantage. The Company ranks 47th in the list of the top 100 enterprises in automotive supply chains in China in 2025, and is the leader of the internal combustion engine industry and the top 500 machinery enterprises in China. The subsidiaries of the Company, WFLD and WFTT, were successively awarded the seventh and eighth batch of national single-item champion enterprises in manufacturing industry, and WFTT and WFJN were awarded the national "Specialized, Sophisticated, Distinctive, and Innovative" "Little Giant" enterprises, showing the Company's core competitiveness and industry position in the subdivision fields.

2. Technology and product advantages. The Company is a national high-tech enterprise with scientific research platforms such as National Enterprise Technology Center, National High Technology Research and Development Program Achievement Industrialization Base, Postdoctoral Research Station, Jiangsu Provincial Postgraduate Workstation, as well as several provincial engineering technology research centers, provincial engineering laboratories and other R&D institutions, forming a multi-level and systematic technological innovation system. The Company focuses on energy saving and emission reduction, intelligent electric drive, green hydrogen energy and other business areas to carry out technological innovation and product R&D, and has mastered a number of key core technologies in the industry, and the technical indicators of main products have reached the leading level in the industry. In recent years, the Company has implemented key strategic layout in the directions of automotive intelligence and new industries, and has built product R&D and technical reserve capacity in the fields of automotive seats, millimeter-wave radars, fully active

suspension motor hydraulic pumps, electronic water pumps, and intelligent core parts, and continuously promoted the industrialization of technological achievements.

3. Management and manufacturing advantages. The Company features a perfect organizational structure, management system and process, as well as a financial sharing platform, which can realize the effective migration and stable operation of organization and personnel, business and accounting; The Company has built a human resource information system platform, so as to guarantee the timely and accurate standardization of basic data of organization, personnel, salary and attendance; The Company has established a procurement sharing system, which enables the interconnection of information between enterprises and suppliers that enables closed-loop management of the procurement process; The Company has implemented Weifu Production System (WPS) with lean concept and established an overall process quality management system with relatively strong manufacturing, quality assurance, cost control and product delivery capabilities. With the focus on smart manufacturing, we will continue to promote the construction of a digital factory with Weifu characteristics. Through big data analysis, AI technology application and intelligent equipment upgrading, we will realize real-time monitoring and continuous optimization of the production process.

4. Marketing and service advantages. The Company has a professional and stable marketing and service team, which can provide customers with refined service support. Through the establishment of the full-line account manager collaboration system, the resources of market development departments and business units can be effectively coordinated to form an integrated service system and serve core key customers in collaboration; relying on the mechanism of regular visits by management and high-level communication, the Company continues to expend customer cooperation and enhance customer stickiness and cooperation depth. The Company builds an extensive and efficient after-sales service network, an intelligent service platform and a national special maintenance service system, which can provide customers with quick response, professional and efficient technical support and after-sales service throughout the life cycle, forming a double guarantee for market expansion and customer services.

5. Talent team advantages. The management of the Company has been deeply involved in the auto parts industry for many years, with profound industry accumulation, rich operation and management experience and good market reputation, which provides a solid decision-making guarantee and direction guidance for the Company's steady development. The Company pays attention to the growth of employees and attaches importance to the construction of core talents. After years of accumulation, it has collected a group of professional and high-quality management and technical talents and established a reasonable talent echelon, which has provided a strong human resource guarantee for the Company's long-term and stable development. The Company has a perfect human resource management system, and has built a fair, open and inclusive career development platform and value realization channel for all employees by continuously optimizing the system process and incentive mechanism. The Company pays attention to the service and care for employees, enhancing the service experience of employees and creating a warm working environment with a sense of belonging through the construction of employee self-help platform.

6. International cooperation advantages. The Company has been deeply involved in the automotive industry for many years, always insisting on openness, cooperation and win-win, and establishing long-term, stable and deep mutual trust cooperative relations with high-quality strategic partners at home and abroad. In 1984, the Company started strategic cooperation with Bosch, a leading German company in the industry. After years of hand-in-hand progress, the scope of cooperation has been continuously expanded, and the cooperation mode has become a model in the industry. At the same time, the Company has jointly established an industrial platform with internationally renowned enterprises such as Autocam, and cooperated with Baolong Technology, a listed company to set up a joint venture company for active suspension business. Relying on the long-term cooperation with high-quality enterprises around the world, the Company has cultivated an echelon of high-quality management and technical talents with international vision and cross-cultural communication skills, and mastered the international advanced level of R&D and design, process manufacturing, quality control and production operation capabilities, providing solid support for the international business expansion and global market layout.

7. Excellent corporate culture. The Company takes "Better Life Powered by Quality and Intelligence" as its mission, takes "Leading International Intelligent Cars and New Industrial System Service Provider" as its corporate vision, practices the core values of "Focus, Innovation, Commitment and Integration", and carries forward the enterprise spirit of "Being Practical, Being Courageous,

Being Cooperative and Being Pioneering”, forming a cultural core with rich connotations and clear orientation. The Company strives to build a characteristic cultural system with “Quality” and “Intelligence” as the dual engines. By holding brand cultural activities such as “Quality and Intelligence Carnival” on a regular basis, the Company further condenses the development consensus, highlights cultural self-confidence, and vividly shows the responsibility and pursuit of sticking to its original vision and facing the future. The excellent corporate culture provides strong spiritual guidance and cultural support for the Company's sustained and steady operation and pursuit of outstanding development, and provides lasting motivation for the strategic goal landing and high-quality development.

IV. Analysis of main businesses

1. Overview

In 2025, in the face of the complicated situation that the electrification transformation of the industry has entered a critical period, the competition of intelligent technology has become fierce and the cost pressure in the upstream and downstream of the industrial chain has been continuously transmitted, the Company took "anchoring strategic objectives, building up the transformation awareness and realizing iterated regeneration" as the general policy throughout the year, and all staff made efforts to overcome difficulties, solidly promoted various businesses, to ensure that the annual objectives and tasks were implemented effectively. During the reporting period, the Company achieved an operating income of 12.024 billion yuan, with a year-on-year increase of 7.67%, and the net profit attributable to shareholders of the listed company of 1.068 billion yuan, with a year-on-year decrease of 35.63%; The total assets were 29.668 billion yuan, with a year-on-year increase of 4.45%; the net assets attributable to shareholders of the listed company were 19.918 billion yuan, with a year-on-year increase of 0.39%.

Main works carried out by the Company during the reporting period:

1. Strong business linkage and coordination, deepening the market and expanding new fields

Energy saving and emission reduction segment: The business of fuel injection system was stable, in which the sales of common rail pumps exceeded 1.3 million units, with a steady year-on-year increase; the sales of VE pumps was 332,000 units; the sales of mechanical pumps was 190,000 units, with a year-on-year increase of 24%. The business of after-treatment system continued to grow, and further consolidated and enhanced the leading market position. Among which, the sales of gasoline purifiers was 3.956 million units, with a year-on-year increase of 15%; the products successfully entered the supply chain system of many leading customers, the market share had a year-on-year increase of 2%, and the market position consolidated continuously; the sales of diesel purifiers was 251,000 units, with a year-on-year increase of 20.3%, many new projects of core customers were successfully acquired, and the market share of commercial vehicles remained stable; the sales of silencers was 793,000 units, with a year-on-year increase of 26.7%. The overall performance of the air intake system business was outstanding, among which the sales of four-cylinder diesel turbocharger was 716,000 units, with a year-on-year increase of 22.8%, and the domestic market share continued to rank first; the sales of gasoline turbochargers was 647,000 units, successfully securing projects from multiple leading new energy clients. The sales of six-cylinder turbochargers was 117,000 units, with a substantial year-on-year increase of 35%; For methanol turbocharger, in-depth strategic cooperation has been established with key customers, leading industry technologies and securing a solid leading market position. For special-purpose turbocharge, the company was actively exploring new application areas including all-terrain vehicles, beach buggies, motorcycles and unmanned aerial vehicle. Relying on its leading advantages in core components such as high-power fuel injection systems, turbocharging system and after-treatment systems, the company was actively expanding into the data center diesel and gas generator set market, continuously consolidating its leading position and competitiveness in the automotive powertrain.

Intelligent electrification segment: The sixth-generation millimeter-wave angle radar developed in cooperation with Robert Bosch was officially released and mass-produced. We maintained a leading position in securing projects for overseas automotive markets, which are entering a phase of rapid scale expansion and sustained technological innovation. The mine radar realized small batch delivery. The automotive seat business achieved a leap-forward breakthrough. The three major platforms of our key passenger car clients reached mass production, with annual sales exceeding 180,000 units. The development of export customer projects was

steadily advanced as planned, and the business development momentum is continuously enhanced. As one of the core technologies of the fully active hydraulic suspension system, SMPU focuses on the high-end track of new energy passenger vehicles. At present, it has successfully obtained project designations from multiple top-tier customers, fully demonstrating the company's leading technological and market advantages in the intelligent suspension field. The sales of motor shaft, the core component of electric drive system, grew steadily; The motor shaft and electric drive shaft projects were designated by key customers, and the three-in-one shell parts realized the batch production for leading new energy customers. The sales of electronic fuel pumps was 407,000 units, realized batch production for several domestic key customer projects, and obtained several new key customer projects.

Green hydrogen energy segment: The hydrogen production business of renewable energy obtained many orders for hydrogen production projects from electrolyzed water, and completed the delivery of 100kW PEM hydrogen production equipment from electrolyzed water. The WFHT PEM Hydrogen Production Industrial Application Project, the first demonstration project of hydrogen production from electrolyzed water in Wuxi, was successfully put into production. The sales volume of metal bipolar plates has achieved rapid year-on-year growth, and market recognition has continued to improve; meanwhile, we are actively expanding the market application of SOFC (Solid Oxide Fuel Cell) and deepening the industrial chain collaboration with top-tier customers in the industry. The core parts of the electric stack were designated by several key customer projects, and BOP products were delivered for the first time to key customers, such as electronic water pumps and hydrogen supply valve groups, and were designated by projects such as ejectors. The prototype of hydrogen storage system was delivered to key export customer projects.

Industry and others segment: The joint venture and cooperation between the company and Bosch Rexroth in the hydraulic business field has been progressing smoothly. The market space has been continuously expanding, and breakthroughs in overseas markets have been achieved. Both parties continue to deepen cooperation around the development of top-tier customers, the R&D of new technology and products, and the improvement of supply chain competitiveness. The core parts of hydraulic system were acquired by the controller projects of forklift customers, expanded to hydraulic pump projects of multiple forklift customers and business scale kept rising. The post-market and trade business was steadily improved, and the mainframe business successfully opened up new overseas markets such as South Korea and Brazil.

2. Breaking the bottlenecks in new product R&D, and setting the benchmark in technology iteration

Energy saving and emission reduction segment: In terms of the fuel injection system products, the development of B sample of ultra-high pressure fuel injection system for large diesel engines was completed; in terms of natural gas dual-fuel direct injection system, the development of C sample was completed and passed the PPAP audit of customers; the performance of engine matched with high-pressure methanol injection system and hydrogen internal combustion engine injector was tested and optimized. In terms of after-treatment system products, the development and cost reduction optimization of passenger cars, commercial vehicles and off-road export projects were completed; the pre-research on the after-treatment technology of CN VII emission and hydrogen internal combustion engine was carried out; the application and development of methanol after-treatment products were completed. In terms of air intake system products, the development of key customers and key models were completed; the pre-research of 400V electric auxiliary turbocharger was carried out.

Intelligent electrification segment: The suspension motor hydraulic pump was designated for mass production of leading new energy customers and entered the sample B verification; the function test of hydraulic suspension piston accumulator and continuous variable damping solenoid valve was completed; in terms of 120W electronic fuel pump, the PPAP audit of key customer projects was completed; for the second generation of high-efficiency electronic fuel pump, the sample B verification was completed; 800V electronic water pump was delivered to key customers; in terms of the electronic water pump used for liquid cooling in 48V vehicles and data centers, the functional verification was completed; in terms of commercial vehicle brake air compressor, the function test was completed; in terms of millimeter-wave angle radar, the product development was completed and the batch production was started, and designated by a number of domestic mainstream OEM, and the business capability was continuously improved.

Green hydrogen energy segment: In terms of the core parts of hydrogen fuel cell, the development of C samples of 35MPa bottle mouth valve and pressure reducing valve was completed; the reliability of sample B of 70MPa bottle mouth valve was being verified; the iterative development of the second generation membrane electrode was completed, and its performance reached the domestic

advanced level; the small batch supply of single batteries was realized; the performance development and customer verification of electrolytic water membrane electrode were completed. In terms of hydrogen production from renewable energy, the first industrial application demonstration of hydrogen production from renewable energy in Wuxi was realized, with a cumulative hydrogen supply of 4000 Nm³; the expansion optimization and amplification verification of three platforms for electrolytic cell were promoted.

Industry and others segment: In terms of the core parts of hydraulic system, the small batch production of meshing gear pump and series pumps were promoted in the industrial field; a stage progress was made in the R&D of the core parts of the humanoid robot, and the first round of sample trial production and functional test of dexterous hand, harmonic reducer and flexible pressure sensor was completed; the performance development of carbon monoxide and formaldehyde gas sensor induction electrodes was completed; the small batch supply of carbon monoxide induction electrodes was realized.

3. Chart the new chapter of the Fifteenth Five-Year Plan and concentrating on investment to promote development

In 2025, the Company completed the preparation of the industrial development strategic plan in the Fifteenth Five-Year Plan, defined the principles and ideas for the development in the new period, established three core segments, namely energy and power, automotive intelligence and new industries, anchored the development vision of "Leading International Intelligent Cars and New Industrial System Service Provider", and Clearly establish the three core business segments: energy and power, automotive intelligence, and new industries. Set three-stage development goals, and steadily promoted the strategic landing through expanding core business and organizing internal strength, thus building a top-level framework for medium and long-term high-quality development. During the reporting period, the Company signed a strategic cooperation agreement with Robert Bosch in Germany in the new period, deepening the strategic partnership between the two parties, not only continuing to deepen the existing fuel business cooperation, but also expanding the business boundary based on the advantages of both parties to focus on new areas such as intelligent sensing, hydraulics, humanoid robot and intelligent factory to explore mutually beneficial cooperation. At the same time, for the three core segments, the Company accurately arranged the industrial investment and capital operation, and promoted business implementation through multi-faceted efforts and solid actions. Set up WFBL as a joint venture by cooperation with Baolong Technology to step into the business of the fully active SMPU and fill the gaps in the layout of related businesses; the Company completed lightweight capital increase of WFCA to build a high-end lightweight casting industrial base and consolidated core business competitiveness. Promoted subsidiaries such as WFSS and WFAS to carry out market-oriented financing and mixed-ownership reform, and activate institutional mechanisms so as to accelerate business breakthroughs and enable the core businesses to flourish in multiple areas; In addition, the Company followed the principle of strategic investment, and continued to explore high-quality targets that meet the development and planning direction to steadily promote industrial integration and ecological construction. At the same time, the Company kept improving the investment management system, standardized the post-investment management and risk control process, carried out annual post-investment evaluation, comprehensively improved the efficiency of investment management, to ensure the synergy between strategic layout and capital operation, and help the Company's high-quality transformation and development.

4. Strictly enforcing quality, safety and management and speeding up projects to promote construction

The 0km fault of the Company's core business products was less than 10PPM continuously; the Company established the risk matrix of quality system process management, built the quality management model of samples to SOP+ and develop the operation rules of quality valves; gradually promoted the information construction of quality management platform, and improved the customer complaint reporting and problem solving mechanism; promoted the application of intelligent manufacturing technology, completed the construction of intelligent manufacturing benchmark for machining scene, and passed the four-level evaluation of national intelligent manufacturing capability maturity, and was awarded as a national intelligent manufacturing benchmark enterprise. The Company improved the management and control requirements for major safety accidents, to dynamically clear major accidents, set up a EHS training base to organize all employees for the "Double-track" training and education online and offline. The Company's EHS responsibility indexes were controlled and qualified throughout the year, and there were no major casualties, ranking first in the annual safety production assessment of Wuxi Industry Group. The Company promoted the integrated application of AI technology in business operation scenarios, built a localized high-speed computing center, and implemented more than 30 AI applications to realize

the deep application of large language models in multi-business scenarios. The Company orderly promoted the implementation of projects such as Hydrogen Energy Industrial Park, Weifu (Huishan) Intelligent Industrial Park and Transformation of Weifu Trial-production Workshop, completed the re-certification of ISO50001 energy management system. The Company continued to promote the digital construction of business and completed the WFAC digital factory consulting and system implementation project, completed the VHWX core business system construction project and realized the integration with the headquarters business; completed the upgrade of container cloud platform cluster deployment architecture and the development of technology R&D framework; completed the data center operation monitoring management online; completed the launch of the intelligent park platform.

5. Diligent operation to stabilize operation and strict management of risks to keep the bottom line

The Company fully implemented the annual target control and performance evaluation, and scientifically prepared the annual business plan; Optimized the organizational structure system of the headquarters, reshaped the functional positioning of the headquarters, streamlined management levels, improved the distribution of powers and responsibilities and governance mechanisms, and enhanced the capabilities of strategic coordination, resource allocation and risk control.; Built a "Headquarters-Overseas" vertical management and control mode, promoted the implementation of the whole line management, introduced a number of management and control systems, and incorporated them into the business reporting system to realize standardization and digitalization of overseas management and control. The Company refined the business analysis data, focused on profitability analysis of key products, and optimized cost structure; the first public offering of science and technology innovation company bonds for professional investors (specially used for 465 modern industrial clusters) was listed on Shenzhen Stock Exchange. The Company optimized the supplier management platform, promoted the contract management system, and improved the informationization and standardization of supply chain management; focused on reducing costs and increasing efficiency, promoted special cost reduction projects, optimized supply chain business policies, and enhanced supply chain competitiveness; promoted the supplier development of new projects, provided cooperation for the construction of production capacity, and ensured the effectiveness of new projects. The Company regularly carried out the prevention and disposal of slow-moving materials, reduced resource waste and improved inventory turnover; standardized logistics data, promoted the deployment of information systems such as warehousing management system, and improved the efficiency of warehousing logistics management. The Company adhered to the core of talent and organization construction, and built a full-chain talent development system; strengthened accurate talent introduction and internal deployment, focused on core technologies and emerging businesses, increased the introduction of talents in key positions, and optimized staffing; improved the mechanism of talent development and cadre management, smoothed the channel of career development, and promoted the standardization of cadres' ability; continuously improved the incentive and restraint mechanism, optimized the management of incentive funds, and built a full-cycle (short-term, medium-term and long-term) incentive system; Relying on the training system of "San Hang Yi Jiang", the Company carried out special training to improve employees' comprehensive quality and organizational ability. The Company strengthened the construction of the legal system of risk control, set up a risk control committee, and regularly carried out risk review, judgment and disposal; made two-way efforts to promote the improvement of internal control, and implemented internal control optimization, special self-inspection, internal control verification and rectification as a whole, to ensure the compliance of investment projects throughout the process, achieve global coverage of internal audit work, and continuously build a bottom line for compliance management and risk prevention and control.

2. Revenue and cost

(1) Component of operating revenue

In RMB

	2025		2024		Increase/decrease y-o-y (+/-)
	Amount	Ratio in operating revenue	Amount	Ratio in operating revenue	
Total operating revenue	12,023,879,058.27	100%	11,167,263,155.85	100%	7.67%

By industries					
Automotive components	11,873,975,422.18	98.75%	11,010,590,101.39	98.60%	7.84%
Other businesses	149,903,636.09	1.25%	156,673,054.46	1.40%	-4.32%
By products					
Energy saving and emission reduction: automobile fuel management system	4,913,386,776.49	40.86%	4,622,029,816.75	41.39%	6.30%
Energy saving and emission reduction: Automobile after-treatment system	3,671,578,714.98	30.54%	3,463,602,741.82	31.02%	6.00%
Energy saving and emission reduction: air management system	1,061,023,325.54	8.82%	954,079,620.18	8.54%	11.21%
Green hydrogen energy	85,563,972.84	0.71%	110,713,920.24	0.99%	-22.72%
Intelligent electric drive	2,142,422,632.33	17.82%	1,860,164,002.40	16.66%	15.17%
Other businesses	149,903,636.09	1.25%	156,673,054.46	1.40%	-4.32%
By region					
Domestic	10,592,926,772.59	88.10%	9,715,285,972.78	87.00%	9.03%
Foreign	1,430,952,285.68	11.90%	1,451,977,183.07	13.00%	-1.45%
By sale mode					
Direct sale	12,023,879,058.27	100.00%	11,167,263,155.85	100.00%	7.67%

(2) Industries, products, regions and sales model that account for more than 10% of the operating revenue or operating profit of the Company

Applicable Not applicable

In RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y
By industries						
Automobile components	11,873,975,422.18	9,899,708,804.88	16.63%	7.84%	8.99%	-0.87%
By products						
Energy saving and emission reduction	9,645,988,817.01	7,910,914,651.80	17.99%	6.71%	9.14%	-1.82%
Including: automobile fuel management system	4,913,386,776.49	3,920,096,418.96	20.22%	6.30%	11.18%	-3.49%
Including: Automobile after-treatment system	3,671,578,714.98	3,146,612,888.30	14.30%	6.00%	6.59%	-0.47%
Including: air management system	1,061,023,325.54	844,205,344.54	20.43%	11.21%	9.56%	1.19%
Green hydrogen energy	85,563,972.84	128,782,934.14	-50.51%	-22.72%	-5.77%	-27.06%
Intelligent electric drive	2,142,422,632.33	1,860,011,218.94	13.18%	15.17%	9.52%	4.48%
By region						
Domestic	10,443,023,136.50	8,622,440,644.37	17.43%	9.25%	11.47%	-1.64%
Foreign	1,430,952,285.68	1,277,268,160.51	10.74%	-1.45%	-5.25%	3.59%
By sale mode						
Direct sale	11,873,975,422.18	9,899,708,804.88	16.63%	7.84%	8.99%	-0.87%

In the event that the statistical caliber of the company's main business data is adjusted during the reporting period, the main business data of the company has been adjusted according to the caliber at the end of the reporting period in the past year.

Applicable Not applicable

(3) Revenue from physical sales larger than revenue from labors
 Yes No

Industries	Item	Unit	2025	2024	Year-on year increase (+)/decrease (-)
Fuel management system- multi-cylinder pumps	Sales volume	In 10 thousand sets	184.65	177.68	3.92%
	Output	In 10 thousand sets	184.45	175.09	5.34%
	Inventory	In 10 thousand sets	2.72	2.92	-6.84%
Fuel management system- fuel injector	Sales volume	In 10 thousand suits	252.12	239.40	5.31%
	Output	In 10 thousand suits	254.83	213.86	19.16%
	Inventory	In 10 thousand suits	18.99	16.28	16.65%
After-treatment system - purifier	Sales volume	In 10 thousand pieces	528.54	476.50	10.92%
	Output	In 10 thousand pieces	503.46	511.23	-1.52%
	Inventory	In 10 thousand pieces	85.37	110.46	-22.71%
Air management system - turbocharger	Sales volume	In 10 thousand sets	148.13	129.56	14.33%
	Output	In 10 thousand sets	148.51	137.80	7.77%
	Storage	In 10 thousand sets	34.23	33.85	1.14%
Braking system - vacuum pump	Sales volume	In 10 thousand sets	707.25	724.72	-2.41%
	Output	In 10 thousand sets	687.69	739.99	-7.07%
	Inventory	In 10 thousand sets	8.23	27.79	-70.40%

Description for relevant year-on-year data changing over 30%

 Applicable Not applicable

The inventory of vacuum pumps for the braking system at the end of the year decreased due to their consumption of the initial inventory.

(4) Performance of significant sales contracts, major procurement contracts entered into by the company up to the current reporting period
 Applicable Not applicable
(5) Component of operation cost

Industry and product classification

In RMB

Industries	Item	2025		2024		Year-on-year increase (+)/decrease (-)
		Amount	Ratio in operation cost	Amount	Ratio in operation cost	
Automotive components	Direct material	6,470,133,445.90	65.37%	5,670,506,558.33	62.42%	14.10%
Automotive components	Labor cost	1,001,411,255.05	10.12%	1,035,307,666.04	11.40%	-3.27%
Automotive components	Depreciation	434,699,802.97	4.39%	463,753,876.84	5.11%	-6.26%
Automotive components	Varieties of consumption	1,993,464,300.96	20.14%	1,913,974,609.78	21.07%	4.15%

In RMB

Products	Item	2025		2024		Year-on-year increase (+)/decrease (-)
		Amount	Ratio in operation cost	Amount	Ratio in operation cost	
Energy saving and emission reduction: fuel management system	Direct material	2,059,360,786.67	52.54%	1,746,974,690.56	49.54%	17.88%
Energy saving and emission reduction: fuel management system	Labor cost	537,185,557.55	13.70%	535,256,865.42	15.18%	0.36%
Energy saving and emission reduction: fuel management system	Depreciation	257,993,617.53	6.58%	262,587,977.25	7.45%	-1.75%
Energy saving and emission reduction: fuel management system	Varieties of consumption	1,065,556,457.21	27.18%	981,220,789.82	27.83%	8.59%
Energy saving and emission reduction: after-treatment system	Direct material	2,354,755,862.51	74.84%	2,015,210,090.90	68.27%	16.85%

Energy saving and emission reduction: after-treatment system	Labor cost	101,668,361.95	3.23%	176,389,051.84	5.98%	-42.36%
Energy saving and emission reduction: after-treatment system	Depreciation	23,331,663.06	0.74%	72,740,341.05	2.46%	-67.92%
Energy saving and emission reduction: after-treatment system	Varieties of consumption	666,857,000.77	21.19%	687,624,056.10	23.29%	-3.02%
Energy saving and emission reduction: air management system	Direct material	765,998,460.34	90.73%	707,410,996.06	91.81%	8.28%
Energy saving and emission reduction: air management system	Labor cost	40,863,091.10	4.84%	36,482,919.23	4.73%	12.01%
Energy saving and emission reduction: air management system	Depreciation	17,614,227.02	2.09%	15,860,785.26	2.06%	11.06%
Energy saving and emission reduction: air management system	Varieties of consumption	19,729,566.08	2.34%	10,763,796.63	1.40%	83.30%
Green hydrogen energy business	Direct material	39,531,223.00	30.69%	87,378,496.59	63.93%	-54.76%
Green hydrogen energy business	Labor cost	50,776,939.61	39.43%	27,886,077.67	20.40%	82.09%
Green hydrogen energy business	Depreciation	19,775,264.35	15.36%	9,644,894.40	7.06%	105.03%
Green hydrogen energy business	Varieties of consumption	18,699,507.18	14.52%	11,766,073.29	8.61%	58.93%
Intelligent electric vehicles	Direct material	1,250,487,113.38	67.22%	1,113,532,284.23	65.56%	12.30%
Intelligent electric vehicles	Labor cost	270,917,304.84	14.57%	259,292,751.88	15.27%	4.48%
Intelligent electric vehicles	Depreciation	115,985,031.01	6.24%	102,919,878.87	6.06%	12.69%
Intelligent electric vehicles	Varieties of consumption	222,621,769.72	11.97%	222,599,893.95	13.11%	0.01%

Explanation

(6) Whether there were changes in the scope of consolidation during the reporting period or not?

Yes No

Investment establishment: Weifu Ite Hydrogen Energy Technology (Wuxi) Co., Ltd., Weifu Baolong (Nanjing) Technology Co., Ltd.

(7) Major changes or adjustment in business, product or service of the Company in Reporting Period

Applicable Not applicable

(8) Major sales and main suppliers

Major sales clients of the Company

Total top five clients in sales (RMB)	5,648,014,503.22
Proportion in total annual sales volume for top five clients	46.97%
Ratio of the related party sales in total annual sales from top five clients	30.31%

Information of top five clients of the Company

Serial No.	Name	Sales (RMB)	Proportion in total annual sales
1	Robert Bosch	2,265,403,457.93	18.84%
2	RBCD	1,379,652,413.36	11.47%
3	Client 1	838,391,235.76	6.97%
4	Client 2	606,932,132.65	5.05%
5	Client 3	557,635,263.52	4.64%
Total		5,648,014,503.22	46.97%

Other situation of main clients

Applicable Not applicable

The Company has related party relationships with RBCD and Robert Bosch Company. Additionally, the Company's directors, senior management personnel, key technical personnel, and actual controllers do not have direct or indirect interests in major customers.

Main suppliers of the Company

Total purchase amount from top five suppliers (RMB)	2,745,241,656.63
Proportion in total annual purchase amount for top five suppliers	21.82%

Ratio of the related party purchase in total annual purchase amount from top five suppliers	8.26%
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Information of top five suppliers of the Company

Serial No.	Suppliers	Purchasing amount (RMB)	Ratio in annual total purchasing amount
1	WFEC	733,327,508.54	5.83%
2	Client 1	695,655,500.29	5.53%
3	Client 2	625,455,520.00	4.97%
4	Client 3	385,159,706.67	3.06%
5	RBCD	305,643,421.13	2.43%
Total	--	2,745,241,656.63	21.82%

Other notes of main suppliers of the Company

Applicable Not applicable

The Company has related party relationships with WFEC and RBCD. Additionally, the Company's directors, senior management personnel, key technical personnel, and actual controllers do not have direct or indirect interests in major suppliers.

Revenue from trading business represented over 10% of total operating revenue in the reporting period.

Applicable Not applicable

3. Expense

In RMB

	2025	2024	Year-on-year increase (+)/decrease (-)	Note of major changes
Sales expenses	204,860,008.42	173,294,600.83	18.21%	
Administration expenses	807,541,005.61	726,610,451.29	11.14%	
Financial expenses	-30,059,650.21	-55,769,497.98	-46.10%	Financial expenses increased in the current reporting period compared with the same period of the previous year, mainly due to the decrease in interest income from deposits.
R&D expenses	695,553,391.89	690,258,974.54	0.77%	

4. R&D investment

Name of main R&D projects	Project objectives	Project progress	Objectives to be achieved	Expected impact on the Company's future development
Development and application of high-pressure common rail pump products meeting Euro VII emission standards	To development high-pressure common rail pump products for automotive diesel engines meeting Euro VII emission standards	In progress. Some models have entered the customer application	To finalize high-pressure common rail pump products for automotive diesel engines meeting Euro VII emission standards and apply them on the market	Enhancing the existing product business of enterprises and extending the vitality of traditional products
Development and application of diesel fuel injection parts products meeting off-road T4 emission standards	To develop diesel fuel injection parts products meeting off-road T4 emission standards	In progress. Some models have entered the customer application and the adaptation design	To finalize diesel fuel injection parts products meeting off-road T4 emission standards and apply them on the market	Enhancing the existing product business of enterprises and extending the vitality of traditional products
Development and application of diesel engine turbocharger products meeting Euro VII emission standards	To develop diesel engine turbocharger products meeting Euro VII emission standards	In progress. Some models have entered the customer application, and a few models have been supplied in small batch	To finalize diesel engine turbocharger products meeting Euro VII emission standards and apply them on the market	Enhancing the existing product business of enterprises and extending the vitality of traditional products
Development and application of natural gas engine turbocharger products meeting CN VI emission standards	To develop natural gas engine turbocharger products meeting CN VI emission standards	In progress. Some models have entered the customer application, and a few models have been supplied in small batch	To finalize natural gas engine turbocharger products meeting CN VI emission standards and apply them on the market	Enhancing the existing product business of enterprises and extending the vitality of traditional products
Development and application of key parts (valves, pumps, etc.) of hydrogen fuel cell BOP	To develop key parts (valves, pumps, etc.) of hydrogen fuel cell BOP	In progress. The related products have been produced in small	To finalize large-scale production of key parts of hydrogen fuel cell BOP and apply them on the market	Main direction of the company's emerging business and new business growth

		batches, and have entered the customer application and started to be supplied in small batches		points in the future
Development and industrialization of bipolar plate of hydrogen fuel cell	To develop the whole process flow of key parts of hydrogen fuel cell stack	In progress. The core technology capability has been gradually improved, and a number of customer-designated projects have been obtained and supplied in batches	To finalize large-scale production of key parts of hydrogen fuel cell and apply them on the market	Main direction of the company's emerging business and new business growth points in the future
Development and application of post-treatment products for commercial vehicles meeting Euro VII emission standards	To develop post-treatment products for commercial vehicles meeting Euro VII emission standards	In progress. Some models have entered the customer application, and a few models have been supplied in small batch	To finalize post-treatment products for commercial vehicles meeting Euro VII emission standards and apply them on the market	Enhancing the existing product business of enterprises and extending the vitality of traditional products
Development of exhaust system technology for hybrid electric vehicles	To develop exhaust system for hybrid and extended-range projects meeting the requirements of heat insulation, volume reduction, cost reduction and high noise reduction of the exhaust system	In batch production	To finalize post-treatment products for hybrid electric vehicles and apply them on the market	Enhancing the existing product business of enterprises and extending the vitality of traditional products
Development of post-treatment technology for hydrogen fuel engines	To develop post-treatment products for hydrogen fuel engines	In progress	To finalize post-treatment products for hydrogen fuel engines and apply them on the market	Enhancing the existing product business of enterprises and extending the vitality of traditional products
Development and application of exhaust system for commercial vehicles meeting Stage IV fuel consumption standards	To develop high-efficiency anti-crystallization postprocessors meeting lower back pressure requirements	In batch production	To finalize high-efficiency anti-crystallization postprocessors meeting the requirements of Stage IV fuel consumption and CN VI emissions and match them in applications	Enhancing the existing product business of enterprises and extending the vitality of traditional products
Pre-research of high-efficiency and high-integration post-treatment system for off-road vehicles meeting the requirements of Stage V emission	To develop post-treatment system products for off-road vehicles meeting the requirements of Stage V emissions	In progress	To develop post-treatment system products for off-road vehicles meeting the requirements of Stage V emissions and match them in applications	Enhancing the existing product business of enterprises and extending the vitality of traditional products
Pre-research of post-treatment system for coordinated and efficient treatment of multi-pollutants for passenger cars meeting CN VII emission standards	To develop post-treatment products for passenger cars meeting CN VII emission standards	In progress	To develop post-treatment products for passenger cars meeting CN VII emission standards and match them in applications	Enhancing the existing product business of enterprises and extending the vitality of traditional products
Development and application of core parts of hydraulic system	To develop core parts of hydraulic system	In progress. Some products have been applied in batches	To produce and deliver core parts of hydraulic system in batches	Main direction of the company's emerging business and new business growth points in the future
Development of suspension motor pump (SMPU) platform	To develop fully active suspension 5in1 products	In development and trial-production of sample	To realize the development and mass production of suspension motor pump	Key business in the Company's strategic planning
Integrated development of intelligent cockpit	To develop and apply the whole seat and core products of intelligent cockpit	In terms of commercial vehicles, the products have been put into production in batches for several projects; in terms of passenger cars, the products have won several projects of Chery and have been put into production and application. In terms of long slide rail products, the manual samples and DV test have been completed; In terms of the electric sideslip turntable, the product design and manual samples have been completed	To enhance market recognition and continuously expand market scale, finalize innovative products and apply them on market	Main direction of the company's emerging business and new business growth points in the future
Development and application of intelligent sensing core module products	To develop intelligent sensing core module products (millimeter wave radar)	Some products have been produced in batches, and a new generation of products is under continuous development	To ensure that core products enter the mainstream market and reach the expected target share	Main direction of the company's emerging business and new business growth points in the future

Development of high-efficiency shafting platform for gasoline engine 2.0	To comprehensively design and develop the high-efficiency shafting of gasoline engine 2.0L	The dimension design and clearance fit verification of shafting parts have been completed	To ensure the stable operation of shafting under complex conditions and meet the internal and client test verification	Improving the competitiveness of enterprise and providing opportunities for the Company to seize the passenger car market
R&D of key technologies for high-performance pneumatic turbochargers	To develop key technologies for high-performance pneumatic turbochargers and improve the efficiency of turbochargers	The complete machine test data acquisition system has been designed, and corresponding data acquisition hardware have been prepared, to provide strong support for the complete machine tests	To break through and industrialize the technology of high-performance turbochargers based on air bearing	Enhancing the existing product business of enterprises and extending the vitality of traditional products
Development of 2.5L high-performance diesel turbocharger	To develop 2.5L high-performance diesel turbocharger	In batch production. The project has been closed	To finalize 2.5L high-performance diesel turbocharger and apply them on the market	Enhancing the existing product business of the enterprise, adapting to new application scenarios and extending the vitality of traditional products
Motor test platform	To build a fully functional and highly automated motor test platform to meet the needs of R&D, production and quality control of 20KW and below motors	The technical scheme of the project is being determined, so as to carry out the design and procurement of mechanical and electrical software	To establish a complete motor test platform, covering core functions such as motor performance parameter test (such as power, torque, speed and efficiency), NVH test, UDS static test, SWD hard burning, UDS soft burning and so on, and realize standardization and automation of test process	Helping the Company's business development and serving the new energy R&D process; having the ability to test most motors in the market, providing motor test contents for different customers flexibly and objectively, building brand influence, driving the independent design of new energy test equipment, building brand effect and realizing sustainable growth
Development and application of brake system core parts	To develop brake system core parts	Some products have been delivered in batches, and some products are under communication with customers	To finalize brake system core parts and apply them on the market	Main direction of the company's emerging business and new business growth points in the future
Development and application of core parts of clean fuel injection system	To develop alternative fuel (natural gas, methanol, hydrogen, etc.) injection system technology	In progress. Some models have entered customer verification	To finalize core parts of clean fuel injection system and apply them on the market	Enhancing the market share of clean fuel products in the future
Development and application of core materials of hydrogen fuel cell	To develop core materials of hydrogen fuel cell (membrane electrode, catalyst)	In progress. Related products have been produced in small batches, and entered the customer application	To form large-scale production of core materials of hydrogen fuel cell and apply them on the market	Main direction of the company's emerging business and new business growth points in the future
R&D of core technologies and parts of hydrothermal management system	To develop core technologies and parts of hydrothermal management system for vehicles and industries	In progress. Some water pumps and thermostats have been produced in small batches, and entered the customer application	To form large-scale production of core parts of hydrothermal management system and apply them on the market	Main direction of the company's emerging business and new business growth points in the future
Development of electronic fuel pump products	To develop electronic fuel pump products	Some products have been produced in small batches, and the low-cost fuel pump has been designed and verified	To complete platform and application of electronic fuel pumps, form large-scale production and apply them on the market	Main direction of the company's emerging business and new business growth points in the future
Technology development of key parts of humanoid robot	To develop key parts such as dexterous hand and wrist joint of humanoid robot	Some products have completed the first trial production and functional verification	To finalize key parts of humanoid robot and apply them on the market	Main direction of the company's emerging business and new business growth points in the future

R&D personnel

	2025	2024	Change ratio
Number of R&D personnel (person)	1,201	1,202	-0.08%
Ration of R&D personnel	20.29%	20.51%	-0.22%
Educational structure of R&D staff			
Undergraduate	586	584	0.34%
Master	321	328	-2.13%
Age structure of R&D personnel			
Under 30	347	336	3.27%
30~40	509	554	-8.12%

R&D investment

	2025	2024	Change ratio
R&D investment (RMB)	695,553,391.89	690,258,974.54	0.77%
Ratio of R&D investment to operation revenue	5.78%	6.18%	-0.40%
Capitalized R&D investment(yuan)	0.00	0.00	0.00%
Proportion of capitalized R&D investment in total R&D investment	0.00%	0.00%	0.00%

Reasons and impacts of significant changes in composition of R&D personnel

Applicable Not applicable

Reason of significant changes in the proportion of total R&D investment accounted for operation income than last year

Applicable Not applicable

Reason for significant change in R&D investment capitalization rate and rational description

Applicable Not applicable**5. Cash flow**

In RMB

Item	2025	2024	Year-on-year growth rate
Subtotal of cash inflow arising from operating activities	12,529,960,844.14	11,723,384,338.74	6.88%
Subtotal of cash outflow arising from operating activities	11,537,233,821.27	10,141,051,690.00	13.77%
Net cash flows arising from operating activities	992,727,022.87	1,582,332,648.74	-37.26%
Subtotal of cash inflow from investing activities	5,722,836,258.59	5,377,199,844.85	6.43%
Subtotal of cash outflow from investing activities	6,091,354,244.01	5,228,195,253.72	16.51%
Net cash flows arising from investing activities	-368,517,985.42	149,004,591.13	-347.32%
Subtotal of cash inflow from financing activities	1,614,003,575.17	491,186,845.30	228.59%
Subtotal of cash outflow from financing activities	2,001,977,032.11	2,494,389,820.58	-19.74%
Net cash flows arising from financing activities	-387,973,456.94	-2,003,202,975.28	80.63%
Net increase of cash and cash equivalents	263,968,635.82	-305,042,022.19	-186.54%

Main reasons for y-o-y significant changes in aspect of relevant data

Applicable Not applicable

1. The net cash flows arising from operating activities in the reporting period decreased by 590 million yuan compared with the same period of the previous year, mainly due to the increase in Cash paid for purchasing commodities and receiving labor service in the current period.

2. The net cash flows arising from investing activities in the reporting period decreased by 518 million yuan compared with the previous period, mainly due to the year-on-year decrease in dividends from Robert Bosch and the increase in investment in structured deposits.

3. The net cash flows arising from financing activities in the reporting period increased by 1.615 billion yuan compared with the previous period, mainly due to the increase in inflows from capital absorption and financing in the current period.

Reasons of significant difference between the cash flow of operation activity in reporting period and net profit of the Company

Applicable Not applicable**V. Analysis of the non-main business**Applicable Not applicable

In RMB

	Amount	Ratio in total profit	Cause description	Whether be sustainable or not
Investment earnings	1,434,186,893.19	123.28%	Mainly income from the Company's equity-accounted investees RBCD and Zhonglian Electronics.	(Yes. The production and operation of RBCD and Zhonglian Electronics, the Company's equity-accounted investees, are stable and sustainable.)
Gains/losses of fair value changes	61,265,098.76	5.27%		
Asset impairment	-493,464,041.74	-42.42%	The main item is the provision for impairment of long-term assets.	
Non-operating income	3,951,463.87	0.34%		
Non-operating expense	3,781,251.76	0.33%		

VI. Assets and liability analysis

1. Major changes of assets components

In RMB

	Year-end of 2025		Year-begin of 2025		Ratio changes (+/-)	Note of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary funds	2,358,850,312.47	7.95%	2,246,600,451.52	7.91%	0.04%	
Account receivable	4,341,063,178.47	14.63%	3,737,653,893.03	13.16%	1.47%	
Inventory	2,458,134,988.90	8.29%	2,308,920,401.14	8.13%	0.16%	
Investment real estate	52,318,319.87	0.18%	44,960,930.39	0.16%	0.02%	
Long-term equity investment	7,299,370,031.76	24.60%	7,035,098,878.59	24.77%	-0.17%	
Fixed assets	4,582,924,701.55	15.45%	4,461,619,375.21	15.71%	-0.26%	
Construction in progress	280,431,452.37	0.95%	380,321,816.50	1.34%	-0.39%	
Right-of-use assets	97,945,565.44	0.33%	67,765,442.37	0.24%	0.09%	
Short-term borrowings	564,763,810.23	1.90%	393,120,147.95	1.38%	0.52%	
Contract liability	63,010,303.58	0.21%	56,148,545.13	0.20%	0.01%	
Long-term borrowings	87,300,000.00	0.29%	100,000,000.00	0.35%	-0.06%	
Lease liability	73,373,773.23	0.25%	47,316,516.48	0.17%	0.08%	

Foreign assets account for a relatively high proportion

Applicable Not applicable

Specific Details of the Assets	Formation Causes	Asset Scale	Location	Operation Mode	Control measures to ensure the safety of assets	Earnings situation	The proportion of overseas assets in the company's net assets	Whether there is any major impairment risk or not
IRD	Business combination under non-common control	RMB 376.8436 million yuan	Denmark	Wholly-owned subsidiary of the Company, engaging in the research and development, production, and sales of fuel cell component products.	The Company will pay full attention to the changes in the industry and the market, and strengthen corporate governance, human resources management, financial management, audit supervision, and performance appraisal.	Nil	1.89%	Nil
Borit	Business combination under non-common control	RMB 264.0957 million yuan	Belgium	Wholly-owned subsidiary of the Company, engaging in the production and sales of fuel cell component products.		Nil	1.33%	Nil
VHIO	Business combination under non-common control	RMB 671.0924 million yuan	Italy	Wholly-owned subsidiary of the Company, engaging in the production and sales of automobile parts products		RMB 4.9665 million yuan	3.37%	Nil
Other Situations Explanation			Nil					

2. Assets and liabilities measured by fair value
 Applicable Not applicable

In RMB

Items	Amount at the beginning period	Changes of fair value gains/losses in this period	Accumulative changes of fair value reckoned into equity	Devaluation of withdrawing in the period	Amount of purchase in the period	Amount of sale in the period	Other changes (+/-)	Amount at period-end
Financial assets								
1.Trading financial assets(not including derivative financial assets)	2,177,153,985.38	61,829,140.56			4,863,123,485.07	5,143,950.00	4,011,046,108.96	3,085,916,552.05
2.Investment in other equity instrument	677,790,690.00				371,348,000.00			1,049,138,690.00
3.Receivable financing	1,713,187,182.25						148,731,843.48	1,861,919,025.73
Subtotal of financial assets	4,568,131,857.63	61,829,140.56			5,234,471,485.07	5,143,950.00	3,862,314,265.48	5,996,974,267.78
Total of the above	4,568,131,857.63	61,829,140.56			5,234,471,485.07	5,143,950.00	3,862,314,265.48	5,996,974,267.78
Financial liabilities	0.00							0.00

Other changes: Maturity Redemption and Reclassification

Whether there have major changes on measurement attributes for main assets of the Company in reporting period or not?

 Yes No
3. The assets rights restricted till end of the period

In RMB

Item	Book value at period-end	Restriction reason
Monetary funds	20,188,696.29	Notes pledge for bank acceptance
Monetary funds	8,291,872.97	IRD performance bond
Monetary funds	273,032.92	Performance bond
Monetary funds	152.85	Cash deposit for Mastercard
Monetary funds	60,412,602.74	Pledged deposit for bank borrowings
Accounts Receivable	10,000,000.00	Pledge financing of accounts receivable
Receivables financing	408,648,804.25	Notes pledge for bank acceptance
Trading financial assets	10,150,000.00	The Company's corporate structured deposit account opened in the bank has been frozen by the court due to litigation. The principal balance of this deposit account is RMB 100 million, among which the restricted amount due to the freeze is RMB 10.15 million.
Total	517,965,162.02	

VII. Investment analysis**1. Overall situation**
 Applicable Not applicable

Investment amount during the reporting period (yuan)	Investment amount during last reporting period (yuan)	Amount of variation
1,000,905,904.01	1,582,195,253.72	-36.74%

2. Major equity investment obtained in the reporting period
 Applicable Not applicable

In ten thousand yuan

Name of	Major business	Investment type	Investment amount	Share holdi	Source of	Cooperator	Investment	Type of	Progress as of data	Expected	Profit/loss of current	Involved in	Disclosure date	Disclosure index (if
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investee				ng ratio	fund		term	produ ct	of balance sheet	reven ue	investmen t	litigatio n(Y/N)	(if any)	any)
WFET	High pressure hydrogen storage bottle	Newly established	10,227.31	51.00 %	Own fund	Voith HySTech GmbH	Long term	NA	Have been completed	0.00	0.00	N	2025-02-18	Announcement No.: 2025-002
WFLD	Automotive exhaust purifier, muffler	Acquisition	19,111.82	100.00 %	Own fund	Wuxi Industry Group			Have been completed	0.00	0.00	N	2025-02-22	Announcement No.: 2025-005
WFBL	Fully active suspension motor hydraulic pumps	Newly established	22,000	WFJN holds 55%	Own fund	Shanghai Baolong Automotive Technology (Anhui) Co., Ltd.			Have been completed	0.00	0.00	N	2025-05-21, 2025-07-02	Announcement No.: 2025-040, 2025-048
AutoLink	Internet of vehicles service	Capital increase	3,000	8.1258 %	Own fund	AutoLink and others			Have been completed	0.00	0.00	N	2025-06-12	Announcement No.: 2025-044
Total	--	--	54,339.13	--	--	--	--	--	--	0.00	0.00	--	--	--

Note: The exchange rate is calculated and presented based on the central parity rate of the RMB in the inter-bank foreign exchange market at the time of the company's first disclosure.

3. Major non-equity investment in progress in the reporting period

Applicable Not applicable

4. Financial assets investment

(1) Securities investment

Applicable Not applicable

In RMB

Variety of securities	Code of securities	Short form of securities	Initial investment cost	Accounting measurement model	Book value at the beginning of the period	Current gain/loss of fair value changes	Cumulative fair value changes in equity	Current purchase amount	Current sales amount	Profit and loss in the reporting period	Book value at the end of the period	Accounting subject	Capital Source
Domestic and overseas stocks	002009	Miracle Automation	69,331,500.00	Measured at fair value	10,501,800.00	462,300.00	0.00		11,921,501.23	1,419,701.23		Trading financial asset	Own fund
Domestic and overseas stocks	600375	Hanna Technology	998,685.07	Measured at fair value		-110,293.51	0.00	998,685.07		-110,293.51	888,391.56	Other non-current financial assets	Own fund
Total			70,330,185.07	--	10,501,800.00	352,006.49	0.00	998,685.07	11,921,501.23	1,309,407.72	888,391.56	--	--
Disclosure date of the board announcement on the approval of securities investment			2013-06-04										

(2) Derivative investment

Applicable Not applicable

There is no derivative investment during the reporting period.

VIII. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

No major assets were sold during the reporting period.

2. Sales of major equity

Applicable Not applicable

IX. Analysis of the main controlling and participating companies

Applicable Not applicable

Main subsidiary and participating enterprises with over 10% influence on net profit of the Company

In RMB

Company name	Type	Main business	Register capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
WFLD	Subsidiary	After-treatment system products	502,596,300.00	6,601,595,510.58	3,107,508,613.73	4,080,768,957.32	419,410,408.70	391,931,034.65
WFJN	Subsidiary	Fuel management system products	346,286,825.80	1,780,523,900.20	1,235,426,534.68	633,308,373.90	96,442,916.26	95,576,153.00
RBCD	Equity participation enterprise	Fuel management system products	USD 382,500,000.00	16,999,791,993.64	10,777,278,283.67	10,142,531,993.13	1,853,471,074.58	1,769,213,245.06
Zhonglian Electronics	Equity participation enterprise	Gasoline system products	600,620,000.00	10,435,067,530.70	10,422,370,116.17	29,696,317.62	2,575,769,787.10	2,570,452,359.73

Subsidiary acquired and disposed in the Period

Applicable Not applicable

Company name	The methods of acquiring and disposing of subsidiaries during the reporting period	The impact on the overall production, operation and performance
WFET	Establish through investment	The company mainly engages in new energy technology research and development, sales of hydrogen refueling and hydrogen storage facilities for stations, manufacturing of special equipment, design of special equipment, sales of mechanical and electrical equipment, manufacturing of auto parts and accessories, etc. The establishment of this subsidiary has no significant impact on the company's overall production and operation and performance during the reporting period.
WFBL	Establish through investment	The company mainly engages in the research and development of auto parts, the manufacturing of accessories, the integration of intelligent control systems, the research and development of motors and their control systems, and the manufacturing and sales of hydraulic power machinery parts. The establishment of this subsidiary has no significant impact on the company's overall production and operation and performance during the reporting period.

Explanation of the situation of the main holding and participating companies

X. Structured subject controlled by the Company

Applicable Not applicable

XI. Prospect of future development of the Company

(I) Future development strategy of the Company

At present, the global automotive industry is undergoing in-depth transformation towards electrification, intelligence and low carbonization. In the new industry field, technological innovation and industrial upgrading are accelerating, bringing systematic restructuring to the industry pattern and competitive ecology. Faced with significant opportunities and transformative challenges, the company has defined the following development ideas and principles to break through difficulties: make overall plans and layouts

with the long-term vision of building a "Century-old Weifu"; persist in advancing strategic layout in line with the electrification and intelligence upgrading trend of the automotive industry; adhere to segmented and international development to pool efforts and achieve key breakthroughs; seize the new energy trend, implement multi-energy layout, multi-path exploration and multi-application carriers; proactively plan the transformation from a component supplier to a system solution provider; courageously take the lead in mechanism reform, activate organizational vitality, and build a competitive talent team.

During the Fifteenth Five-Year Plan period, based on the corporate vision of "Leading International Intelligent Cars and New Industrial System Service Provider, the company will focus on the three core business segments of energy and power, automotive intelligence and new industries, the Company has defined three-stage development goals: "expanding business in major track segments", "building a dual ecosystem of automotive & new industry plus AI to achieve global leapfrogging", and "becoming an internationally leading intelligent mobility and new industrial system service provider". By expanding the boundaries of core businesses externally and strengthening organizational management internally, we will fully ensure the successful implementation of strategic goals and achieve high-quality and sustainable development amid the wave of industrial transformation.

1. As the cornerstone of the Company's business development, the energy and power segment will focus on organic growth, continuously explore overseas market opportunities, consolidate and enhance its leading position in the industry. The energy and power segment includes high-pressure fuel injection system, after-treatment system, turbocharger, electric drive system, vehicle thermal management and other business areas. The Company will position the new route, actively promote business transformation and upgrading, and maintain the leading position in the industry and effective business growth. Under the general trend of low carbon and energy saving, the Company will vigorously advance the transformation and upgrading of businesses, continuously accelerate the expansion of the markets of related products of plug-in hybrid vehicles, oversea export and electrification, strengthen cooperation with leading vehicle manufacturers and joint venture brands, and keep enhancing the market share of products; the product development will focus on efficiency, energy saving (including plug-in hybrid power), clean alternative fuels (natural gas, methanol, hydrogen, etc.), after-treatment, turbocharging, electric drive and thermal management, etc., enhance the R&D capabilities of key technologies and products..

2. The automotive intelligence segment serves as a key strategic growth pillar for the Company's business structure transformation. The Company will focus on intelligent chassis, intelligent cockpit, intelligent driving and other parts and system products. By pursuing organic growth and mergers & acquisitions in parallel, we will achieve rapid and substantial growth and build the segment into the Company's second core business. Among them, in the intelligent chassis business, focus on the core parts of fully active suspension motor hydraulic pumps and intelligent braking system, and continues to promote the improvement of self-research and self-made capabilities and cooperate with external joint ventures to build key parts such as SMPU, solenoid valve and brake execution system, seize the first advantage of MPU technology for the core parts of active hydraulic suspension in the global, and establish a leading position in the industry. In the intelligent cockpit business, the Company will focus on automotive seats and core parts, adhere to the market strategy of "Development of Passenger Cars and Commercial Vehicles Together", form a differentiated competitive advantage with high performance, high quality and high cost performance, accelerate the industrial scale development, continue to optimize the systematic design and testing ability of seat products, enhance the technological innovation ability, and develop networking and intelligent products to match the needs of intelligent cockpit scenarios. In the intelligent driving business, the Company will focus on millimeter-wave radar products, proactively develop automotive sensors and controllers, provide customized radar modules and sensing solutions; We will continue to deepen strategic cooperation with Robert Bosch, further explore the global market for diverse scenarios including intelligent driving, intelligent cockpit, smart parking, and vehicle-road coordination, and expanding global market.

3. The new industries segment is the strategic growth segment of the Company focused on forward-looking layout, in response to the development of industrial technologies. Focus on hydraulic system and core parts, AIDC thermal management, industrial humanoid robot and intelligent factory system, new energy industry chain (including hydrogen energy), commercial aerospace precision parts and other fields. The Company will cultivate diversified business growth drivers through innovation incubation, ecosystem development, capital operation and other measures. Among them, the business of hydraulic system and core parts is the

main strategic development direction of the Company. By establishing a joint venture company with Bosch Rexroth, the Company will jointly expand the market of walking hydraulic and industrial hydraulic products, integrate the strategic resources of the whole value chain of both parties, continuously build the comprehensive competitiveness with the advantages of cost, performance and response speed. At the same time, the Company will continue to increase investment in the development of AIDC thermal management parts and systems, the core parts and systems of industrial humanoid robot, and intelligent factory systems and equipment, strengthen the R&D and industrial cooperation of high value-added key parts for commercial aerospace, deepen the layout and collaborative empowerment of new energy industrial chains, and realize the breakthrough and high-quality development.

(II) Key Works in 2026

1. Strategic convergence for the future and cooperation to explore new opportunities

In 2026, as the first year of the Fifteenth Five-Year Plan, the Company will closely follow the overall deployment of the industrial development plan in the Fifteenth Five-Year Plan, and make overall plans to promote strategic landing, investment cooperation and key tasks in core business. At the level of strategic planning, the Company will fully complete the decomposition and publicity of the Fifteenth Five-Year Plan, focus on the three core segments of energy and power, automotive intelligence and new industries, refine the development paths and core assessment indicators of each segment, clarify the development orientation in each key direction, deeply judge the development trend of key businesses, finalize the layout plan of core products, establish a normalized strategic review mechanism, focus on the progress of target implementation, and ensure the closed-loop landing and efficient promotion of various strategic tasks. At the level of investment cooperation, the Company will adhere to the principle of strategic investment layout, actively select and acquire high-quality targets in line with the Company's development direction, continue to broaden diversified capital support channels, tap high-potential investment projects and innovate market-oriented cooperation models, focus on increasing the investment layout of emerging directions such as humanoid robot, new energy industry chain and intelligent factory, accelerate the financing of intelligent sensor and intelligent seat-related business, simultaneously and continuously improve the whole process investment management system, improve the post-investment dynamic monitoring, risk control and comprehensive evaluation mechanism, comprehensively improve the efficiency of investment management and the level of capital operation, help the three core segments to improve quality and efficiency, and steadily move toward the goal of leading international intelligent cars and new industrial system service providers.

2. Stock optimizing of core business and expansion of emerging markets

Energy and power: In the fuel injection system, the Company will ensure the delivery of common rail pump orders, expand the terminal market of VP pumps, increase the export of mechanical pumps, realize the small batch installation of dual fuel injectors, and accelerate the expansion of high-power electronic control fuel injection system business in the generator sets and other applications. In the after-treatment system, the Company will cooperate with the leading customers of independent brands and joint venture brands of passenger cars, grab the leading customer projects of commercial vehicles, accelerate the off-road CN V project and gas generator exhaust emission project of key customers, actively expand the post-treatment projects of data center generator sets and cultivate new growth drivers for performance. Speed up the layout of the global market and launch the construction of overseas manufacturing facilities. In turbocharging system, continuously increase the gasoline turbocharger of new energy key clients and mass production of new clients, remain a market leader of four-cylinder gasoline turbocharger, expand new projects of six-cylinder turbocharger, continue to promote the mass production of methanol customer projects and maintain a leading market position; promote multi-scenario applications of special turbocharger and high-power turbocharger in ATVs, beach buggies, motorcycles, unmanned aerial vehicle and data centers. In the electric drive system, the Company will ensure the supply of key customers, promote the development of new projects for key customers, and expand the processing business of electric drive shaft parts for new energy commercial vehicles. **Automotive intelligence:** In the intelligent suspension system, fully ensure the delivery of projects of the leading new energy customers, guarantee the nodes of the suspension motor hydraulic pump project, cooperate with the customers to release the first model, continuously absorb new projects and strengthen its leading technological edge. For automotive seats, the Company will stabilize projects of existing customer, deepen our presence in the existing market and consolidate our cooperation foundation; meanwhile, strive to break through the commercial vehicle and passenger car seats and long slide rail projects of leading

customers, further expand business layout and increase market share. In millimeter-wave radar, realize large-scale mass production, deepen cooperation with Bosch, continue to explore new customers and new markets, enrich the product portfolio of millimeter-wave radar, and build a diversified business ecosystem. In braking system, promote the implementation of vacuum pump project, accelerate the development of leading customer projects and stabilize the dominant position in overseas market. In the vehicle thermal management system, the Company will increase the supply share of leading new energy customers, promote the batch production of key customer projects, simultaneously expand new customer resources, and ensure the stable supply of overseas customers. **New industries:** In hydraulic core parts, the Company will promote forklift hydraulic pump project and expand new customers of motor controller. Take the joint venture as the core platform to continuously expand hydraulic business cooperation and industrial chain synergy with Bosch Rexroth. By integrating the technological advantages and market resources of both parties, focus on the domestic substitution of high-end hydraulic components, and improve product performance, cost competitiveness and delivery response efficiency. In the core parts of hydrogen fuel cell, the Company will promote the industrialization of domestic customers' projects, obtain new projects from key customers, expand overseas engineering projects, and ensure the delivery of core parts; With a focus on market opportunities in the SOFC sector, metallic bipolar plates leverage core technological advantages to actively expand into scenarios such as stationary power generation and distributed energy resources, while advancing customer project designations. In hydrogen production from renewable energy, continues to expand business, steadily implement kilowatt-scale hydrogen production and refueling station projects, actively promote the market application of megawatt-class hydrogen production equipment, further consolidating the foundation for the commercial development of the hydrogen energy business.

3. Breaking through technology barriers and increasing product strength

Energy and power: In fuel injection system, the Company will promote the product application and development of high-power fuel system in power generation and other fields, realize the small batch supply of natural gas dual-fuel direct injection products, carry out long-lasting research on the injection system of methanol and hydrogen engines, promote the small batch supply of distribution pump project for South Korea's main engine plants. In the after-treatment system, the Company will focus on promoting extended range, hybrid models, as well as advancing export projects, and deepen the development of cost reduction, optimize the product cost structure and enhance competitiveness in the export market; Explore the integrated after-treatment technology of the front cabin of hybrid vehicles, and carry out pre-research on the after-treatment of CN VII vehicle, CN V off-road equipment and alternative fuels. In the turbocharging system, the Company will promote the mass production of the passenger car projects of key customers, develop 400V electric turbocharger, expand the application of new technology of gas turbocharger. **Automotive intelligence:** In the intelligent suspension system, the Company will complete the design and verification of the C-sample of the suspension motor pump, delivery the customer samples of the core parts of the continuously variable damping solenoid valve and accumulator products, and promote the integrated application of products. In the intelligent braking system, the Company will complete the sample verification of commercial vehicle brake air compressor. In the millimeter wave radar, the Company will complete the development of 3D corner radar project for leading new energy customers and the batch production of radar projects for key customers. In the thermal management system, the Company will complete the batch production of 120W electronic fuel pump of the key customer project and the second generation high-efficiency electronic fuel pump of the leading new energy customer projects, promote customer receiving of electronic water pumps for 48V vehicles and data centers. **New industries:** The Company will promote the development of dexterous hand products in the field of humanoid robot, realize the integrated application of flexible pressure sensors, and steadily carry out the reliability verification of harmonic reducers. In electrochemical gas sensor, the Company will realize batch production of sensing electrodes for carbon monoxide and formaldehyde sensors. In hydrogen production equipment from renewable energy, the Company will realize long-term stable operation and system iterative optimization, continue to promote the R&D of electrolyzer platforms and actively expand market segments such as scientific research and high-end manufacturing, expand the application and development of electrolytic water membrane electrodes, complete the type certification of 35MPa bottle mouth valve and the C sample development of 70MPa high pressure valve and promote the small batch production of metal single batteries for drones.

4. Intellectual upgrading to improve quality and laying the foundation for safe production

The Company will continue to promote the construction of life cycle quality management information platform, introduce AI quality control technology, deepen the application of positive quality development and batch production quality control tools, focus on key areas such as cleanliness and special technology, establish a "Three-comprehensive Quality Concept", implement product reliability system engineering, and promote the upgrading of product quality from "Applicability" to "Competitiveness". The Company will popularize the manufacturing system planning guide, improve the industrialization efficiency of new business, carry out systematic cost optimization, improve the process capability map, accelerate the application of intelligent automation technology in production, inspection, logistics and other scenarios, promote the pilot construction of digital tools and digital twins, expand the "AI & Manufacturing" and intelligent verification scenarios, and continue to build a digital factory operation system. The Company will orderly promote the construction of hydrogen energy industrial park, trial-production workshop renovation and intelligent industrial park projects, and successfully pass the re-certification of energy management system. The Company will strengthen EHS compliance management, promote the intelligent application of AI in production safety, improve the responsibility assessment mechanism, improve the level of occupational health management, and optimize pollutant discharge assessment and content control.

5. Lean management to improve efficiency, and providing strong operational support

The Company will deepen the integration of business plan and budget, and promote penetrating monitoring of key projects; continue to promote the organizational change of the Company's headquarters, strengthen the management functions, iteratively optimize the business plan management system, and build a closed-loop mechanism for business monitoring. The Company will promote the management and control transformation of overseas subsidiaries, and form a joint management and control force of "Headquarters Planning, Line Extension and Territorial Implementation" by strengthening collaborative guidance, to provide a solid guarantee for the promotion of globalization strategy. The Company will optimize the budget preparation mode and build a marginal contribution-oriented budget analysis system, deepen cash flow control and optimize financing structure and cost. The Company will focus on supplier cost control and quality improvement, optimize management process, deepen category analysis, promote collaborative cost reduction, and improve supplier survival by the fittest mechanism, iterative warehouse management system, integrate intelligent logistics elements, implement the optimization project of station equipment and transportation, strictly control the occupation of inventory funds, and reduce the sluggish inventory. Guided by strategy, the Company will formulate special plans for human resources, revise the system of cadre management and employee career development, build a life-cycle management system for talents "Selection, Cultivation, Adaptation, Retention and Withdrawal", improve the dynamic management of cadres and the construction of reserve echelon, optimize the allocation of key positions and enhance their abilities, accelerate the introduction of leading technical talents and high-end professionals, deepen the construction of the "San Hang Yi Jiang" platform, accurately cultivate talents' ability, strengthen the management of overseas human resources, and strengthen the construction of international talent team. The Company will deepen the construction of compliance risk control system, optimize the "Two Abilities" mechanism of risk control, consolidate the internal control foundation of subsidiaries, and carry out internal control inspection and risk pre-research in key areas, deepen internal audit with the guidance of correcting deviation, stopping loss and increasing value, strengthen risk investigation, reduce costs and increase efficiency, and continuously improve the effectiveness of risk prevention and control, legal services and audit supervision.

(III) Possible risks and countermeasures

1. Macroeconomic and market risks

At present, the global macroeconomic environment is complex and severe, and the foundation of domestic economic recovery still needs to be consolidated. The automotive industry faces multiple challenges such as fluctuating market demand, increasingly fierce industry competition, and accelerated iteration of new energy and intelligent technology routes. If the industry development is less than the expected or the market structure changes significantly, it may bring some uncertainty to the Company's production and operation, market expansion and profitability.

Countermeasures: The Company will continue to closely follow the macroeconomic situation and industry development trends, and flexibly adjust its business strategy, consolidate and enhance the existing core market position, actively layout new products, new

customers and new business areas, and strengthen the R&D of cutting-edge technologies and technical reserves, continuously improve product competitiveness, cost control and comprehensive risk resistance, to ensure stable operation.

2. Business management and risk control

With the continuous promotion of the Company's international strategic layout and the continuous expansion of strategic emerging businesses, especially in the fields of new energies and new industries, the Company's management range, business complexity and investment decision-making difficulty increase accordingly, and there are certain management and investment risks in internal control, cross-cultural management, project management and control, and the realization of investment benefits.

Countermeasures: The Company will continue to improve the modern corporate management system, optimize internal management processes and operational mechanisms, strengthen system implementation and process control, comprehensively improve the level of refined management, strengthen the overall planning and risk control of international business, speed up the introduction of international talents and team building, enhance the ability of overseas business operation, strengthen the whole life cycle management of new businesses and new projects, and effectively prevent business and investment risks, to ensure the steady realization of the Company's strategic objectives.

3. Risk of raw material price fluctuation

The main raw materials needed for the Company's production include aluminum and precious metals, and their prices are affected by multiple factors such as global macro-economy, supply and demand, and commodity market fluctuations. If the prices of major raw materials continue to rise sharply, it will directly increase the Company's production costs and adversely affect the Company's profitability and operating performance.

Countermeasures: The Company will continue to strengthen the research and judgment on the market trend of bulk commodities, scientifically plan production and inventory strategies, and reasonably control the inventory of raw materials, continue to deepen the collaborative management of supply chain and optimize the procurement mode, strengthen the integration of industrial chain resources and cost control, absorb the cost pressure through technical upgrading, process optimization, product structure adjustment, etc., and transfer some risks through reasonable product price adjustment when necessary, so as to minimize the impact of raw material price fluctuations on the Company's operation.

4. Risks related to financial instruments

In daily operation, the Company can use various financial instruments such as monetary funds, structured deposits, accounts receivable, equity instruments investment, wealth management products, bank loans and accounts payable, which may result in credit risk, market risk and liquidity risk. If the relevant risk cannot be controlled completely, it may adversely affect the Company's asset security, cash flow and operating results.

Countermeasures: The Company will continuously identify, evaluate and monitor all kinds of financial risks, define risk preferences and risk limits, strictly implement customer credit management, centralized fund management, investment and financing approval and other control processes, strengthen the whole process management of credit risk, market risk and liquidity risk, to ensure that all kinds of risks are controlled within a reasonable and tolerable range, effectively guarantee the safe and stable operation of the Company's assets, and safeguard the legal rights and interests of the Company and all shareholders.

XII. Reception of investigation, communication and interview during the reporting period

Applicable Not applicable

Reception time	Reception place	Reception mode	Reception object type	Reception Object	Main content talked about and materials provided	Index of basic situation of research
2025-05-07	https://www.valueonline.cn/	Online communication via web-based platform	Institutional investors, individual investors and other participants	Online investors participating in the Company's 2024 Annual Results Briefing	Details of the investor questions and responses at this Results Briefing are available on Jiazhi Online Platform (https://eseb.cn/1nKZZzQ6FsA) under the section of "2024 Annual and 2025 First Quarter Results Briefing of WFHT (000581)".	For further details, please refer to the Investor Relations Activity Record dated May 7, 2025 disclosed by the Company on CNINFO.
2025-11-04	Investor Relations Interactive	Online communication via web-based platform	Institutional investors, individual investors	Online investors participating in the 2025 Wuxi	Basic company information and view of the market	For further details, please refer to the Investor Relations

	Platform of https://www. p5w.net/		and other participants	Listed Companies Collective Investor Reception Day		Activity Record dated Nov. 4, 2025 disclosed by the Company on CNINFO.
2025-01-01	Interactive platform of investor relationship	Written inquiry	Other	Other	Basic company information and view of the market	Answered 40 questions online through the interactive platform for investor relations
2025-01-01	Company tel.	Telephoning	Other	Other	Basic company information and view of the market	1051 telephone communications with the investors

XIII. Implementation of market value management system and valuation enhancement plan

Whether the company established a market value management system or not?

Yes No

To strengthen the company's market value management, further standardize its market value management practices, and safeguard the legitimate rights and interests of the company, its investors and other stakeholders, in accordance with *the Company Law of the People's Republic of China*, *the Securities Law of the People's Republic of China*, *the Regulatory Guidelines for Listed Companies No.10 – Market Value Management*, *the Listing Rules of the Shenzhen Stock Exchange* and other relevant laws, regulations and normative documents, as well as the provisions of the Company's Articles of Association, the company has formulated *the Market Value Management System* in light of its actual operation. The system has been reviewed and approved at the 6th Meeting of the 11th session of the Board of Directors held on April 16, 2025. For the full text of the system, please refer to the official disclosure on CNINFO (<http://www.cninfo.com.cn>) on April 18, 2025.

Whether the company disclosed a plan to increase its valuation or not?

Yes No

XIV. Implementation of the Action Plan for “Double Improvement of Quality and Return”

Does the company disclose Action Plan for “Double Improvement of Quality and Return”

Yes No

Section IV. Corporate Governance

I. Corporate governance of the Company

During the reporting period, the Company earnestly implemented the *Basic Internal Control Standards for Enterprise* and its guidance in strict accordance to the requirements of laws, administrative regulations, department provisions and normative documents as the *Company Law*, *Securities Law*, *Code of Corporate Governance for Listed Companies*, *Rules Governing the Listing of shares on Shenzhen Stock Exchange* and *Guidelines on Self-Regulation of Listed Companies of Shenzhen Stock Exchange No. 1 - Standardized Operation of Main board listed company*, continued to improve and enhance legal person governance structure and internal control system, thus to standardize its operation. The actual status of corporate governance complied with the requirements of China Securities Regulatory Commission regulatory documents related to listing Corporation.

During the reporting period, in strict accordance with the requirements of relevant laws, regulations and normative documents, and combined with the actual situation of its own operation and development, the company revised and improved a number of governance systems, including *the Company's Articles of Association*, *the Rules of Procedure for Shareholders' Meetings*, *the Rules of Procedure for the Board of Directors*, *the Independent Director System*, *the Measures for the Administration of Information Disclosure*, and *the Management System for Inside Information and Insiders*. At the same time, it newly formulated institutional documents such as *the Market Value Management System*, *the Public Opinion Management System*, and *the ESG Management System*, continuously improving the company's governance system and steadily enhancing the level of corporate governance.

The company strictly followed the requirements of *the Rules for Shareholders' Meetings of Listed Companies*, *the Company's Articles of Association*, and *the Rules of Procedure for the Company's Shareholders' Meetings* to convene shareholders' meetings in a legal manner. When the shareholders' meetings considered relevant connected matters, connected shareholders avoided voting, related party transactions were fair and reasonable, and there were no circumstances that harmed the interests of shareholders. The company treated all shareholders equally, ensuring that all shareholders, especially minority shareholders, enjoyed equal status and could fully exercise their shareholder rights. All shareholders' meetings held during the reporting period were convened by the Board of Directors and witnessed on-site by lawyers.

The company strictly elected directors in accordance with the selection procedures specified in *the Company's Articles of Association*, *the Rules of Procedure for the Board of Directors* and other relevant provisions; the number and composition of the Board of Directors complied with the requirements of laws, regulations and the *Company's Articles of Association*. The Board of Directors convened and held meetings in accordance with relevant requirements, implemented resolutions of the shareholders' meetings, and exercised its functions and powers in accordance with the law. The company's directors fulfilled their duties diligently and in accordance with the law, attended the Board of Directors and shareholders' meetings earnestly, actively participated in supervision and business-related training, continuously improved their professional quality and performance capabilities, and effectively safeguarded the interests of the company and all shareholders. The company's Audit Committee is the supervisory body of the company, responsible for supervising the conduct of the company's directors and senior management personnel as well as the company's finances. The Board of Directors has four special committees under it, namely the Strategy Committee, the Remuneration and Assessment Committee, the Audit Committee, and the Nomination Committee. The company's shareholders' meeting, Board of Directors, Board Audit Committee and management have distinct responsibilities and powers, perform their respective duties, effectively check and balance each other, make scientific decisions and operate in a coordinated manner, laying a solid foundation for the company's sustained, stable and healthy development.

The company's independent directors perform their duties and faithfully and conscientiously fulfill their obligations in strict accordance with relevant regulations of *Articles of Association* and *the Independent Director System*, and actively attend the board meetings and shareholders' meetings, understand and obtain relevant information before meetings; carefully consider each motion, and actively participate in the discussions and make recommendations. Seriously make independent opinions, and effectively protect

the interests of the company and shareholders, especially the minority shareholders.

The company has thoroughly implemented *the Basic Norms for Enterprise Internal Control* and its guidelines, established an internal control system within the company and its subsidiaries, continuously optimized processes, improved systems, and effectively identified and prevented operational risks. Please see the detailed contents of 2025 Internal Control Self-Assessment Report on www.cninfo.com.cn which is the information disclosure website designated by Shenzhen Stock Exchange.

Whether is there any difference between the actual condition of corporate governance and relevant regulations about corporate governance for listed company from CSRC or not?

Yes No

There are no differences between the actual condition of corporate governance and relevant regulations about corporate governance for listed company from CSRC.

II. Independence of the Company relative to controlling shareholder and the actual controller in ensuring the Company's assets, personnel, finance, organization and businesses

1. Business: the company has a complete independent research and development, procurement, production and sales systems, the main business does not have horizontal competition with the controlling shareholders. The business is absolutely separated.
2. Personnel: the company has mutual independence with its controlling shareholders in labor, personnel and salary management; there is no mixed operation and management with the controlling shareholders. The company's general manager, vice general manager, financial administrator, secretary of the board, and senior executives don't hold any position in the shareholders' units.
3. Assets: the company's assets are independent and complete, the property relations with the controlling shareholders are clear.
4. Organization: the company has established organization completely independent from its controlling shareholders, the duty and authority of the company's shareholders' meeting, board of directors and management level are clearly defined, the internal management system can operate independently.
5. Finance: the company has set up an independent financial department, established the independent financial accounting system and financial management system, opened the independent bank account, and paid taxes separately according to law.

III. Horizontal competition

Applicable Not applicable

IV. Directors and senior executives

1. Basic information

Name	Gender	Age	Title	Working status	Start dated of office term	End date of office term	Shares held at period-begin (Share)	Amount of shares increased in this period (Share)	Amount of shares decreased in this period (Share)	Other changes (share)	Shares held at period-end (Share)	Reasons for increase or decrease of shares
Yin Zhenyuan	Male	45	Chairman	Currently in office	2024-05-17	2027-05-16	0				0	
Kirsch Christoph	Male	64	Vice chairman	Currently in office	2021-05-20	2027-05-16	0				0	
Rong Bin	Male	50	Director	Currently in office	2025-03-17	2027-05-16	112,000				112,000	
			Vice GM	Currently in office	2020-05-28	2027-05-16						
Feng Zhiming	Male	56	Employee Director	Currently in office	2025-08-15	2027-05-16	65,192				65,192	
			Vice GM	Currently in office	2023-06-01	2027-05-16						
			Financial principal	Currently in office	2024-05-17	2027-05-16						
			Director	Leave office	2023-06-19	2025-08-15						

Xu Daquan	Male	62	Director	Currently in office	2024-05-17	2027-05-16	0				0	
Huang Rui	Male	41	Director	Currently in office	2021-05-20	2027-05-16	0				0	
Li Jiayi	Female	36	Director	Currently in office	2025-08-04	2027-05-16	0				0	
Xing Min	Male	71	Independent Director	Currently in office	2021-05-20	2027-05-16	0				0	
Feng Kaiyan	Female	52	Independent Director	Currently in office	2021-05-20	2027-05-16	0				0	
Yang Fuyuan	Male	58	Independent Director	Currently in office	2024-05-17	2027-05-16	0				0	
He Jiaqian	Female	45	Independent Director	Currently in office	2025-08-04	2027-05-16	0				0	
Xu Sheng	Male	51	Vice GM	Currently in office	2020-05-28	2027-05-16	112,000				112,000	
Liu Jinjun	Male	50	Vice GM, Secretary of the BOD	Currently in office	2020-05-28	2027-05-16	112,000				112,000	
Li Gang	Male	55	Chief engineer	Currently in office	2020-05-28	2027-05-16	112,000				112,000	
Xue Liang	Male	44	Vice GM	Currently in office	2025-06-25	2027-05-16						
Xu Yunfeng	Male	54	Vice chairman, GM	Leave office	2020-05-28	2025-02-26	153,000				153,000	
Zhao Hong	Female	44	Director	Leave office	2021-05-20	2025-07-24	0				0	
Pan Xinggao	Male	54	Independent Director	Leave office	2021-05-20	2025-08-04	0				0	
Total	--	--	--	--	--	--	666,192	0	0	0	666,192	--

During the reporting period, whether there was any departure of directors and supervisors and dismissal of senior executives or not?

Yes No

1. On February 28, 2025, the company disclosed the Announcement on Changes in Directors and Senior Executives. Mr. Xu Yunfeng applied to resign from his positions as vice chairman, director, GM, and the titles in the special committee of the BOD due to work adjustments.

2. On July 19, 2025, the company disclosed the Announcement on the Resignation of Independent Director and the Supplementary Election of Independent Director. Mr. Pan Xinggao applied to resign from his positions as independent director of the company and member of the special committees of the Board of Directors in order to cooperate with the company in promoting the conversion of domestic listed foreign shares to a listing place and listing and trading on the Main Board of The Stock Exchange of Hong Kong Limited by way of introduction.

3. On July 26, 2025, the company disclosed the Announcement on the Resignation of Director and the Supplementary Election of Non-independent Director. Ms. Zhao Hong applied to resign from her positions as non-independent director of the company and member of the special committees of the Board of Directors due to work adjustment.

4. On August 16, 2025, the company disclosed the Announcement on the Resignation of Non-independent Director and the Election of Employee Director. Mr. Feng Zhiming applied to resign from his position as director of the company due to work adjustment.

Changes of directors, supervisors and senior executives

Applicable Not applicable

Name	Title	Type	Date	Reason
Xu Yunfeng	Vice Chairman, General Manager	Left office	2025-02-26	Job transfer
Rong Bin	Director	Be elected	2025-03-17	By-election of director
Xue Liang	Vice GM	Be appointed	2025-06-25	BoD appointed
Zhao Hong	Director	Left office	2025-07-24	Job transfer
Pan Xinggao	Independent Director	Left office	2025-08-04	Personal reason
Li Jiayi	Director	Be elected	2025-08-04	By-election of director
He Jiaqian	Independent Director	Be elected	2025-08-04	By-election of independent director
Feng Zhiming	Director	Left office	2025-08-15	Job transfer
Feng Zhiming	Employee Director	Be elected	2025-08-15	Trade union election

2. Post-holding

Professional background, major working experience and present main responsibilities in Company of directors, supervisors and senior executive

Mr. Yin Zhenyuan, born in August 1980, is a Chinese citizen without permanent overseas residency. He is a member of the Communist Party of China, holds a master's degree, and is an economist. He once served as the vice president and a member of the Party Committee of Wuxi Industry Development Group Co., Ltd., deputy mayor of Binhu District, Wuxi City, deputy head of the Preparatory Group of the Administration Bureau of Wuxi Liangxi Science and Technology City, the proposed Chairman of Wuxi Liangxi Science and Technology City Construction and Development Company (under preparation), the secretary of the party committee and chairman of the board of directors of Wuxi Liangxi Science and Technology City Development Group Co., Ltd., deputy director and a member of the Party Committee of the Administration Bureau of Wuxi Liangxi Science and Technology City. Currently, he serves as the president and deputy secretary of the party committee of Wuxi Industry Development Group Co., Ltd., and the secretary of the party committee and the chairman of the company.

Mr. Kirsch Christoph, born in October 1961, German nationality, Master's degree. He previously served as R&D engineer, product manager and key account sales manager of the diesel system division in Robert Bosch Group, GM of Bosch Automotive Diesel System Co., Ltd, senior vice president of the commercial vehicle business, Bosch Diesel System Division, the executive vice president of production & quality in United Automotive Electronic Systems Co., Ltd(UAES), executive vice president of production & quality, gasoline system division of Bosch Group, the executive vice president of commercial vehicle & off-road business, the solution business division of RBCD, representing the Bosch Automotive and Intelligent Mobility Asia Pacific Board. Currently he serves as BMS in Robert Bosch Group and the vice chairman of the Company.

Mr. Rong Bin, born in December 1975, Chinese nationality and no permanent residence abroad, member of the CPC, holds a bachelor's degree, and is an assistant engineer. He joined the Company in July 1998 and worked as vice plant manager of the company's plunger branch, deputy manager of the common rail component company, deputy manager and manager of the first manufacturing department of the company's mechanical system business department, assistant to the general manager, deputy general manager, and general manager of the company's mechanical system business department, and general manager of the automotive diesel system division and general manager of the mechanical system division. He currently serves as the deputy GM of the Company.

Mr. Feng Zhiming, born in November 1969, Chinese nationality, member of the CPC, Master's degree in Business Administration, and a senior engineer. He has served as the deputy manager of the Power Branch of Wuxi Weifu Group Co., Ltd., the Director and Deputy Chief Engineer of the Engineering Department of Wuxi Weifu Group Co., Ltd., the Director of the Engineering Procurement Department of WFHT, the General Manager of WFMA, the general manager and Chairman of Wuxi Xidong Technology Industrial Park Co., Ltd., the general manager of Wuxi Hongyuan Electromechanical Technology Co., Ltd., the Office Director of Wuxi Industry Development Group Co., Ltd, and the Chairman and General Manager of Jiangsu Taiji Industrial New Materials Co., Ltd. He is currently the director and deputy general manager of the company.

Mr. Xu Daquan, born in October 1963, is a U.S. citizen and holds a doctorate degree. Since September 2010, he has served as the executive vice president of Bosch (China) Investment Co., Ltd., responsible for Bosch's automotive business in China. Currently, he serves as the president of Bosch (China) Investment Co., Ltd. and a director of the company.

Mr. Huang Rui, born in December 1984, Chinese nationality and no permanent residence abroad, member of the CPC, Master's degree. He worked as the product manager of Shangde Power, senior project manager of Wuxi Merchants Bureau, manager of the Ernst & Young Huaming CPA (Shanghai), deputy GM, municipal environment division of Wuxi Guolian Environmental Energy Group, the vice president of investment development department, vice president of investment development department II (presiding over the work), vice president of investment banking of Wuxi Industry Development Group Co., Ltd. Now he is the GM of investment banking department of Wuxi Industry Development Group Co., Ltd and the director of the Company.

Ms. Li Jiayi, born in February 1989, Chinese nationality and no permanent residence abroad, member of the CPC, Master's degree in law. Previously, she served as the legal affairs manager of the Securities Affairs Department of Wuxi Industrial

Development Group Co., Ltd., deputy director of the Legal Affairs Department and secretary of the board of Wuxi Taiji Industry Co., Ltd., and deputy director of the Legal and Securities Affairs Department of Wuxi Industrial Development Group Co., Ltd. Currently, she is the director of the Risk Control and Legal Affairs Department of Wuxi Industrial Development Group Co., Ltd. and the director of the Company.

Mr. Xing Min, born in January 1954, Chinese nationality and no permanent residence abroad, member of the CPC, Bachelor's degree, a professor-level senior engineer. He worked as the secretary of the Party Committee of China Heavy Machinery Corporation, secretary of the Party Committee and GM of China Machine Tool Corporation. Now he is the director of the Expert Committee of China Internal Combustion Engine Industry Association, the independent director of Changchai Company Limited, the director of Anhui Aikelan Environmental Protection Co., Ltd, and the independent director of the Company.

Ms. Feng Kaiyan, born in October 1973, Chinese nationality and no permanent residence abroad, member of the CPC, a Bachelor's degree, Certified Public Accountant and senior accountant. She worked as the accounting for Wuxi Production Materials Corporation and Wuxi Geological & Mining Information Service Center. Currently, she is the chief accountant of Jiangsu Donghua Accounting Firms Co., Ltd, the responsible person of the Sunan Branch, Jiangsu Fuhua Engineering Cost Consulting Co., Ltd, Executive Partner of Wuxi Huiqi Investment Partnership (Limited Partnership), Vice President of Wuxi Certified Public Accountants Association, President of Wuxi Bankruptcy Administrator Association, Vice President of Jiangsu Bankruptcy Administrator Association, Independent Director of Kangxin New Materials Co., Ltd. and the independent director of the Company.

Mr. Yang Fuyuan, born in October 1967, is a Chinese citizen without permanent overseas residency. He is a member of the Communist Party of China, holds a doctorate degree, and is a professor. He has been teaching at Tsinghua University since 1994 and once served as deputy head of the Department of Automotive Engineering at Tsinghua University, deputy dean of the School of Vehicle and Mobility, and other positions. Currently, he is a professor at the School of Vehicle and Mobility, Tsinghua University, deputy director of the Teaching Committee of the National Institute of Excellent Engineers, director of the Chinese Society of Automotive Engineers, deputy director of the Renewable Energy Power Committee of the Chinese Renewable Energy Society, Member of the Beijing Hydrogen Energy Quality Standardization Committee and the independent director of the Company.

Ms. He Jiaqian, born in November 1980, is a permanent resident of Hong Kong, China, without permanent residence rights abroad. She holds a Bachelor of Science in Accounting and Finance and a Postgraduate Diploma in Law. She is a Certified Public Accountant in the United States and a registered lawyer in Hong Kong. She was formerly a partner at Robertsons Law Firm and is currently the founder and CEO of I One Consultancy Co., an advisor at Jia Yuan Law Firm, an independent non-executive director of Shenzhen Haiqing Zhiyuan Technology Co., Ltd., and the independent director of the Company.

Mr. Xu Sheng, born in March 1974, Chinese nationality and no permanent residence abroad, member of the CPC, graduate degree, holds a master's degree, and a senior engineer. He once served as secretary of the party committee of the company's party committee work department, deputy director of the office of the general manager of the company, deputy secretary of the party branch and deputy factory manager of the company's injector parts branch, HSE manager of Bosch Automotive Diesel System Co., Ltd., senior manager of BPS, director of MOE5, and assistant general manager of the company. He is currently the deputy GM of the Company.

Mr. Liu Jinjun, born in September 1975, Chinese nationality and no permanent residence abroad, member of the CPC, holds a bachelor's degree and a master's degree, and is an engineer. He once served as the manager of the personnel administration department and technical sales manager of Wuxi Weifu Automotive Diesel System Co., Ltd., the director of the company's human resources department, supervisor of the seventh and eighth of the Supervisory Committee of the Company, head of the corporate strategy & new business department and head of market development department of the Company. He is currently the deputy GM and secretary of the Board of the Company.

Mr. Xue Liang, born in July 1981, Chinese nationality and no permanent residence abroad, member of the public interest Party, holds a bachelor's degree, and is an engineer. He joined our company in August 2004. He has held positions such as the manager of the Production and Manufacturing Department of the Company's Automotive Components Division, the deputy general manager of Wuxi Weifu Mashan Fuel Injection Pump and Nozzle Co., Ltd., the deputy manager of the Manufacturing Department One of the Company's Mechanical Systems Division, and the deputy general manager of the Company's Automotive Components Division. He

is currently the deputy GM of the Company.

Mr. Li Gang, born in November 1970, Chinese nationality and no permanent residence abroad, member of the public interest Party, holds a bachelor's degree and a master's degree, and a full senior engineer. He once served as the product design engineer of the company's technology center, the production supervisor of the production department and the technical director of the technical sales department of Wuxi Weifu Automotive Diesel System Co., Ltd., the deputy director of the company's technology center, deputy dean of the company's engineering technology research institute and the director of the technology center, and the standing deputy director (deputy chief engineer) of the company's technology center. He is currently the chief engineer of the Company.

Post-holding in shareholding entities

Applicable Not applicable

Name	Name of shareholding entities	Position in shareholding entities	Start date of office term	End date of office term	Received remuneration from shareholders (Y/N)
Kirsch Christoph	Robert Bosch Company	BMS	2023-04-01		Y
Xu Daquan	Bosch (China) Investment Ltd.	President	2024-01-01		Y
Huang Rui	Wuxi Industry Group	GM of investment banking department	2021-05-01		Y
Li Jiayi	Wuxi Industry Group	Minister of Risk Control and Legal Affairs	2024-01-19		Y

Post-holding in other entities

Applicable Not applicable

Name	Name of other entities	Position in other entities	Start date of office term	End date of office term	Received remuneration from other entities (Y/N)
Xing Min	China Internal Combustion Engine Industry Association	Director of the Expert Committee	2025-11-11	2030-05-11	Y
Xing Min	Anhui Aikelan Environmental Protection Co., Ltd	Director	2021-11-22	2027-11-21	Y
Feng Kaiyan	Jiangsu Donghua Accounting Firms Co., Ltd	Chief accountant	1998-10-01		Y
Feng Kaiyan	Jiangsu Fuhua Engineering Cost Consulting Co., Ltd - Sunan Branch	Principal	2020-07-16		N
Feng Kaiyan	Kangxin New Material Co., Ltd	Independent Director	2023-04-04	2028-12-24	Y
Feng Kaiyan	Wuxi Bankruptcy Administrator Association	President	2024-01-07		N
Feng Kaiyan	Jiangsu Bankruptcy Administrator Association	Vice-President	2026-01-06		N
Feng Kaiyan	Wuxi Institute of Certified Public Accountants	Vice-President	2019-12-10		N
Feng Kaiyan	Wuxi Huiqi Investment Partnership Enterprise (Limited Partnership)	Executive partner	2025-11-01		N
Yang Fuyuan	Tsinghua University	Professor	2012-10-01		Y
He Jiaqian	I One Consultancy Co	Founder and Chief Executive Officer	2025-02-01		Y
He Jiaqian	Zhou Tingxun Law Firm	Counselor	2025-06-01	2025-10-31	Y
He Jiaqian	Shenzhen Haiqing Zhiyuan Technology Co., Ltd.	Independent non-executive director	2025-07-29		Y
He Jiaqian	Jiayuan Law Firm	Counselor	2026-01-26		Y

Punishment of securities regulatory authority in recent three years to the company's current and outgoing directors, supervisors and senior executives during the reporting period

Applicable Not applicable

3. Remuneration of directors and senior executives

Decision-making procedures, recognition basis and payment for directors and senior executives

1. Decision-making procedures: The remuneration plans for the company's directors and senior management personnel are formulated by the Remuneration and Assessment Committee of the Board of Directors. The director's remuneration plan is determined by the shareholders' meeting, and the senior management's personnel remuneration plan is approved by the Board of Directors.

2. Determination basis: The remuneration of the company's directors and senior management personnel who receive remuneration from the company shall be determined in accordance with the relevant remuneration management measures reviewed and approved by the company's General Meeting of Shareholders; the allowances for independent directors shall be reviewed and determined by the Shareholders' Meeting, which is RMB 150,000 per person per year (including tax).

3. The remuneration of the company's directors and senior management personnel who receive remuneration from the company consists of basic annual salary, performance-based annual salary and special awards (if any). The basic annual salary is paid on a monthly basis, and is prepaid in accordance with the previous year's standard before the current year's verification and approval, and settled based on the actual amount after verification and approval. The performance-based annual salary is paid in deferred installments over three years in accordance with the principle of assessment first, payment later. Special awards are paid in a lump sum.

Remuneration of directors and senior executives in reporting period

In ten thousand yuan

Name	Gender	Age	Title	Post-holding status	Total remuneration obtained from the Company (before taxes)	Whether remuneration obtained from related party of the Company or not? (Y/N)
Yin Zhenyuan	Male	45	Chairman	Currently in office	0	Y
Kirsch Christoph	Male	64	Vice chairman	Currently in office	0	Y
Rong Bin	Male	50	Director, vice GM (Acting as general manager)	Currently in office	166	N
Feng Zhiming	Male	56	Employee director, vice GM and financial principal	Currently in office	138	N
Xu Daquan	Male	62	Director	Currently in office	0	Y
Huang Rui	Male	41	Director	Currently in office	0	Y
Li Jiayi	Female	36	Director	Currently in office	0	Y
Xing Min	Male	71	Independent Director	Currently in office	15	N
Feng Kaiyan	Female	52	Independent Director	Currently in office	15	N
Yang Fuyuan	Male	58	Independent Director	Currently in office	15	N
He Jiaqian	Female	45	Independent Director	Currently in office	6.25	N
Xu Sheng	Male	51	GM	Currently in office	130	N
Liu Jinjun	Male	50	Vice GM, Secretary of the BOD	Currently in office	140	N
Xue Liang	Male	44	Vice GM	Currently in office	84	N
Li Gang	Male	55	Chief engineer	Currently in office	140	N
Xu Yunfeng	Male	54	Vice chairman, GM	Left office	0	N
Zhao Hong	Female	44	Director	Left office	0	Y
Pan Xinggao	Male	54	Independent director	Left office	8.75	N
Total	--	--	--	--	858	--

Note:

The total remuneration of directors and senior management personnel who left office during the reporting period refers to the total pre-tax remuneration received from the company from the start of the reporting period to the date of their departure; the total remuneration of newly appointed directors and senior management personnel refers to the total pre-tax remuneration received from the company from the date of their appointment to the end of the reporting period.

Basis for assessing the actual remuneration received by all directors and senior management personnel at the end of the reporting period	Non-independent directors holding positions in the company receive corresponding remuneration in accordance with the company's remuneration management measures applicable to their specific roles. Non-independent directors who do not hold any positions in the company other than that of director shall not receive any remuneration from the company. The company adopts a fixed allowance system for independent directors, and the relevant expenses incurred in the performance of their duties shall be reimbursed by the company. Senior management personnel receive remuneration based on their specific positions and performance assessment results in accordance with the corresponding company's remuneration management measures.
Completion of the assessment of the actual remuneration received by all directors and senior management personnel at the end of the reporting period	The allowances for independent directors are not subject to assessment; the remuneration of non-independent directors and senior management personnel has been assessed in accordance with the company's relevant systems and assessment framework.
Deferred payment arrangements for the actual remuneration received by all directors and senior management personnel at the end of the reporting period	Implemented in accordance with the deferred payment requirements stipulated in the company's remuneration management measures.
Suspension and recovery of the actual remuneration received by all directors and senior management personnel at the end of the reporting period	None

Description of other status

Applicable Not applicable

V. Responsibility performance of directors during the reporting period

1. Attendance of directors at board meetings and shareholders' meetings

Attendance of directors to board meeting and shareholders' general meeting							
Director	Times of Board meeting supposed to attend in the reporting period	Times of presence	Times of attending the Board Meeting by communication	Times of entrusted presence	Times of absence	Absence for two consecutive times (Y/N)	Times of attend the general meeting
Yin Zhenyuan	9	2	7	0	0	N	3
Kirsch Christoph	9	0	9	0	0	N	4
Rong Bin	8	2	6	0	0	N	3
Feng Zhiming	9	2	7	0	0	N	4
Xu Daquan	9	0	9	0	0	N	4
Huang Rui	9	2	7	0	0	N	4
Li Jiayi	2	0	2	0	0	N	1
Xing Min	9	1	8	0	0	N	4
Feng Kaiyan	9	2	7	0	0	N	4
Yang Fuyuan	9	0	9	0	0	N	4
He Jiaqian	2	0	2	0	0	N	1
Zhao Hong	7	2	5	0	0	N	2
Pan Xinggao	7	1	6	0	0	N	3

Explanation of not attending the board meeting in person for two consecutive times: Nil

2. Objection for relevant events from directors

Directors come up with objection about Company's relevant matters

Yes No

No directors come up with objection about Company's relevant matters in the Period

3. Other explanation on responsibility performance of directors

The opinions from directors have been adopted

Yes No

Director's statement to the Company that a proposal has been or has not been adopted

During the reporting period, all the directors of the Company were diligent and conscientious, carried out their work in strict accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, as well as the Articles of Association, the Rules of Procedure for the BOD and other systems, and paid close attention to the Company's standardized operation and business condition, put forward relevant opinions on the Company's major governance and operation decisions according to the actual situation of the Company, form a consensus after full communication and discussion, and supervise and promote the implementation of the resolutions of the BOD, ensure scientific, timely and efficient decision-making, and maintain the legitimate rights and interests of the Company and all shareholders.

VI. Special committees under the BOD during the reporting period

Committee name	Members	Number of meetings held	Date of meeting	Meeting content	Important comments and suggestions made	Other performance of duties	Specific circumstances of the objection (if applicable)
The 11 th session of Nominating Committee	Xing Min, Xu Daquan, Yang Fuyuan	4	2025-02-27	Proposal on the Resignation of Director and Supplementary Election of Director	The Nominating Committee verified and deliberated on the matters strictly in terms of the Rules of Work of Nominating Committee of the Board and relevant laws and regulations, relevant proposals are unanimously agreed.	None	None
			2025-06-25	Proposal on the Appointment of the Company's Deputy General Manager			
			2025-07-17	Proposal on the Supplementary Election of Independent Directors			
			2025-07-24	Proposal on the Supplementary Election of Non-independent Directors			
The 11 th Session of Remuneration and Assessment Committee	Pan Xinggao, Feng Kaiyan, Huang Rui	1	2025-04-16	Deliberated the Proposal Report on Remuneration Assessment for Senior Executives and Payout for year of 2024;	The Remuneration Committee verified and deliberated on the matters strictly in terms of the Rules of Work of Remuneration Committee of the Board and relevant laws and regulations, relevant proposals are unanimously agreed.	None	None
The 11 th session of Audit Committee	Feng Kaiyan, Pan Xinggao, Zhao Hong	3	2025-04-16	1. Deliberated 2024 Annual Report and its Abstract 2. Deliberated the Proposal on the 2024 Provision for Impairment Losses 3. Deliberated 2024 Financial Settlement Report 4. Deliberated Summary Report of 2024 Audit Work 5. Deliberated 2024 Internal Control Self-Assessment Report	The Audit Committee verified and deliberated on the matters strictly in terms of the Rules of Work of Audit Committee of the Board and relevant laws and regulations, relevant proposals are unanimously agreed.	None	None
			2025-04-24	Deliberated 2025 1st Quarter Report			
			2025-07-17	Deliberated the Proposal on the Appointment of the Audit Firm for the Current H Share Listing			
	Feng Kaiyan, Li Jiayi, He Jiaqian	2	2025-08-22	1. Deliberated the Full Text and Abstract of the Company's 2025 Half Year Report 2. Deliberated the Proposal on Appointing Audit Institutions for 2025	The Audit Committee verified and deliberated on the matters strictly in terms of the Rules of Work of Audit Committee of the Board and relevant laws and regulations, relevant proposals are unanimously agreed.	None	None
			2025-10-27	Deliberated the 2025 3rd Quarter Report			
The 11 th session of Strategy Committee	Yin Zhenyuan, Kirsch Christoph, Rong Bin, Xing Min, Yang Fuyuan	1	2025-07-17	1. Deliberated the Proposal on the Plan for the Transfer of Listing Place of Foreign Shares Listed in China and the Listing and Trading on the Main Board of The Stock Exchange of Hong Kong Limited by Way of Introduction 2. Deliberated the Proposal on the Conversion of the Company into a Joint Stock Limited Company with Fund Raising Overseas	The Strategy Committee verified and deliberated on the matters strictly in terms of the Rules of Work of Nominating Committee of the Board and relevant laws and regulations, relevant proposals are unanimously agreed.	None	None

VII. Work Performance of the Audit Committee

Whether the Audit Committee discovered any risks in the company during its supervisory activities during the reporting period or not?

Yes No

The Audit Committee has no objections to the supervisory matters during the reporting period.

VIII. Particulars of workforce

1. Number of employees, professional composition and education background

The total number of current employees of the parent company at year end (person)	2,535
The total number of current employees of main subsidiaries at year end (person)	3,384
The total number of current employees of at year end (person)	5,919
The total number of current employees to receive pay (person)	5,919
Retired employee' s expenses borne by the parent company and main subsidiaries (person)	0
Professional composition	
Category of professional composition	Number of professional composition(person)
Production personnel	3,175
Sales personnel	191
Technical personnel	1,681
Financial personnel	109
Administrative personnel	763
Total	5,919
Education background	
Category of education background	Numbers(person)
Master degree and above	629
Undergraduate	1,996
Junior college	1,100
Technical secondary school	382
High school	465
Other	1,347
Total	5,919

2. Remuneration policy

The company further improves its performance management and salary management system, closely aligns with the company's strategy and business plan, fully leverages the guiding and driving role of goals, closely links the total salary with the company's operating results, and fully leverages incentive effectiveness. Fully implement contractual management, with 100% performance targets signed by the management team, and a strong correlation between annual revenue and performance completion. A special incentive bonus pool for stretch goals is established to provide special incentives for major contributions such as overcoming strategic key and difficult tasks and achieving breakthrough business goals, thereby strengthening the driving force for the implementation of corporate strategies. The company pays social insurance for all employees and continues to implement employee pension and medical accident commercial insurance to maximize employee motivation and creativity so as to provide talent security for the realization of the company's strategy.

3. Training plan

The Company closely focuses on the core needs of business development. Taking targeted empowerment and refined training as priorities, it has fully implemented a series of talent training programs. Through the “San Hang Yi Jiang” talent development system, a full-tier talent cultivation ecosystem has been established, which has significantly improved personnel efficiency and laid a solid talent foundation for the upgrading of core competitiveness. In total, 165 training sessions have been completed, covering more than 4,700 participants, with a training coverage rate of over 67%. Through “special training for senior executives”, the Company has focused on strategic decision-making to support operation and management. Through the “special program for capability improvement of young and middle-aged cadres”, it has built a core path of “cognition upgrading – efficiency iteration – mechanism optimization”, promoting knowledge internalization and business improvement. Business English training has been carried out to advance the development of internationalized talents and shape their growth paths, significantly enhancing employees’ cross-cultural communication and international business coordination capabilities. Meanwhile, “Skill Master Classes” and other programs have been launched for highly skilled personnel. In line with the Company’s strategic business development plan and aiming at quality improvement and efficiency enhancement of traditional businesses, the Company has systematically promoted the optimization of talent allocation and capability upgrading projects. By dynamically adjusting the layout of human resources, improving the professional structure of the core team, and elevating the overall quality of the talent pool, the Company has built sustainable core competitive advantages.

4. Labor outsourcing

Applicable Not applicable

IX. Profit distribution plan and transfer of capital reserve into share capital

Formulation, implementation and adjustment of profit distribution policy, in particular the cash dividend policy during the reporting period

Applicable Not applicable

1. Cash dividend policy: carry out bonus distribution according to the regulations of *Articles of Association*.
2. During the reporting period, the Company implemented the profit distribution for year of 2024, based on the shares which exclude the buy-back shares on buy-back account (27,571,300 A-share from total share capital 996,986,293 shares, distributed 9 yuan (tax included) cash dividend for every 10 shares held, without capitalization from capital reserves. The plan was completed in June 2025.
3. During the reporting period, the Company implemented the mid-term profit distribution for year of 2025, based on total share capital 996,785,693 shares, distributed 1.00 yuan (tax included) cash dividend for every 10 shares held, without capitalization from capital reserves. The plan was completed in October 2025.
4. The implementation of the Company’s cash dividend policy is in compliance with the provisions of *Articles of Association*, relevant decision-making procedures are complete and fully listen to the views of independent directors and small & medium shareholders and maintain the legitimate rights and interests of small & medium shareholders.

Special explanation on cash dividend policy	
Satisfy regulations of General Meeting or requirement of Article of Association (Y/N):	Y
Well-defined and clearly dividend standards and proportion (Y/N):	Y
Completed relevant decision-making process and mechanism (Y/N):	Y
Independent directors perform duties completely and play a proper role (Y/N):	Y
If the company has not distributed cash dividends, it shall disclose the specific reasons and the next steps to be taken to enhance the level of investor returns:	NA

Small & medium shareholders have opportunity to express opinions and demands totally and their legal rights are fully protected:	Y
Condition and procedures are compliance and transparent while the cash dividend policy is adjusted or changed :	NA

The Company earnings during the reporting period and profit available for distribution to shareholders from parent company is positive, but no cash dividend distribution plan has been proposed

Applicable Not applicable

Profit distribution and capitalization from capital reserves during the reporting period

Applicable Not applicable

Bonus shares per 10 shares	0
Share capital base for profit distribution proposal (shares)	7
The base number of shares for the distribution plan (shares)	966,785,693
Cash dividend amount (yuan) (including tax)	676,749,985.10
Cash dividend amount in other forms (such as share repurchase) (yuan)	100,005,328.00
Total cash dividend (including other forms) (yuan)	776,755,313.10
Distributable profits (yuan)	13,268,477,961.02
The proportion of total cash dividends (including other forms) in the total profit distribution	100%
Cash dividend policy	
Other	
Detail explanation on profit distribution or capitalization from capital reserves	
The company's 2025 annual profit distribution plan: based on total share capital 996,785,693 shares, distributing 7.00 yuan (tax included) cash dividend for every 10 shares held, no bonus shares, without capitalization from capital reserves. The remaining undistributed profit is carried forward to the next year. The total amount of cash dividend to be paid is RMB 676,749,985.10 (tax included). In the implementation of the current profit distribution plan, if the total number of shares entitled to profit distribution changes, the total distribution amount shall be adjusted based on the total number of shares entitled to profit distribution as of the record date for equity in the implementation of the distribution plan, in accordance with the principle of maintaining the unchanged distribution ratio.	

The company has completed the implementation of the interim profit distribution plan for 2025 in October, 2025: Based on the total share capital of 966,785,693 shares of the Company, a cash dividend of RMB 1.00 per 10 shares (including tax) will be distributed.

No bonus shares will be issued, and no capital reserve will be converted into share capital.

X. Implementation of the Company's stock incentive scheme, employee stock ownership plan or other employee incentives

Applicable Not applicable

The Company has no stock incentive scheme, employee stock ownership plan or other employee incentives and implementation status.

XI. Construction and implementation of internal control system during the reporting period

1. Construction and implementation of internal control

During the reporting period, the Company adhered to the risk-oriented principle and strived to construct the core framework system for the Group's risk control and management. The Risk Control and Management Committee was established at the Group level, and the Risk Control and Management Team were set up simultaneously at the level of subsidiaries and business divisions, thus forming a grid-based dynamic risk control and management model covering the Board of Directors, the management layer, the

Risk Control and Management Committee, risk control-related functional departments and business divisions, as well as the Risk Control and Management Groups of subsidiaries.

In the meantime, the Risk Control and Management Committee promoted the regular operation of the mechanism of the Two Risk Control Meetings, and organized the Group's regular risk management meetings and meetings of the Risk Control Committee on a regular basis. It unified the understanding of risk control among subordinate entities, built a bridge for the intercommunication of risk information, and formed a closed-loop management mechanism for the timely disposal of issues.

In addition, the Company strictly complied with the relevant provisions such as the Basic Norms for Enterprise Internal Control and its supporting guidelines. With the comprehensive strengthening of the internal control of the Group and its subsidiaries as the core, the Company conducted in-depth self-inspection and self-correction work. It focused on key modules including material management, related party transactions, system construction, procurement and payment, and seal management, carried out systematic sorting, optimization and improvement of the relevant systems and processes, and integrated the requirements of embedded risk management into all links of business operations.

2. Details of major defects in internal control identified during the reporting period

Yes No

XII. Management and controls on subsidiary during the reporting period

Name	Integration plans	Integration progress	Problems encountered in integration	Countermeasures taken	Resolution progress	Follow-up resolution plan
NA	NA	NA	NA	NA	NA	NA

Abnormalities exist in the management and control of subsidiaries

Yes No

XIII. Internal control self-assessment report or internal control audit report

1. Internal control self-assessment report

Disclosure date of full internal control assessment report	2026-04 -17	
Disclosure index of full internal control assessment report	For more details, please refer to 2025 Internal Control Self-Assessment Report disclosed on www.cninfo.com.cn appointed by Shenzhen Stock Exchange	
The ratio of the total assets of entities included in the scope of assessment accounting for the total assets on the company's consolidated financial statements	100.00%	
The ratio of the operating income of enterprises included in the scope of assessment accounting for the operating income on the company's consolidated financial statements	100.00%	
Defects recognition criteria		
Category	Financial Reports	Non-financial Reports
Qualitative criteria	See details in (II) Basis for assessment of internal controls and defect recognition criteria of internal controls of III Assessment of Internal Controls in 2025 Internal Control Self-Assessment Report disclosed on www.cninfo.com.cn dated April 17, 2026.	See details in (II) Basis for assessment of internal controls and defect recognition criteria of internal controls of III Assessment of Internal Controls in 2025 Internal Control Self-Assessment Report disclosed on www.cninfo.com.cn dated April 17, 2026.
Quantitative criteria	See details in (II) Basis for assessment of internal controls and defect recognition criteria of internal controls of III Assessment of Internal Controls in 2025 Internal Control Self-Assessment Report disclosed on www.cninfo.com.cn dated April 17, 2026.	See details in (II) Basis for assessment of internal controls and defect recognition criteria of internal controls of III Assessment of Internal Controls in 2025 Internal Control Self-Assessment Report disclosed on www.cninfo.com.cn dated April 17, 2026.

Number of significant defects in financial reports	0
Number of significant defects in non-financial reports	0
Number of important defects in financial reports	0
Number of important defects in non-financial reports	0

2. Audit report of internal control

Applicable Not applicable

Deliberations in Internal Control Audit Report	
The internal control audit institution is of the opinion that Wuxi Weifu High-Technology Group Co., Ltd. maintained effective internal financial reporting control in all material aspects as of December 31, 2025, in accordance with the Basic Norms for Enterprise Internal Control and relevant regulations.	
Disclosure details of audit report of internal control	Disclosed
Disclosure date of audit report of internal control (full-text)	2026-04-17
Index of audit report of internal control (full-text)	For more details, please refer to the <i>Audit report of internal control for year of 2025</i> published on Juchao website (www.cninfo.com.cn) appointed by Shenzhen Stock Exchange
Opinion type of audit report of IC	Unqualified opinion
Whether the non-financial report had major defects or not (Y/N)?	NA

Carried out modified opinion for internal control audit report from CPA

Yes No

The internal control audit report, issued by CPA, has concerted opinion with self-evaluation report, issued from the Board

Yes No

Whether a non-standard audit opinion on internal control issued during the reporting period or the previous year

Yes No

XIV. Rectification of the Problems Identified in the Self-inspection of the Special Action for the Governance of Listed Companies

NA

XV. Environmental information disclosure

Whether the listed company and its major subsidiaries are included in the list of enterprises obligated to disclose environmental information in accordance with the law?

Yes No

Number of enterprises included in the list of enterprises obligated to disclose environmental information in accordance with the law (units)		3
SN	Name of enterprises	Index of environmental information disclosure reports
1	WFHT(Mechanical Systems Business Unit)	Jiangsu Province Enterprise "Environmental Protection Face Chart" Information Disclosure Platform: http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://218.94.78.91:18181/spsarchive-webapp/web/sps/views/yfpl/views/home/index.js
2	WFCA	
3	WFJN	

XVI. Social responsibility

For details, please refer to the 2025 Environmental, Social and Governance (ESG) Report released by the Company on the same day on Juchao Website (www.cninfo.com.cn)

XVII. Consolidating and expanding the achievements of poverty alleviation and rural revitalization

In 2025, the Company actively responded to the national call of "connecting all enterprises with all villages", earnestly fulfilled the social responsibilities of the listed company, and solidly promoted the effective connection between consolidating and expanding the achievements of poverty alleviation and rural revitalization. The Company carried out condolence and assistance activities in Maoxing Village, Yixing, and purchased two batches of rice in Maohua Village, Yixing through consumer assistance, to help the development of local agricultural industry, empower the construction of new countryside, and practice corporate social responsibilities through practical actions.

Section V. Important Matters

I. Implementation of undertakings

1. Undertakings that the actual controller, shareholders, related party, buyers and the Company have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

Applicable Not applicable

No undertakings that the actual controller, shareholders, related party, buyers and the Company have fulfilled during the reporting period and have not yet fulfilled by the end of the period

2. For assets or projects of the Company which keeps profitable forecast during the reporting period, description reasons for reaching the original profitable forecast

Applicable Not applicable

3. The Company is involved in performance commitment

Applicable Not applicable

II. Occupation of the non-operational funds of the listed company by controlling shareholders and its related party

Applicable Not applicable

No non-operational funds of the listed company have been occupied by the controlling shareholders and its related party in period.

III. External guarantee out of the regulations

Applicable Not applicable

No external guarantee out of the regulations occurred in the period.

IV. Statement on the latest “modified audit report” by the BOD

Applicable Not applicable

V. Explanation from Board of Directors and Independent Directors (if applicable) for “Qualified Opinion” that issued by CPA

Applicable Not applicable

VI. Explanation of the changes in accounting policies, accounting estimates or correction of significant accounting errors compared with the financial report of the previous year

Applicable Not applicable

VII. Comparing with last year's financial report, explain changes in the scope of consolidated statement

Applicable Not applicable

Changes in the scope of consolidated statement	Name	Methods of Acquiring Equity	Proportion of Capital Contribution
Add in the scope of consolidated statement	WFET	It is a joint venture established by the Company and Voith HySTech GmbH.	51.00%
Add in the scope of consolidated statement	WFBL	WFJN jointly established a company with Shanghai Baolong Auto Technology (Anhui) Co., Ltd. by contributing capital.	55.00%

VIII. Appointment and non-reappointment (dismissal) of CPA

Accounting firm appointed

Name of domestic accounting firm	Zhongxinghua Certified Public Accountants LLP
Remuneration of domestic accounting firm (10,000 RMB)	117
Consecutive years of audit services by domestic accounting firm	2
Consecutive years of audit services by CPAs of domestic accounting firm	Pan Hua, Zhang Xiaoping
Consecutive years of audit services by domestic accounting firm CPAs	2

Re-appointed accounting firms in this period

Yes No

Appointment of internal control auditing accounting firm, financial consultant or sponsor

Applicable Not applicable

Upon approval at the third extraordinary general meeting of shareholders of 2025, the Company engaged Zhongxinghua Certified Public Accountants LLP as the accounting firm responsible for the internal control audit for the year 2025. During the reporting period, the Company paid RMB 300,000 to the internal control audit accounting firm.

IX. Particular about delisting after annual report disclosed

Applicable Not applicable

X. Bankruptcy reorganization

Applicable Not applicable

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

XI. Major litigation and arbitration

Applicable Not applicable

No significant litigation or arbitration matters for the company in reporting period.

XII. Penalty and rectification

Applicable Not applicable

No penalties or rectifications occurred during the Company's reporting period.

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

Applicable Not applicable

XIV. Major related party transaction

1. Related party transaction involved with daily operation

Applicable Not applicable

Related party	Relationship	Type of related transaction	Content of related party transaction	Pricing principle	Related party transaction price	Related party transaction amount (in 10 thousand yuan)	Proportion in similar transactions	Trading limit approved (in 10 thousand yuan)	Whether over the approved limited or not (Y/N)	Clearing form for related transaction	Available similar market price	Date of disclosure	Index of disclosure
WFPM	Joint venture	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	2,013.57	0.16%	3,000	N	According to the contract	Market price	2025/4/18	Announcement No.: 2025-020
WFEC	Joint venture of WFLD	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	73,199.96	5.82%	96,800	N	According to the contract	Market price		
RBCD	Associated enterprise, controlling subsidiary of Robert Bosch Company	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	30,261.35	2.41%	25,200	Y	According to the contract	Market price		
Robert Bosch Company	Second largest shareholder of the Company	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	21,597.95	1.72%	28,100	N	According to the contract	Market price		
Voith HySTech GmbH	Joint venture	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	179.64	0.01%	0	Y	According to the contract	Market price		
FALCON TECH	Holding company of Wuxi Industry Group	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	20.08	0.00%	0	Y	According to the contract	Market price		
Changechun Xuyang	Joint venture of WFLD	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	0.53	0.00%	0	Y	According to the contract	Market price		
Lezhuo Bowei	Joint venture	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	0.69	0.00%	0	Y	According to the contract	Market price		
Wuxi Zhongcui	Holding company of	Procurement of	Procurement of	Fair market	Market price	206.63	0.02%	0	Y	According to the	Market price		

Food	Wuxi Industry Group	goods and services	goods and services	pricing						contract			
EDRI	Holding company of Wuxi Industry Group	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	73.81	0.01%	0	Y	According to the contract	Market price		
WFPM	Joint venture	Sale of goods and services	Sale of goods and services	Fair market pricing	Market price	128.70	0.01%	100	Y	According to the contract	Market price	2025/4/18	Announcement No.: 2025-020
WFEC	Joint venture of WFLD	Sale of goods and services	Sale of goods and services	Fair market pricing	Market price	460.11	0.04%	200	Y	According to the contract	Market price		
RBCD	Associated enterprise, controlling subsidiary of Robert Bosch Company	Sale of goods and services	Sale of goods and services	Fair market pricing	Market price	137,912.20	11.47%	152,500	N	According to the contract	Market price		
Robert Bosch Company	Second largest shareholder of the Company	Sale of goods and services	Sale of goods and services	Fair market pricing	Market price	225,939.61	18.79%	248,800	N	According to the contract	Market price		
Changchun Xuyang	Joint venture of WFLD	Sale of goods and services	Sale of goods and services	Fair market pricing	Market price	2,369.40	0.20%	2,500	N	According to the contract	Market price		
Lezhuo Bowei	Joint venture	Sale of goods and services	Sale of goods and services	Fair market pricing	Market price	941.20	0.08%	2,000	N	According to the contract	Market price		
Wuxi Grain Reserve	Holding company of Wuxi Industry Group	Sale of goods and services	Sale of goods and services	Fair market pricing	Market price	30.98	0.00%	0	Y	According to the contract	Market price		
RBCD	Associated enterprise, controlling subsidiary of Robert Bosch Company	Other	Payment of technology royalty fees, etc.	Fair market pricing	Market price	302.99		300	Y	According to the contract	Market price	2025/4/18	Announcement No.: 2025-020
RBCD	Associated enterprise, controlling subsidiary of Robert Bosch Company	Other	Lease receivables	Fair market pricing	Market price	53.04		100	N	According to the contract	Market price		
Robert Bosch Company	Second largest shareholder of the Company	Other	Payment of technology royalty fees, etc.	Fair market pricing	Market price	427.21		500	N	According to the contract	Market price		
Robert Bosch Company	Second largest shareholder of the Company	Other	Procurement of fixed assets	Fair market pricing	Market price	1,333.54		1,900	N	According to the contract	Market price		
Robert Bosch Company	Second largest shareholder of the Company	Other	Provide technical services, etc.	Fair market pricing	Market price	600.74		0	Y	According to the contract	Market price		
Robert Bosch Company	Second largest shareholder of the Company	Other	Technical services, etc. payable	Fair market pricing	Market price	205.63		0	Y	According to the contract	Market price		
WFEC	Joint venture of	Other	Technical	Fair market	Market price	27.53		0	Y	According to the	Market price		

	WFLD		services, etc. payable	pricing						contract			
WFEC	Joint venture of WFLD	Other	Provide Technical Service fees and other charges	Fair market pricing	Market price	0		400	N	According to the contract	Market price	2025/4/18	Announcement No.: 2025-020
WFEC	Joint venture of WFLD	Other	Lease receivables	Fair market pricing	Market price	200.89		300	N	According to the contract	Market price		
WFEC	Joint venture of WFLD		Payable Motion Fee			105.27		200	N	According to the contract	Market price		
Lezhuo Bowei	Joint venture	Other	Technical services, etc. payable	Fair market pricing	Market price	0.88		0	Y	According to the contract	Market price		
Lezhuo Bowei	Joint venture	Other	Lease receivables	Fair market pricing	Market price	320.00		400	N	According to the contract	Market price	2025/4/18	Announcement No.: 2025-020
Autolink	Joint venture	Other	Lease payable	Fair market pricing	Market price	404.73		600	N	According to the contract	Market price		
Autolink	Joint venture	Other	Payable Motion Fee	Fair market pricing	Market price	68.35		0	Y	According to the contract	Market price		
Urban public delivery Holding	Former holding company of Wuxi Industry Group	Other	Procurement of canteen ingredients and related supplies	Fair market pricing	Market price	385.08		0	Y	According to the contract	Market price		
IDG	Largest shareholder of the Company	Other	Provide technical services, etc.	Fair market pricing	Market price	36.51		0	Y	According to the contract	Market price		
Wuxi Zhongcui Food	Holding company of Wuxi Industry Group	Other	Procurement of canteen ingredients and related supplies	Fair market pricing	Market price	69.69		0	Y	According to the contract	Market price		
Junhai Xishan Investment	Holding company of Wuxi Industry Group	Other	Lease receivables	Fair market pricing	Market price	1.83		0	Y	According to the contract	Market price		
Total				--	--	499,880.32	--	563,900	--	--	--	--	--
Detail of sales return with major amount involved				Not applicable									
Report the actual implementation of the daily related transactions which were projected about their total amount by types during the reporting period (if applicable)				It is estimated that the total amount of daily related party transactions for the year 2025 will be 5.639 billion yuan, and the actual total amount of daily related party transactions during the reporting period is 4.9988032 billion yuan. By category: 1. it is expected that the amount of goods and services purchased from related parties in 2025 will not exceed 1.531 billion yuan, and the actual amount incurred during the reporting period is 1.2755421 billion yuan; 2. It is expected that the sales of goods and services to related parties in 2025 will not exceed 4.061 billion yuan, and the actual amount incurred during the reporting period is 3.677822 billion yuan; 3. It is expected that other related party transactions with related parties in 2025 will not exceed 47 million yuan, and the actual amount incurred during the reporting period is 45.4391 million yuan.									
Reasons for major differences between trading price and market reference price (if applicable)				Not applicable									

2. Related party transactions of assets or acquisition and sold

Applicable Not applicable

During the reporting period, the company did not engage in any related party transactions of assets or acquisition and sold.

3. Related party transactions of mutual investment outside

Applicable Not applicable

During the reporting period, the company did not engage in any related party transactions of mutual investment outside.

4. Contact of related party credit and debt

Applicable Not applicable

During the reporting period, the company had no contact of related party credit and debt.

5. Contact with the related finance companies

Applicable Not applicable

There are no deposits, loans, credits or other financial business between the finance companies with associated relationship and related parties

6. Transactions between the finance company controlled by the Company and related parties

Applicable Not applicable

There are no deposits, loans, credits or other financial business between the finance companies controlled by the Company and related parties

7. Other material related party transactions

Applicable Not applicable

1. On October 23, 2024, the Company held the 4th meeting of the 11th session of Board of Directors, deliberated and approved the Proposal on the Acquisition of Minority Shareholders' Equity and Related Party Transactions of Holding Subsidiary. For details, please refer to the Announcement on the Acquisition of Minority Shareholders' Equity and Related Party Transactions of Holding Subsidiary (Announcement No.: 2024-067) disclosed by the Company on October 25, 2024. In February 2025, the Company completed the acquisition of minority shareholders' equity in the subsidiary. The subsidiary has completed the industrial and commercial registration procedures and obtained a new business license. For details, please refer to the Progress Announcement on the Acquisition of Minority Shareholders' Equity and Related Party Transactions of Holding Subsidiary (Announcement No.: 2025-005) disclosed by the Company on February 22, 2025.

2. On May 14, 2024, the Company held the 25th meeting of the 10th session of Board of Directors, deliberated and approved the Proposal on Proposed Capital Increase and Related Party Transactions for Participating Companies. For details, please refer to the Announcement on Proposed Capital Increase and Related Party Transactions for Participating Companies (Announcement No.: 2024-038) disclosed by the Company on May 15, 2024. On June 12, 2025, the Company disclosed the Progress Announcement on Capital Increase and Related Party Transactions for Participating Companies (Announcement No.: 2025-044), have completed the payment of relevant funds as stipulated in the agreement with all parties and have finished the industrial and commercial change registration procedures.

Related inquiries on the website for disclosure of temporary report of major related party transactions

Name of temporary announcement	Disclosure date of temporary announcement	Name of website to disclose temporary announcement
the Announcement on the Acquisition of Minority Shareholders' Equity and Related Party Transactions of Holding Subsidiary	2025-02-22	http://www.cninfo.com.cn
the Announcement on Proposed Capital Increase and Related Party Transactions for Participating Companies	2025-06-12	http://www.cninfo.com.cn

XV. Significant contract and implementations**1. Trusteeship, contract and leasing****(1) Trusteeship**

Applicable Not applicable

No trusteeship occurred during the reporting period

(2) Contracting

Applicable Not applicable

No contract occurred during the reporting period

(3) Leasing

Applicable Not applicable

No leasing occurred during the reporting period

2. Significant guarantees

Applicable Not applicable

In ten thousand yuan

The Company' guarantee towards subsidiaries										
Name of guaranteed object	Disclosure date of announcement related to the guaranteed amount	Guaranteed amount	Actual occurring date	Actual guaranteed amount	Guarantee type	Collateral	Counter Guarantee	Guarantee period	Fulfilled or not	Guaranteed by related parties or not
VHIO	2023-04-28	55,000	2023-07-13	7,784	Joint liability guarantee	N	N	Three years from the date of receipt of the guarantee by the Italian tax bureau	N	N
VHIO	2023-04-28	55,000	2023-11-16	5,309	Joint liability guarantee	N	N	Six months from the maturity date of each guaranteed debt, but no later than June 30, 2028	N	N
VHIO	2023-04-28	55,000	2024-04-09	30,706	Joint liability guarantee	N	N	Two years after VHIO has fulfilled all its obligations as a supplier, or when it meets the indicator requirements specified in the guarantee letter on its own	N	N
IRD	2025-04-18	5,742	2025-09-18	2,490	Pledge guarantee	EUR 3.00 million	None	The term for the principal obligor to perform its obligations shall be subject to the provisions of the principal contract. Where the obligations under the principal contract mature early in accordance with the provisions of applicable laws, regulations and rules, or the agreement of the principal contract, or upon mutual agreement by both parties to the principal contract, the early maturity date shall be deemed the date on which the performance term expires. Where the principal contract stipulates that the obligor shall repay the obligations in installments, the maturity date of each installment shall be the date on which the performance term for such portion of the obligations expires.	N	N
Approved total guaranteed amount towards the subsidiaries within the reporting period (B1)					23,673	Total actual amount occurred towards subsidiaries within the reporting period (B2)				2,490
Approved total guaranteed amount towards the subsidiaries at the year end (B3)					69,962	Total actual guarantee balance towards subsidiaries at the year end (B4)				46,289
Guarantee of subsidiaries to subsidiaries										
Total amount of the company's guarantee (total of the top three)										
Approved total amount guaranteed within the reporting period (A1+B1+C1)					23,673	Approved total amount guaranteed within the reporting period (A1+B1+C1)				2,490
Approved total amount guaranteed at the year end (A3+B3+C3)					69,962	Approved total amount guaranteed at the year end (A3+B3+C3)				46,289

Proportion of actual total guaranteed amount (A4+B4+C4) to net assets	2.32%
Including:	
Explanation of situations where there is guarantee liability or evidence indicating the possibility of joint and several repayment liability for unexpired guarantee contracts during the reporting period (if any)	(Not involved)
Explanation of providing guarantees to external parties in violation of prescribed procedures (if any)	(Not involved)

Specific description for using the guarantee by complex method: Nil

3. Entrusted cash asset management

(1) Entrusted financing

Applicable Not applicable

Entrusted financing in the period

In ten thousand yuan

Type	Risk profile	Undue balance	Overdue amount
Bank financial products	R1(low risk)	200,850	0
Financial products of securities firms	R2(medium-low risk)	4,079	0
Other type	R3(medium risk)-R4(medium-high risk)	42,728	0
Total		247,657	0

Specific details of the Company entrusting financial institutions with asset management as the sole client, or investing in high-risk entrusted wealth management with low security and poor liquidity

Applicable Not applicable

(2) Entrusted loans

Applicable Not applicable

The Company had no entrusted loans in the reporting period.

4. Other significant contracts

Applicable Not applicable

The Company had no other significant contract in the reporting period.

XVI. The usage of raised funds

Applicable Not applicable

The Company had no usage of raised funds during in the reporting period.

XVII. Explanation on other material matters

Applicable Not applicable

The Company has no explanation on other material matters in the reporting period.

XVIII. Material matters of subsidiary of the Company

Applicable Not applicable

On April 15, 2025, the Company disclosed the Progress Announcement on Material Matters of Its Wholly-Owned Subsidiary (Announcement No.: 2025-013). WFTR, a wholly-owned subsidiary of the Company, received the Criminal Judgment ((2024)S02XCHNo.22) served by the Intermediate People's Court of Wuxi City, Jiangsu Province. In the case where the People's Procuratorate of Wuxi City, Jiangsu Province charged the defendant Mr. Liu with the crime of contract fraud, the Intermediate People's Court of Wuxi City, Jiangsu Province rendered a first-instance judgment on April 11, 2025, finding the defendant Mr. Liu guilty of contract fraud. The seized, distrained and frozen property involved in the case shall be disposed of by the public security organ in accordance with the law. On July 12, 2025, the Company disclosed the Progress Announcement on Material Matters of Its Wholly-Owned Subsidiary (Announcement No.: 2025-051). The aforementioned Criminal Judgment ((2024)S02XChNo.22) took effect on July 8, 2025. Mr. Liu has been convicted and sentenced for the crime of contract fraud, and the relevant property involved in the case will be disposed of in accordance with the law. As of the disclosure date of this announcement, WFTR, the wholly-owned subsidiary of the Company, has received part of the seized property returned by the public security organ and the court, including approximately 465 million yuan in bank deposits and physical items such as small household appliances.

Section VI. Changes in Shares and Particulars about Shareholders

I. Changes in Share Capital

1. Changes in Share Capital

In Share

	Before the change		Change during the year (+/-)					After the change	
	Amount	Proportion	New shares issued	Bonus shares	Public reserve transfer into share capital	Other	Subtotal	Amount	Proportion
I. Restricted shares	390,394.00	0.04%				110,000.00	110,000.00	500,394.00	0.05%
1. State-owned shares									
2. State-owned legal person's shares									
3. Other domestic shares	390,394.00	0.04%				110,000.00	110,000.00	500,394.00	0.05%
Including: Domestic legal person's shares									
Domestic natural person's shares	390,394.00	0.04%				110,000.00	110,000.00	500,394.00	0.05%
4. Foreign shares									
Including: Foreign legal person's shares									
Foreign natural person's shares									
II. Unrestricted shares	996,595,899.00	99.96%				-	-	966,285,299.00	99.95%
1. RMB ordinary shares	824,215,899.00	82.67%				-	-	793,905,299.00	82.12%
2. Domestically listed foreign shares	172,380,000.00	17.29%						172,380,000.00	17.83%
3. Overseas listed foreign shares									
4. Others									
III. Total shares	996,986,293.00	100.00%				-	-	966,785,693.00	100.00%
						30,200,600.00	30,200,600.00		

Reasons for changes in share

Applicable Not applicable

- During the reporting period, the company bought back and canceled a total of 30,200,600 shares, resulting in a change in the number of unrestricted tradable shares and total share capital;
- During the reporting period, there has been a change in the locked shares of senior executives, resulting in changes in the lock in shares of senior executives, leading to changes in stocks subject to limited and unlimited sales conditions.

Approval status of changes in share

Applicable Not applicable

- On Feb. 27, 2025, the company held the 5th meeting of the 11th session of the BOD, deliberated and approved the Proposal on Resignation of Directors and By-Election of Directors. On March 17, 2025, the Company held the first extraordinary general meeting of 2025 and reviewed and approved the aforementioned proposal.
- On April 16, 2025 and May 9, 2025, the Company held the 6th Meeting of the 11th Board of Directors and the 2024 Annual

General Meeting of Shareholders, respectively, and reviewed and approved the Proposal on Changing the Purpose of Repurchased Shares and Canceling Such Shares. It was approved to change the purpose of 25 million A-shares held in the special securities account for share repurchase, from “for implementing employee stock ownership plans or equity incentive plans” to “for cancellation and reduction of registered capital”.

3. On April 16, 2025 and May 9, 2025, the Company held the 6th Meeting of the 11th Board of Directors and the 2024 Annual General Meeting of Shareholders, respectively, and reviewed and approved the Proposal on the Plan for Repurchasing Part of the Company’s A-Shares. The Company was approved to repurchase part of its A-shares through centralized bidding trading using its own funds and special loans for share repurchase. On July 3, 2025, the Company has disclosed the *Announcement on the Completion of Repurchase of Some A-Share Shares and Changes in Share Capital* (Announcement No.: 2025-049), the Company has cumulatively repurchased 5.2006 million A-share stocks through the dedicated securities account for repurchase by means of centralized competitive bidding.

Ownership transfer of share changed

Applicable Not applicable

1. On June 26, 2025, the Company completed the cancellation procedures for 25 million repurchased shares at China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

2. On July 8, 2025, the Company completed the cancellation procedures for 5,200,600 repurchased shares at China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable Not applicable

Other information necessary to disclose or need to disclosed under requirement from security regulators

Applicable Not applicable

2. Changes of lock-up stocks

Applicable Not applicable

In Share

Shareholders	Opening shares restricted	Restricted shares Increased in the Period	Shares released in Period	Ending shares restricted	Restricted reasons	Date for released
Rong Bin	63,000	21,000		84,000	Lock-up shares held by senior executives	--
Feng Zhiming	48,894			48,894	Lock-up shares held by senior executives	--
Xu Sheng	63,000	21,000		84,000	Lock-up shares held by senior executives	--
Liu Jinjun	63,000	21,000		84,000	Lock-up shares held by senior executives	--
Li Gang	63,000	21,000		84,000	Lock-up shares held by senior executives	--
Chen Ran	1,000		250	750	Lock-up shares held by senior executives	2025-03-19
Xu Yunfeng	88,500	26,250		114,750	Lock-up shares held by senior executives	--
Total	390,394	110,250	250	500,394	--	

II. Securities issuance and listing

1. Security offering (without preferred stock) in Reporting Period

Applicable Not applicable

2. Changes of total shares and shareholders structure as well as explanation on changes of assets and liability structure

Applicable Not applicable

During the reporting period, the company cancelled a total of 30,200,600 A-share stocks. The total share capital was reduced from 996,986,293 shares to 966,785,693 shares.

3. Current internal staff shares

Applicable Not applicable

III. Particulars about shareholders and actual controller of the Company

1. Amount of shareholders of the Company and particulars about shares holding

In Share

Full name of Shareholders	Nature of shareholders	Proportion of shares held	Total shareholders at the end of reporting period	Changes in reporting period	Number of lock-up stocks held	Amount of un-lock up stock held	Information of shares pledged, tagged or frozen	
							State of share	Amount
Wuxi Industry Development Group Co., Ltd.	State-owned corporate	22.05%	213,202,199	1,390,700	0	213,202,199	Not Applicable	0
ROBERT BOSCH GMBH	Foreign corporate	15.44%	149,241,339	2,387,206	0	149,241,339	Not Applicable	0
Hong Kong Securities Clearing Company	Foreign corporate	1.23%	11,918,839	-7,103,395	0	11,918,839	Not Applicable	0
SOOCHOW Securities	State-owned corporate	1.00%	9,642,095	-3,961,600	0	9,642,095	Pledge	3,495,800
NSSF-413	Other	0.94%	9,120,001	-1,679,994	0	9,120,001	Not Applicable	0
FIDELITY INVMT TRT FIDELITY INTL SMALL CAP FUND	Foreign corporate	0.93%	8,972,271	392,800	0	8,972,271	Not Applicable	0
China Life Insurance Co., Ltd. - Traditional - Ordinary Insurance Product - 005L-CT001 Shanghai	Other	0.69%	6,688,540	6,688,540	0	6,688,540	Not Applicable	0
Lin Chuan	Domestic natural person	0.58%	5,591,000	1,602,200	0	5,591,000	Not Applicable	0
Xie Zuogang	Domestic natural person	0.58%	5,562,767	429,800	0	5,562,767	Not Applicable	0
NSSF-107	Other	0.56%	5,432,900	5,432,900	0	5,432,900	Not Applicable	0
Strategy investor or general legal person becoming the top 10 shareholders by placing new shares (if applicable) (refer to Note 3)	NA							
Explanation on associated relationship among the aforesaid shareholders	Among the aforesaid shareholders, there has no associated relationship between Wuxi Industry Development Group Co., Ltd., the first largest shareholder of the Company, and other shareholders; and they do not belong to the persons acting in concert regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Company.							

Description of the above shareholders in relation to delegate/entrusted voting rights and abstention from voting rights.	NA		
Special note on the repurchase account among the top 10 shareholders (if applicable) (refer to Note 10)	NA		
Particular about top ten shareholders with un-lock up stocks held (Excluding shares lent through refinancing and Lock-up shares held by senior executives)			
Shareholders' name	Amount of un-lock up stocks held at Period-end	Shares held	
		Type	Amount
Wuxi Industry Development Group Co., Ltd.	213,202,199	RMB common shares	213,202,199
ROBERT BOSCH GMBH	149,241,339	RMB common shares	115,260,600
		Domestically listed foreign shares	33,980,739
Hong Kong Securities Clearing Company	11,918,839	RMB common shares	11,918,839
SOOCHOW Securities	9,642,095	RMB common shares	9,642,095
NSSF-413	9,120,001	RMB common shares	9,120,001
FIDELITY INVMT TRT FIDELITY INTL SMALL CAP FUND	8,972,271	Domestically listed foreign shares	8,972,271
China Life Insurance Co., Ltd. - Traditional - Ordinary Insurance Product - 005L-CT001 Shanghai	6,688,540	RMB common shares	6,688,540
Lin Chuan	5,591,000	RMB common shares	5,591,000
Xie Zuogang	5,562,767	Domestically listed foreign shares	5,562,767
NSSF-107	5,432,900	RMB common shares	5,432,900
Explanation on associated relationship or consistent actors within the top 10 un-lock up shareholders and between top 10 un-lock up shareholders and top 10 shareholders	Among the aforesaid shareholders, there has no associated relationship between Wuxi Industry Development Group Co., Ltd., the first largest shareholder of the Company, and other shareholders; and they do not belong to the persons acting in concert regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Company.		
Explanation on top 10 shareholders involving margin business (if applicable) (refer to note 4)	NA		

Shareholders holding 5% or more shares of the company, top 10 shareholders or top 10 un-lock up shareholders participated in the lending of shares through refinancing business

Applicable Not applicable

Changes in top 10 shareholders and top 10 un-lock up shareholders due to participating in the lending of shares through refinancing business

Applicable Not applicable

Whether top 10 shareholders or top 10 un-lock up shareholders have a buy-back agreement dealing in reporting period or not?

Yes No

2. Controlling shareholder of the Company

Nature of controlling shareholders: local state-owned holding

Type of controlling shareholders: legal person

Controlling shareholders	Legal person/person in charge of the unit	Date of foundation	Organization code	Main operation business
Wuxi Industry Development Group Co., Ltd.	Yao Zhiyong	October 5, 1995	913202001360026543	External investment with own funds; housing rental services; self-operation and acting as an agent for the import & export of various commodities and technologies (except for commodities and technologies that restricted or prohibited for import & export by the State), domestic trading (restricted and prohibited projects by the State excluded) (For those to be approved by law, business activities can only be carried out after approval by relevant departments)
Equity of other domestic/oversea listed company controlled by the controlling shareholder as well as stock-joint in reporting period	1.The majority shareholder of the Company, Wuxi Industry Group, holds 30.63% stakes of Wuxi Taiji Industry Corporation Limited (stock code: 600667), and indirectly holds 2.89% stakes of Wuxi Taiji Industry Corporation Limited through Wuxi Venture Capital Group Co., Ltd. actually controlled by it. 2. The majority shareholder of the Company, Wuxi Industry Group, directly holds 15.65% stakes of Wuxi Xin Hongtai Electrical Technology Co., Ltd. (Stock Code: 603016), and indirectly holds 12.26% stakes of Wuxi Xinhongtai Electrical Technology Co., Ltd. through Wuxi Guosheng Asset Management Co., Ltd actually controlled by it.			

Changes of controlling shareholders in reporting period

Applicable Not applicable

The Company had no changes of controlling shareholders in reporting period

3. Actual controller and person acting in concert of the Company

Nature of actual controller: local state-owned assets management entity

Type of actual controller: legal person

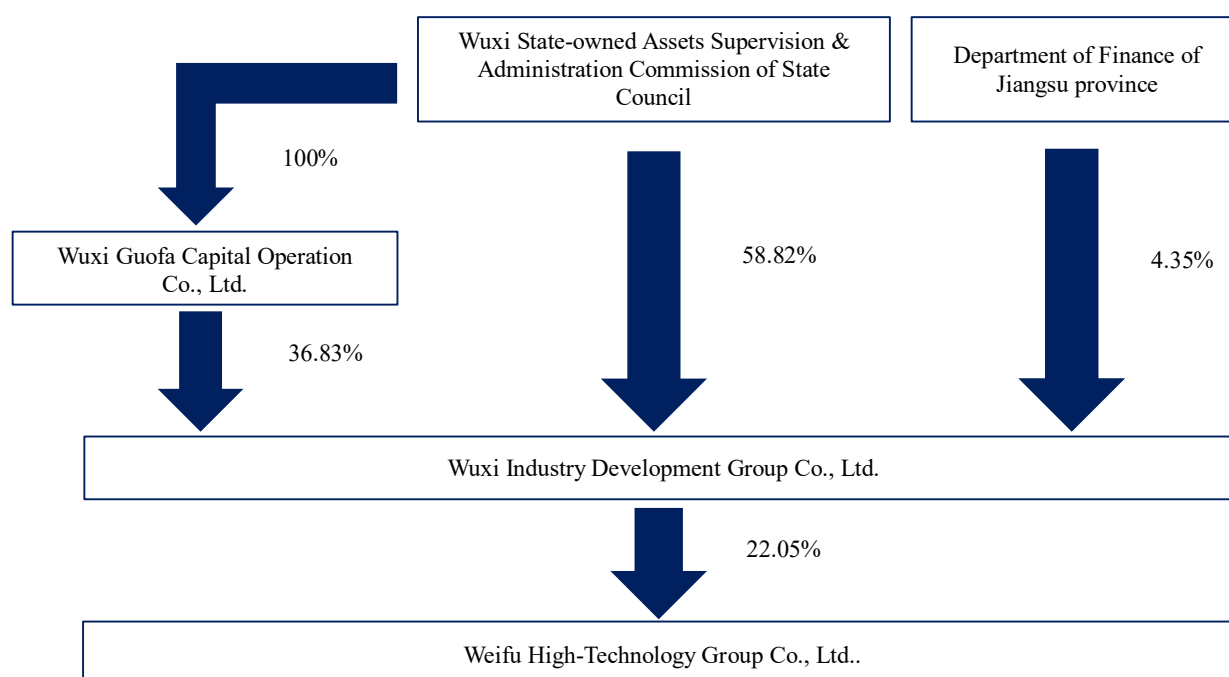
Name of actual controlling shareholders	Legal person/person in charge of the unit	Date of foundation	Organization code	Main operation business
The State-owned Assets Supervision & Administration Commission of Wuxi Municipality of Jiangsu Province	Ding Hongjun		11320200014007967Y	State-owned Assets management

Changes of actual controller in the reporting period

Applicable Not applicable

No changes of actual controllers for the Company in the reporting period.

Property right and controlling relationship between the actual controller and the Company is as follow



Note: The above reflects the shareholding percentages as of the date of this Annual Report disclosure.

The actual controller controlling the company through trust or other asset management methods

Not applicable Applicable

4. The total number of shares pledged by controlling shareholders or the first majority shareholder and its persons acting in concert accounts for 80% of the shares held by them

Applicable Not applicable

5. Particulars about other legal person shareholders with over 10% shares held

Applicable Not applicable

Corporate shareholders	Legal person/person in charge of entity	Establishment date	Registered capital	Main business or management activity
ROBERT BOSCH GMBH	Holzwarth Bettina, Lepschy Markus	November 15, 1886	1,200 million euros	Development, manufacture and distribution of products, technologies, systems, solutions and service performance, especially in mobile, electrical engineering, electronics, mechanical engineering, mechanics, metals and other materials, medicine, logistics, communications and information technology, including solutions based on data, and related fields. The Company's goal is to further perform regionally based and business-related services. The Company may directly or indirectly enter into various business transactions to achieve this goal. In order to achieve the goal, the Company can establish, acquire and participate in business activities in any form permitted by law, or carry out business activities through them and organize under unified management. The Company may restrict some of the activities described in paragraph 1 above or hold and manage their participating interests.

6. Restriction on shares reduction for controlling shareholders, actual controllers, restructuring side and other undertakings entities

Applicable Not applicable

IV. The specific implementation of shares buy-back during the reporting period

Implementation progress of shares buy-back

Applicable Not applicable

Disclosure time of the plan	Number of shares buy-back (shares)	Proportion to total share capital	Proposed buy-back amount (ten thousand yuan)	Proposed buy-back period	Share buy-back purpose	Repurchased quantity (shares)	The proportion of repurchased shares to the underlying stocks involved in the equity incentive plan (if any)
Apr. 19, 2022	Not higher than 25,000,000 and not lower than 12,500,000 shares	Not higher than 2.48% and lower than 1.24%	Not higher than RMB 725.00 million (inclusive) and not lower than RMB 362.5 million (inclusive)	From Apr. 15, 2022 to Apr. 14, 2023	Intended for implementing employee stock ownership plans or equity incentive plans	25,000,000	
Apr. 18, 2025	Not higher than 4,290,000 and not lower than 2,860,000 shares	Not higher than 0.43% and lower than 0.29%	Not higher than RMB 15.00 million (inclusive) and not lower than RMB 100.00 million (inclusive)	From May 9, 2025 to May 8, 2026	For capital reduction	5,200,600	

Note:

On April 16, 2025 and May 9, 2025, the Company held the 6th Meeting of the 11th Board of Directors and the 2024 Annual General Meeting of Shareholders, respectively, and reviewed and approved the Proposal on Changing the Purpose of Repurchased Shares and Canceling Such Shares. The purpose of 25,000,000 A-shares in the special securities account for share repurchase was approved to be changed from “for implementing employee stock ownership plans or equity incentive plans” to “for cancellation and reduction of registered capital”. As of June 26, 2025, the Company had completed the cancellation procedures for the aforementioned 25,000,000 repurchased A-shares with China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

On April 16, 2025 and May 9, 2025, the Company held the 6th Meeting of the 11th Board of Directors and the 2024 Annual General Meeting of Shareholders, respectively, and reviewed and approved the Proposal on the Plan for Repurchasing Part of the Company's A-Shares. The Company was approved to repurchase part of its A-shares through centralized bidding trading using its own funds and special loans for share repurchase for the purpose of reducing registered capital. For details, please refer to the Report on the Repurchase of Part of the Company's A-Shares (Announcement No.: 2025-038) disclosed by the Company. On July 3, 2025, the Company disclosed the Announcement on the Completion of the Repurchase of Part A-Shares and Changes in Share Capital (Announcement No.: 2025-049), stating that the Company had repurchased a total of 5,200,600 A-shares through the special securities account for share repurchase via centralized bidding trading. On July 10, 2025, the Company disclosed the Announcement on the Completion of Cancellation of Part of the Repurchased Shares and Changes in Share Capital (Announcement No.: 2025-050), stating that the Company had completed the cancellation procedures for the aforementioned 5,200,600 repurchased A-shares with China Securities Depository and Clearing Corporation Limited Shenzhen Branch on July 8, 2025.

Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

V. Preferred Stock

Applicable Not applicable

The Company had no preferred shares outstanding during the reporting period.

Section VII. Bond Related Information

I. Enterprise bonds

Applicable Not applicable

The company has no enterprise bonds in reporting period.

II. Corporate bonds

Applicable Not applicable

1. Basic information of corporate bonds

Unit: Ten Thousand Yuan

Bond name	Bond abbreviation	Bond code	Issue date	Interest accrual date	Maturity date	Bond balance	Interest rate	Principal and interest repayment method	Securities Trading Venue
WFHT 2025 Sci-Tech Innovation Corporate Bond (465 Modern Industrial Cluster Special)	25WF K1	524579	2025-12-05	2025-12-08	2028-12-08	50,000	1.9%	Interest is calculated at a simple annual rate without compound interest. Interest is paid annually, principal is repaid in a lump sum at maturity, and the final interest payment is made together with the principal redemption.	Shenzhen Stock Exchange
Investor appropriateness arrangements (if any)			The corporate bond is publicly issued to professional institutional investors						
Applicable trading mechanism			Matched transaction, negotiated transaction, click transaction, inquiry transaction, competitive bidding transaction						
Risk of termination of listing and trading (if any) and response measures			None						

Overdue unpaid bonds

Applicable Not Applicable

2. Triggering and implementation of issuer or investor option clauses and investor protection clauses

Applicable Not Applicable

3. Information of intermediaries

Bond project name	Name of intermediary	Office address	Name of signing accountant	Contact person of intermediary	Contact Tel.
WFHT 2025 Sci-Tech Innovation Corporate Bond (465 Modern Industrial Cluster Special)	Lead underwriter, Trustee: TF Securities Co., Ltd.	20/F, TF Securities Building, No.446 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan	Not Applicable	Chen Zhen	021-65100508
WFHT 2025 Sci-Tech Innovation Corporate Bond (465 Modern Industrial Cluster Special)	Law Firm: Beijing Deheng Law Firm	8/F, Ping An Fortune Center, No.15 Jinrong 1st Street, Binhu District, Wuxi, Jiangsu Province	Not Applicable	Luo Zuzhi	0510-85215998
WFHT 2025 Sci-Tech Innovation Corporate Bond (465 Modern Industrial Cluster Special)	Credit rating agency: Shanghai Brilliance Credit Rating & Investor Service Co., Ltd.	13/F,14/F,20/F, No.398 Hankou Road, Huangpu District, Shanghai	Not Applicable	Shi Xun, Lei Jiayue	021-63501349
WFHT 2025 Sci-Tech Innovation Corporate Bond (465 Modern Industrial Cluster Special)	Auditing institution: Zhongxinghua Certified Public Accountants LLP	20/F, Tower B, Lize SOHO, No.20 Lize Road, Fengtai District, Beijing	Pan Hua, Zhang Xiaoping	Pan Hua	010-51423818

Whether the above institutions have changed during the reporting period or not ?

Yes No

4. Use of proceeds

Unit: Ten Thousand Yuan

Bond code	Bond abbreviation	Total amount of proceeds	Stipulated use of raised Funds	Amount used	Actual use of proceeds (by use category, excluding temporary working capital replenishment)	Actual use of proceeds by category	Unused amount	Operation of special account for proceeds (if any)	Rectification measures for irregular use of proceeds (if any)	Whether consistent with the use, use plan and other agreements promised in the prospectus
524579	25WF K1	50,000	Replenish working capital, equity investment or replace previous equity investment	48,664.12	Replenish working capital, replace previous equity investment	For replenishing working capital and replacing previous equity investment	1,335.88	Normally	None	Yes

Proceeds used for construction projects

 Applicable Not Applicable

Change in the use of the above bond proceeds by the Company during the reporting period

 Applicable Not Applicable**5. Adjustment of credit rating results during the reporting period** Applicable Not Applicable**6. Implementation and changes of guarantee arrangements, debt repayment plans and other debt repayment safeguard measures during the reporting period and their impact on the rights and interests of bond investors** Applicable Not Applicable**III. Non-financial enterprise debt financing instruments** Applicable Not Applicable

The Company had no non-financial enterprise debt financing instruments during the reporting period.

IV. Convertible corporate bonds Applicable Not Applicable

The Company had no convertible corporate bonds during the reporting period.

V. Loss in the consolidated statement scope exceeding 10% of the net assets at the end of the previous year during the reporting period Applicable Not Applicable**VI. Overdue status of interest-bearing debts other than bonds at the end of the reporting period** Applicable Not Applicable

VII. Violations of rules and regulations during the reporting period

Yes No

VIII. Major accounting data and financial indicators of the Company in the recent two years as of the end of the reporting period

Unit: Ten Thousand Yuan

Item	End of the reporting period	End of the previous year	Year-on-year increase/decrease (+/-)
liquidity ratio	1.85	1.80	2.78%
asset-liability ratio	29.69%	27.79%	1.90%
quick ratio	1.54	1.49	3.36%
	The reporting period	Same period of last year	Year-on-year increase/decrease (+/-)
Net profit after deducting non-recurring gains and losses	69,559.69	163,544.16	-57.47%
EBITDA to total debt ratio	60.01%	90.88%	-30.87%
interest coverage ratio	52.49	70.22	-25.25%
Cash interest coverage ratio	55.25	67.11	-17.67%
EBITDA interest coverage ratio	84.88	97.67	-13.10%
Loan repayment rate	100.00%	100.00%	
interest coverage	100.00%	100.00%	

Section VIII. Financial Report

I. Auditor's report

Type of audit opinion	Standard Unqualified Opinion
Signing date of audit report	April 15, 2026
Name of audit institute	Zhongxinghua Certified Public Accountants LLP
Serial of Auditing Report	Zhongxinghua Audit (2026) No. 00006837
Name of CPA	Pan Hua, Zhang Xiaoping

Auditor's Report Audit Report

Zhongxinghua Audit (2026) No. 00006837

All shareholders of Wuxi Weifu High-Technology Group Co., Ltd.:

I. Audit opinions

We have audited the financial statement of Weifu High-Technology Group Co., Ltd. (hereinafter referred to as "Weifu High-Technology"), including the Consolidated & Parent Company Balance Sheet as of 31 December 2025, Consolidated & Parent Company Income Statement, Consolidated & Parent Company Cash Flow Statement, Consolidated & Parent Company Owner's Equity Change Statement and relevant Financial Statement Notes in 2025.

In our opinions, the attached financial statement is formulated pursuant to provisions in the Accounting Standards for Business Enterprises from all major perspectives, and offers a fair view on Weifu High-Technology's financial conditions of consolidated and parent company as of 31 December 2025, as well as operation achievement and cash flow of consolidated and parent company in 2025.

II. Foundation of audit opinions

We conducted the audit work as per provisions of the Chinese Certified Public Accountant Auditing Standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report. In accordance with the Code of Ethics for Certified Public Accountants in China and the independence requirements for Certified Public Accountants in China, we are independent of Weifu High-Technology, and have fulfilled our other ethical responsibilities. We believe the audit evidence we obtained is sufficient and appropriate, and provides the foundation for our audit opinions.

III. Key audit events

Key audit events are the events we deem the most important for auditing the financial statement in the current period, based on our professional judgment. These events shall be responded against the backdrop of conducting overall audit of the financial statement and forming opinions, and we do not express separate opinions on these events. We determine that the following events are key audit events for communication in the audit report.

1. Income recognition

(1) Event description

As stated in the Financial Statement Note III, 27 “Income” and Note V, 48 “Operating income and operating cost”, Weifu High-Technology earned operating income of RMB 12,023,879,100 in 2025. Considering operating income as one of the main sources of profits for Weifu High-Technology, with significant impact on the overall financial statement, there is an inherent risk that the management level of Weifu High-Technology (hereinafter referred to as the management level) may manipulate the timing of income recognition in order to achieve specific target or expectation, and therefore we regard income recognition as a key audit event.

(2) Audit response

1) Know about relevant internal controls regarding income recognition, conduct internal control tests, and evaluate the design and operation effectiveness;

2) Obtain and check main customer sales contracts, know about the main terms and conditions of contracts, including sales methods, pricing, settlement, rebates, etc., and evaluate whether the specific methods and timing of income recognition meet the standards and industry practices;

3) Conduct analytical procedures on the operating incomes, operating costs and gross profits of each segment, in conjunction with the industry situation and actual company operation, compare with the previous period data and data of the same industry, and check the rationality;

4) Randomly check sales contracts or orders, outbound delivery notes, logistics documents, customs declaration sheets, receipts, settlement statements, sales invoices, and other documents related to income recognition, and verify the authenticity and completeness of income;

5) Select customer samples to perform confirmation letter procedures, and verify the income authenticity, completeness and rationality of income recognition timing;

6) Perform income cut-off testing, select income samples before and after the balance sheet date, verify supportive documents such as outbound delivery notes, customs declaration sheets, receipts and settlement statements, and check whether incomes are recorded in the appropriate accounting period;

7) Check whether the information concerning operating income has been appropriately presented and disclosed in the financial statements.

2. Provision for expected credit losses of Weifu International Trade “platform trade” business portfolio in other receivables

(1) Event description

As stated in the Financial Statement Note V, 7 “Other receivables” and Note XIV, 7 “Other important events affecting investor decision-making”, as of 31 December 2025, the book balance of other receivables arising from “platform trading” contract fraud event of Weifu International Trade amounted to RMB 2,038,255,800, and the provision for expected credit losses of RMB 1,979,160,400 was made. Because the recoverable amount of the “platform trade” business portfolio creditor’s right involves significant accounting estimates and judgments made by the management level, it is important to the financial statement, and therefore we determine the provision for expected credit losses of “platform trade” business portfolio in other receivables as a key audit event.

(2) Audit response

1) Know about the specific situation and status quo of the “platform trade” event from the management level,

understand the management level methods, amounts and judgment basis and sources of the provision for expected credit losses regarding the “platform trade” event credits, and evaluate the rationality;

2) Obtain and read the court judgment, visit relevant departments such as the public security organ and the court, inquire about the opinions of relevant lawyers, conduct interviews on the judgment basis and resources of the estimates made by the management level, and verify the authenticity and reliability;

3) Know about the specific situation of the case-involved properties returned by the public security organ to the company, and the case-involved properties executed by the court, check relevant bank repayment records and physical asset transfer records, and verify the authenticity; review the appraisal report issued by the appraisal agency on the value of relevant physical assets, and double check the rationality; check correctness of relevant company accounting treatment;

4) Perform recalculation procedures according to the judgment basis for recoverable amount of “platform trade” event credits, compare with the estimate result of the management level, and judge whether the provision amount for expected credit losses of “platform trade” event credits made by the management level is reasonable;

5) Follow the post-period progress of case execution and consider the impact on the current financial statements;

6) Check whether relevant information of “platform trade” events has been appropriately presented and disclosed in the financial statements.

3. Recognition of investment income from associated enterprises

(1) Event description

As stated in the Financial Statement Note V, 55 “Investment income”, in 2025, the long-term equity investment income accounted for by Weifu High-Technology using the equity method was RMB 1,124,396,100, accounting for 96.65% of the total profit this year. Because the investment income of associated enterprises is one of the main sources of profits for Weifu High-Technology, and the accuracy of investment income accounting exerts a significant impact on Weifu High-Technology’s financial statement, we determine the recognition of investment income from associated enterprises as a key audit event.

(2) Audit response

1) Know about the key internal controls of Weifu High-Technology concerning equity investments, conduct internal control tests, and evaluate the design and operation effectiveness;

2) Obtain the articles of association, investment agreements, historical development and other materials of associated companies, check the company capital contribution situation, shareholding ratio, director appointment and participation in business decision-making, and confirm the appropriateness of equity method accounting;

3) Know about the actual operation and profit distribution of associated enterprises, check the supportive materials on company recognition of investment income and receipt of cash dividends, and compare and analyze the overall rationality of investment income recognition;

4) Obtain the audit reports of associated enterprises, and pay attention whether important accounting policies, accounting estimates and accounting treatments comply with the provisions of accounting standards for business enterprises, and whether they are consistent;

5) Perform analytical review procedures on the financial statement of associated enterprises, know about the

reasons for significant changes and judge the rationality, and evaluate whether the financial statement has fairly reflected the financial status and operating results in major perspectives as a whole;

6) Recalculate the investment incomes of associated enterprises recognized by the company, pay attention to the related transactions between the company and associated enterprises, check the calculation and offset of unrealized internal transaction gains and losses, and review whether the recognized amount of investment income is accurate;

7) Check whether the recognized investment of associated enterprises has been appropriately presented and disclosed in the financial statements.

4. Other information

The management level of Weifu High-Technology (hereinafter referred to as the management team) is responsible for other information. Other information includes the information covered in the 2025 Weifu High-Technology annual report, but excludes the financial statement and our audit report.

Our audit opinions on financial statements do not cover other information, and we do not express any form of verification conclusions on other information.

In conjunction with our audit of the financial statement, our responsibility is to read other information, and in the process, consider whether the other information is materially inconsistent with the financial statement or what we learned during the audit process or appears to be materially misrepresented.

Based on the work we have conducted, if we determine that there is a material misstatement of other information, we should report such fact. We have nothing to report in this regard.

5. Management and governance liabilities for financial statements

The management is responsible for preparing the financial statements in accordance with GAAP and presenting them fairly, and designing, implementing and maintaining necessary internal control so that there isn't any material misstatement in the financial statements due to fraud or error.

When preparing the financial statement, the management level is responsible for assessing Weifu High-Technology's capabilities of sustainable operation, disclosing events related to sustainable operation (if applicable), and adopting the assumption of sustainable operation, unless the management level plans to liquidate Weifu High-Technology, terminate the operation, or there is no other practical option.

The governance level is responsible for supervising the financial report process of Weifu High-Technology.

6. CPA's responsibilities for auditing financial statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but it does not guarantee the audit performed in accordance with auditing standards can surely find a certain existing material misstatement. Misstatement may be caused by fraud or error; if a reasonably expected misstatement individually or in the aggregate may affect the financial statements user's economic decision made based on financial statements, it is generally considered to be a material misstatement.

As part of an audit in accordance with auditing standards, we exercised professional judgment and maintained professional skepticism throughout the audit. Meanwhile, we also perform the following tasks:

1) Identify and assess material misstatement risks of the financial statements due to fraud or error, design and implement audit process to address these risks, and obtain sufficient and appropriate audit evidences as the basis for giving audit opinions. Since fraud may involve collusion, forgery, intentional omission, false statement or overriding internal controls, the risk of failing to detect material misstatement due to fraud is higher than that due to error.

2) Learn about internal control concerning audit to design appropriate audit procedures.

3) Evaluate the appropriateness of accounting policies adopted and the rationality of accounting estimates and related disclosures made by the management.

4) Draw conclusions on the appropriateness of sustainable operation assumption by the management. Meanwhile, based on the audit evidences acquired, it may lead to conclusions on whether there are significant uncertainties in the matters or circumstances causing major doubts about the capabilities of your company's sustainable operation. If we conclude that there are significant uncertainties, the auditing standards require us to notify the users about relevant disclosures of the financial statements in the audit report; if the disclosures are insufficient, we should express opinions without reservations. Our conclusions are based on the information available as of the audit report date. Nevertheless, future matters or circumstances may lead to the inability of Weifu High-Technology for sustainable operation.

5) Evaluate the overall presentation, structure and content of financial statements, and evaluate whether the financial statements have fairly reflected relevant transactions and events.

6) Sufficient and appropriate audit evidence on the financial information of Weifu High-Technology entity or business activities is acquired, to express opinion on the financial statement. We are responsible for guiding, supervising and executing audit on the group. We hold full responsibilities for the audit opinions.

We communicate with those charged with governance about planned audit scope, schedule, major audit findings and other matters, including the noteworthy internal control flaws that we have identified during the audit.

We also provide declaration to the governance level regarding compliance with professional ethical requirements of independence, and communicate with the governance level about all relationships and other matters that may reasonably be considered as affecting our independence, as well as relevant precautions (if applicable).

From the matters communicated with the governance level, we determine which matters are most important to the financial statement audit in the current period and thus constitute key audit matters. We describe these matters in the audit report, unless laws and regulations prohibit public disclosure of these matters, or in rare cases, if it is reasonably expected that the negative consequences of communicating a matter in the audit report outweigh the benefits of public interest, we determine this matter shall not be communicated in the audit report.

Zhongxinghua Certified Public Accountants LLP

Beijing · China

Chinese CPA: Pan Hua

(Project partner)

Chinese CPA: Zhang Xiaoping

15 April 2026

II. Financial Statement

Statement in Financial Notes are carried In RMB

1. Consolidated Balance Sheet

Prepared by Weifu High-Technology Group Co., Ltd.

Dec. 31, 2025

In RMB

Item	In RMB	
	Dec. 31, 2025	Dec. 31, 2024
Current assets:		
Monetary funds	2,358,850,312.47	2,246,600,451.52
Settlement provisions		
Capital lent		
Trading financial assets	2,334,658,155.36	1,429,682,635.57
Derivative financial assets		
Note receivable	93,133,355.40	99,914,699.81
Account receivable	4,341,063,178.47	3,737,653,893.03
Receivable financing	1,861,919,025.73	1,713,187,182.25
Accounts paid in advance	99,492,959.55	93,283,466.49
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	82,980,848.24	930,529,007.57
Including: Interest receivable		
Dividends receivable	5,357,758.49	5,357,758.49
Buying back the sale of financial assets		
Inventories	2,458,134,988.90	2,308,920,401.14
Including: data source		
Contract assets		
Assets held for sale		
Non-current asset due within one year	689,033,205.47	559,070,575.38
Other current assets	137,849,612.83	188,988,459.46
Total current assets	14,457,115,642.42	13,307,830,772.22
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		

Long-term equity investment	7,299,370,031.76	7,035,098,878.59
Investment in other equity instrument	1,049,138,690.00	677,790,690.00
Other non-current financial assets	751,258,396.69	697,471,349.81
Investment real estate	52,318,319.87	44,960,930.39
Fixed assets	4,582,924,701.55	4,461,619,375.21
Construction in progress	280,431,452.37	380,321,816.50
Productive biological asset		
Oil and gas asset		
Right-of-use assets	97,945,565.44	67,765,442.37
Intangible assets	478,905,295.60	480,540,808.88
Including: data source		
Expense on research and development		
Including: data source		
Goodwill	1,784,086.79	32,605,318.22
Long-term expenses to be apportioned	57,396,940.60	22,202,465.04
Deferred income tax asset	309,899,010.51	303,420,166.65
Other non-current asset	249,239,314.05	893,272,397.34
Total non-current asset	15,210,611,805.23	15,097,069,639.00
Total assets	29,667,727,447.65	28,404,900,411.22
Current liabilities:		
Short-term loans	564,763,810.23	393,120,147.95
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	1,913,336,503.36	2,014,217,247.05
Account payable	4,375,877,094.85	3,899,945,192.28
Accounts received in advance	4,013,931.36	2,652,511.04
Contractual liability	63,010,303.58	56,148,545.13
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	364,256,169.69	405,278,048.92
Taxes payable	71,255,035.47	51,710,218.41
Other account payable	65,306,720.22	44,547,794.12
Including: Interest payable		
Dividend payable	2,937,600.00	
Commission charge and commission payable		
Reinsurance payable		

Liability held for sale		
Non-current liabilities due within one year	130,157,223.15	220,703,888.53
Other current liabilities	245,935,469.10	285,386,237.68
Total current liabilities	7,797,912,261.01	7,373,709,831.11
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	87,300,000.00	100,000,000.00
Bonds payable	500,624,657.53	
Including: Preferred stock		
Perpetual capital securities		
Lease liability	73,373,773.23	47,316,516.48
Long-term account payable	7,780,000.00	27,005,082.11
Long-term wages payable	80,454,470.77	46,118,861.68
Accrued liability	105,455,503.64	121,869,551.76
Deferred income	128,942,021.14	151,419,335.74
Deferred income tax liabilities	27,018,658.45	24,870,008.46
Other non-current liabilities		
Total non-current liabilities	1,010,949,084.76	518,599,356.23
Total liabilities	8,808,861,345.77	7,892,309,187.34
Owner's equity:		
Share capital	966,785,693.00	996,986,293.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital reserve	2,686,504,136.26	3,263,649,101.44
Less: inventory shares		469,722,092.24
Other comprehensive income	122,398,098.62	10,132,405.39
Reasonable reserve	8,619,634.17	6,257,090.28
Surplus public reserve	510,100,496.00	510,100,496.00
Provision of general risk		
Retained profit	15,623,144,555.11	15,523,124,882.77
Total owner's equity attributable to parent company	19,917,552,613.16	19,840,528,176.64
Minority interests	941,313,488.72	672,063,047.24
Total owner's equity	20,858,866,101.88	20,512,591,223.88
Total liabilities and owner's equity	29,667,727,447.65	28,404,900,411.22

Legal Representative: Yin Zhenyuan

Person in charge of accounting works: Feng Zhiming

Person in charge of accounting institute: Li Yanqing

2. Balance Sheet of Parent company

In RMB

Item	Dec. 31, 2025	Dec. 31, 2024
Current assets:		
Monetary funds	641,573,048.70	466,892,236.52
Trading financial assets	972,513,172.06	878,496,571.74
Derivative financial assets		
Note receivable	8,526,802.49	18,662,983.17
Account receivable	1,675,175,133.11	1,489,935,690.05
Receivable financing	339,279,089.10	346,215,286.06
Accounts paid in advance	54,801,020.36	51,792,719.25
Other account receivable	489,034,511.33	1,429,367,035.46
Including: Interest receivable	117,347.22	6,702,396.94
Dividends receivable	5,357,758.49	5,357,758.49
Inventories	502,216,446.23	523,443,471.86
Including: data source		
Contract assets		
Assets held for sale		
Non-current asset due within one year	429,658,356.15	222,906,739.73
Other current assets	340,501.80	236,029.38
Total current assets	5,113,118,081.33	5,427,948,763.22
Non-current assets:		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	10,263,381,015.17	9,379,389,807.57
Investment in other equity instrument	973,198,690.00	601,850,690.00
Other non-current financial assets	751,258,396.69	697,471,349.81
Investment real estate	32,191,785.94	33,322,617.00
Fixed assets	2,756,810,568.23	2,767,316,409.85
Construction in progress	81,553,060.91	43,260,711.62
Productive biological asset		
Oil and gas asset		
Right-of-use assets	2,848,428.84	4,320,822.79
Intangible assets	248,718,256.80	251,051,539.24
Including: data source		
Expense on research and development		
Including: data source		
Goodwill		
Long-term expenses to be apportioned	953,697.60	910,555.82

Deferred income tax asset	150,842,007.83	131,997,984.30
Other non-current asset	59,617,807.63	538,364,812.82
Total non-current asset	15,321,373,715.64	14,449,257,300.82
Total assets	20,434,491,796.97	19,877,206,064.04
Current liabilities:		
Short-term loans	120,077,366.66	
Trading financial liability		
Derivative financial liability		
Note payable	416,966,899.26	344,127,173.09
Account payable	1,102,968,435.44	1,127,464,058.49
Accounts received in advance		
Contractual liability	42,488,783.95	12,478,649.93
Wage payable	151,440,447.76	215,266,682.43
Taxes payable	12,706,911.51	9,470,631.10
Other account payable	118,495,769.42	670,207,729.91
Including: Interest payable	402,153.88	2,509,683.34
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year	101,186,502.70	201,358,028.22
Other current liabilities	41,804,577.18	20,837,034.26
Total current liabilities	2,108,135,693.88	2,601,209,987.43
Non-current liabilities:		
Long-term loans	87,300,000.00	100,000,000.00
Bonds payable	500,624,657.53	
Including: Preferred stock		
Perpetual capital securities		
Lease liability	1,641,972.69	2,703,583.48
Long-term account payable		
Long-term wages payable	54,819,699.51	15,212,070.31
Accrued liability	22,655,337.99	22,565,446.22
Deferred income	98,433,860.70	130,406,464.59
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	765,475,528.42	270,887,564.60
Total liabilities	2,873,611,222.30	2,872,097,552.03
Owner's equity:		
Share capital	966,785,693.00	996,986,293.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		

Capital reserve	2,815,516,424.65	3,394,923,686.54
Less: inventory shares		469,722,092.24
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	510,100,496.00	510,100,496.00
Retained profit	13,268,477,961.02	12,572,820,128.71
Total owner's equity	17,560,880,574.67	17,005,108,512.01
Total liabilities and owner's equity	20,434,491,796.97	19,877,206,064.04

3. Consolidated Profit Statement

In RMB

Item	2025	2024
I. Total operating income	12,023,879,058.27	11,167,263,155.85
Including: Operating income	12,023,879,058.27	11,167,263,155.85
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	11,684,402,892.29	10,731,261,302.02
Including: Operating cost	9,939,838,148.74	9,137,167,016.39
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slips		
Reinsurance expense		
Tax and extras	66,669,987.84	59,699,756.95
Sales expense	204,860,008.42	173,294,600.83
Administrative expense	807,541,005.61	726,610,451.29
R&D expense	695,553,391.89	690,258,974.54
Financial expense	-30,059,650.21	-55,769,497.98
Including: Interest expenses	22,596,287.74	25,385,434.57
Interest income	51,524,160.25	101,699,691.65
Add: Other income	145,418,450.58	195,531,320.78
Investment income (Loss is listed with “-”)	1,434,186,893.19	1,535,039,086.78
Including: Investment income on affiliated company and joint venture	1,124,396,147.32	1,481,848,406.86
The termination of income recognition for financial assets measured by amortized cost		-3,521,058.98
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)	61,265,098.76	-17,300,039.60
Loss of credit impairment (Loss is listed with “-”)	-341,332,775.64	6,063,789.73
Losses of devaluation of asset (Loss is listed with “-”)	-493,464,041.74	-407,383,027.85
Income from assets disposal (Loss is listed with “-”)	17,657,183.98	10,467,340.59
III. Operating profit (Loss is listed with “-”)	1,163,206,975.11	1,758,420,324.26
Add: Non-operating income	3,951,463.87	3,924,878.00
Less: Non-operating expense	3,781,251.76	5,130,865.58
IV. Total profit (Loss is listed with “-”)	1,163,377,187.22	1,757,214,336.68
Less: Income tax expense	62,695,218.07	40,043,146.12
V. Net profit (Net loss is listed with “-”)	1,100,681,969.15	1,717,171,190.56
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	1,100,681,969.15	1,717,171,190.56
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owners of parent company	1,068,167,498.05	1,659,533,740.63
2.Minority shareholders’ gains and losses	32,514,471.10	57,637,449.93

VI. Net after-tax of other comprehensive income	112,265,693.23	-44,024,510.58
Net after-tax of other comprehensive income attributable to owners of parent company	112,265,693.23	-44,024,510.58
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss	413,276.52	135,700.88
1.Changes of the defined benefit plans that re-measured	413,276.52	135,700.88
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss	111,852,416.71	-44,160,211.46
1.Other comprehensive income under equity method that can transfer to gains/losses		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements	111,852,416.71	-44,160,211.46
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	1,212,947,662.38	1,673,146,679.98
Total comprehensive income attributable to owners of parent Company	1,180,433,191.28	1,615,509,230.05
Total comprehensive income attributable to minority shareholders	32,514,471.10	57,637,449.93
VIII. Earnings per share:		
(i) Basic earnings per share	1.10	1.71
(ii) Diluted earnings per share	1.10	1.71

Legal Representative: Yin Zhenyuan

Person in charge of accounting works: Feng Zhiming

Person in charge of accounting institute: Li Yanqing

4. Profit Statement of Parent Company

In RMB

Item	2025	2024
I. Operating income	3,871,323,053.51	3,397,375,738.23
Less: Operating cost	3,320,314,281.17	2,748,517,500.94
Taxes and surcharge	29,940,599.54	25,293,144.60
Sales expenses	20,992,874.81	18,606,129.79
Administration expenses	370,056,182.60	342,648,893.66
R&D expenses	210,359,267.31	206,660,519.14
Financial expenses	-12,567,625.96	-8,055,265.06
Including: Interest expenses	21,275,011.44	25,217,594.46
Interest income	27,349,718.45	45,539,582.29
Add: Other income	59,428,591.40	104,031,656.48
Investment income (Loss is listed with “-”)	1,977,394,264.44	1,431,219,662.62
Including: Investment income on affiliated Company and joint venture	1,108,128,645.88	1,237,057,888.34
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		-312,015.98
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)	55,334,797.92	-19,486,103.43
Loss of credit impairment (Loss is listed with “-”)	-338,727,259.88	2,154,583.72
Losses of devaluation of asset (Loss is listed with “-”)	-44,926,902.40	-215,462,101.10
Income on disposal of assets (Loss is listed with “-”)	2,707,582.77	115,716,424.53
II. Operating profit (Loss is listed with “-”)	1,643,438,548.29	1,481,878,937.98
Add: Non-operating income	1,832,370.74	764,049.54
Less: Non-operating expense	309,284.54	430,984.94
III. Total Profit (Loss is listed with “-”)	1,644,961,634.49	1,482,212,002.58
Less: Income tax	-18,844,023.53	-22,556,419.64
IV. Net profit (Net loss is listed with “-”)	1,663,805,658.02	1,504,768,422.22
(i) continuous operating net profit (net loss listed with “-”)	1,663,805,658.02	1,504,768,422.22
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		

7.Other		
VI. Total comprehensive income	1,663,805,658.02	1,504,768,422.22
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Item	2025	2024
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	11,936,686,684.80	11,454,631,514.44
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	21,506,075.85	158,735,481.42
Other cash received concerning operating activities	571,768,083.49	110,017,342.88
Subtotal of cash inflow arising from operating activities	12,529,960,844.14	11,723,384,338.74
Cash paid for purchasing commodities and receiving labor service	8,888,523,494.66	7,529,154,745.16
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	1,794,535,041.19	1,909,179,859.57
Taxes paid	344,907,546.91	284,195,491.88
Other cash paid concerning operating activities	509,267,738.51	418,521,593.39
Subtotal of cash outflow arising from operating activities	11,537,233,821.27	10,141,051,690.00
Net cash flows arising from operating activities	992,727,022.87	1,582,332,648.74
II. Cash flows arising from investing activities:		
Cash received from recovering investment	4,972,319,937.78	4,194,627,417.02
Cash received from investment income	722,361,461.25	1,135,521,634.62
Net cash received from disposal of fixed, intangible and other long-term assets	28,154,859.56	47,050,793.21
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	5,722,836,258.59	5,377,199,844.85
Cash paid for purchasing fixed, intangible and other long-term assets	941,942,102.19	1,080,918,168.79
Cash paid for investment	5,149,412,141.82	4,147,277,084.93
Net increase of mortgaged loans		

Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	6,091,354,244.01	5,228,195,253.72
Net cash flows arising from investing activities	-368,517,985.42	149,004,591.13
III. Cash flows arising from financing activities:		
Cash received from absorbing investment	270,514,148.08	67,300,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	270,514,148.08	67,300,000.00
Cash received from loans	843,489,427.09	423,886,845.30
Cash received from issuance of bonds	500,000,000.00	
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	1,614,003,575.17	491,186,845.30
Cash paid for settling debts	784,695,845.88	933,749,933.35
Cash paid for dividend and profit distributing or interest paying	1,017,852,139.22	1,278,179,683.86
Including: Dividend and profit of minority shareholder paid by subsidiaries	30,733,197.73	68,778,370.04
Other cash paid concerning financing activities	199,429,047.01	282,460,203.37
Subtotal of cash outflow from financing activities	2,001,977,032.11	2,494,389,820.58
Net cash flows arising from financing activities	-387,973,456.94	-2,003,202,975.28
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	27,733,055.31	-33,176,286.78
V. Net increase of cash and cash equivalents	263,968,635.82	-305,042,022.19
Add: Balance of cash and cash equivalents at the period-begin	1,756,944,672.22	2,061,986,694.41
VI. Balance of cash and cash equivalents at the period -end	2,020,913,308.04	1,756,944,672.22

6. Cash Flow Statement of Parent Company

Item	In RMB	
	2025	2024
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	3,697,949,579.69	3,099,128,968.36
Write-back of tax received		
Other cash received concerning operating activities	51,981,718.46	80,207,980.24
Subtotal of cash inflow arising from operating activities	3,749,931,298.15	3,179,336,948.60
Cash paid for purchasing commodities and receiving labor service	2,570,461,507.94	2,264,173,817.93
Cash paid to/for staff and workers	662,807,747.05	737,849,558.75
Taxes paid	103,351,203.52	75,566,016.29
Other cash paid concerning operating activities	140,356,926.67	79,310,706.82
Subtotal of cash outflow arising from operating activities	3,476,977,385.18	3,156,900,099.79
Net cash flows arising from operating activities	272,953,912.97	22,436,848.81
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,296,315,700.49	1,829,627,417.02
Cash received from investment income	1,113,712,469.02	958,618,318.14
Net cash received from disposal of fixed, intangible and other long-term assets	12,556,240.97	36,500,011.93
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	693,533,284.82	160,573,673.43
Subtotal of cash inflow from investing activities	3,116,117,695.30	2,985,319,420.52
Cash paid for purchasing fixed, intangible and other long-term assets	422,908,231.38	476,629,689.83
Cash paid for investment	1,588,185,309.20	1,304,396,588.44

Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	69,287,900.00	204,486,765.84
Subtotal of cash outflow from investing activities	2,080,381,440.58	1,985,513,044.11
Net cash flows arising from investing activities	1,035,736,254.72	999,806,376.41
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	310,000,000.00	
Cash received from issuance of bonds	500,000,000.00	
Other cash received concerning financing activities	777,667,055.55	1,635,000,000.00
Subtotal of cash inflow from financing activities	1,587,667,055.55	1,635,000,000.00
Cash paid for settling debts	302,500,000.00	504,700,000.00
Cash paid for dividend and profit distributing or interest paying	977,443,292.66	1,196,883,563.40
Other cash paid concerning financing activities	1,503,166,849.06	1,199,168,654.01
Subtotal of cash outflow from financing activities	2,783,110,141.72	2,900,752,217.41
Net cash flows arising from financing activities	-1,195,443,086.17	-1,265,752,217.41
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	1,718,996.43	-3,813,380.23
V. Net increase of cash and cash equivalents	114,966,077.95	-247,322,372.42
Add: Balance of cash and cash equivalents at the period -begin	466,194,368.01	713,516,740.43
VI. Balance of cash and cash equivalents at the period -end	581,160,445.96	466,194,368.01

7. Consolidated Statement of Changes in Owners' Equity

Current period

In RMB

Item	2025														Minority interests	Total owners' equity
	Owners' equity attributable to the parent Company															
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit	Other	Subtotal			
Preferred stock		Perpetual capital securities	Other													
I. Balance at the end of the last year	996,986,293.00				3,263,649,101.44	469,722,092.24	10,132,405.39	6,257,090.28	510,100,496.00		15,523,124,882.77		19,840,528,176.64	672,063,047.24	20,512,591,223.88	
Add: Changes of accounting policy																
Error correction of the last period																
Other																
II. Balance at the beginning of this year	996,986,293.00				3,263,649,101.44	469,722,092.24	10,132,405.39	6,257,090.28	510,100,496.00		15,523,124,882.77		19,840,528,176.64	672,063,047.24	20,512,591,223.88	
III. Increase/Decrease in this year (Decrease is listed with "-")	30,200,600.00				577,144,965.18	469,722,092.24	112,265,693.23	2,362,543.89			100,019,672.34		77,024,436.52	269,250,441.48	346,274,878.00	
(i) Total comprehensive income							112,265,693.23				1,068,167,498.05		1,180,433,191.28	32,514,471.10	1,212,947,662.38	
(ii) Owners' devoted and decreased capital	30,200,600.00				539,200,396.74	469,722,092.24							-99,678,904.50	270,187,724.58	170,508,820.08	

converted to capital (share capital)															
3. Remediating loss with surplus reserve															
4. Carry-over retained earnings from the defined benefit plans															
5. Carry-over retained earnings from other comprehensive income															
6. Other															
(V) Reasonable reserve									2,362,543.89				2,362,543.89	219,043.53	2,581,587.42
1. Withdrawal in the report period									30,637,084.81				30,637,084.81	3,187,652.86	33,824,737.67
2. Usage in the report period									28,274,540.92				28,274,540.92	2,968,609.33	31,243,150.25
(VI)Others						37,944,568.44					1,004,237.29		36,940,331.15		36,940,331.15
IV. Balance at the end of the report period	966,785,693.00				2,686,504,136.26	122,398,098.62	8,619,634.17	510,100,496.00		15,623,144,555.11		19,917,552,613.16	941,313,488.72	20,858,866,101.88	

Last period

In RMB

Item	2024													Minority interests	Total owners' equity
	Owners' equity attributable to the parent Company														
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit	Other	Subtotal		
Preferr ed stock		Perpetual capital securities	Ot her												
I. Balance at the end of the last year	1,002,162,793.00			3,308,170,140.96	533,289,512.24	54,156,915.97	3,641,439.97	510,100,496.00		15,054,950,398.12		19,399,892,671.78	778,330,089.26	20,178,222,761.04	
Add: Changes of accounting policy															
Error correction of the last period															
Other															
II. Balance at the beginning of this year	1,002,162,793.00			3,308,170,140.96	533,289,512.24	54,156,915.97	3,641,439.97	510,100,496.00		15,054,950,398.12		19,399,892,671.78	778,330,089.26	20,178,222,761.04	
III. Increase/ Decrease in this year (Decrease is listed with "-")	5,176,500.00			44,521,039.52	-63,567,420.00	-44,024,510.58	2,615,650.31			468,174,484.65		440,635,504.86	106,267,042.02	334,368,462.84	
(i) Total comprehensive income						-44,024,510.58				1,659,533,740.63		1,615,509,230.05	57,637,449.93	1,673,146,679.98	
(ii) Owners' devoted and decreased capital	5,176,500.00			87,144,811.76	-63,567,420.00							28,753,891.76	95,065,184.58	123,819,076.34	
1.Common shares invested by shareholders													67,300,000.00	67,300,000.00	
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners' equity with share-based payment															
4. Other	5,176,500.00			87,144,811.76	-63,567,420.00							28,753,891.76	162,365,184.58	191,119,076.34	
(III) Profit distribution										1,191,359,255.98		1,191,359,255.98	68,778,370.04	1,260,137,626.02	
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)										1,185,823,277.46		1,185,823,277.46	68,778,370.04	1,254,601,647.50	
4. Other										-5,535,978.52		5,535,978.52		5,535,978.52	

8. Statement of Changes in Owners' Equity (Parent Company)

Current Period

In RMB

Item	2025											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. Balance at the end of the last year	996,986,293.00				3,394,923,686.54	469,722,092.24			510,100,496.00	12,572,820,128.71		17,005,108,512.01
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. Balance at the beginning of this year	996,986,293.00				3,394,923,686.54	469,722,092.24			510,100,496.00	12,572,820,128.71		17,005,108,512.01
III. Increase/ Decrease in this year (Decrease is listed with "-")	-30,200,600.00				-579,407,261.89	-469,722,092.24				695,657,832.31		555,772,062.66
(i) Total comprehensive income										1,663,805,658.02		1,663,805,658.02
(ii) Owners' devoted and decreased capital	-30,200,600.00				-539,526,820.24	-469,722,092.24						-100,005,328.00
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners' equity with share-based payment												
4. Other	-30,200,600.00				-539,526,820.24	-469,722,092.24						-100,005,328.00
(III) Profit distribution										-969,152,063.00		-969,152,063.00
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-969,152,063.00		-969,152,063.00
3. Other												
(IV) Carrying forward internal owners' equity												
1. Capital reserves conversed to capital (share capital)												
2. Surplus reserves conversed to capital (share capital)												
3. Remedying loss with surplus reserve												
4.Carry-over retained earnings from the defined benefit plans												
5.Carry-over retained earnings from other comprehensive income												
6. Other												
(V) Reasonable reserve												

1. Withdrawal in the report period							6,007,375.74				6,007,375.74
2. Usage in the report period							6,007,375.74				6,007,375.74
(VI)Others					-39,880,441.65				1,004,237.29		-38,876,204.36
IV. Balance at the end of the report period	966,785,693.00				2,815,516,424.65			510,100,496.00	13,268,477,961.02		17,560,880,574.67

Last period

In RMB

Item	2024											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. Balance at the end of the last year	1,002,162,793.00				3,412,506,010.91	533,289,512.24			510,100,496.00	12,253,874,983.95		16,645,354,771.62
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. Balance at the beginning of this year	1,002,162,793.00				3,412,506,010.91	533,289,512.24			510,100,496.00	12,253,874,983.95		16,645,354,771.62
III. Increase/ Decrease in this year (Decrease is listed with "-")	-5,176,500.00				-17,582,324.37	-63,567,420.00				318,945,144.76		359,753,740.39
(i) Total comprehensive income										1,504,768,422.22		1,504,768,422.22
(ii) Owners' devoted and decreased capital	-5,176,500.00				-58,390,920.00	-63,567,420.00						
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners' equity with share-based payment												
4. Other	-5,176,500.00				-58,390,920.00	-63,567,420.00						
(III) Profit distribution										-1,185,823,277.46		-1,185,823,277.46
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-1,185,823,277.46		-1,185,823,277.46
3. Other												
(IV) Carrying forward internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												

4.Carry-over retained earnings from the defined benefit plans												
5.Carry-over retained earnings from other comprehensive income												
6. Other												
(V) Reasonable reserve												
1. Withdrawal in the report period								6,178,007.63				6,178,007.63
2. Usage in the report period								6,178,007.63				6,178,007.63
(VI)Others					40,808,595.63							40,808,595.63
IV. Balance at the end of the report period	996,986,293.00				3,394,923,686.54	469,722,092.24			510,100,496.00	12,572,820,128.71		17,005,108,512.01

Wuxi Weifu High-Technology Group Co., Ltd.

2025 Financial Statement Notes

III. Company profile

1. History of the company

Wuxi Weifu High-Technology Group Co., Ltd. (hereinafter referred to as “the company” or “company”) is a targeted fundraising holding limited liability company established upon the document approval of Jiangsu Provincial Commission for Restructuring Economy Su Economy Restructuring (1992) No.130, and registered in Wuxi Administration for Industry and Commerce in October 1992. Originally, the company had a total share capital of RMB 115,435,500, including state-owned legal entity share capital of RMB 92,435,500, social legal entity share capital of RMB 8,000,000 and internal employee share capital of RMB 15,000,000.

From 1994 to 1995, the company underwent restructuring, and thereafter became a controlling subsidiary of Wuxi Weifu Group Co., Ltd. (hereinafter referred to as “Weifu Group”).

In August 1995, upon the approval of Jiangsu Provincial Commission for Restructuring Economy and Shenzhen Securities Management Office, the company issued 68,000,000 special common shares (B-shares), with a par value of RMB 1 per share, namely RMB 68,000,000, and the total share capital after issuance was RMB 183,435,500.

In June 1998, upon the approval of China Securities Regulatory Commission, the company issued 120,000,000 RMB common shares (A-shares) at the Shenzhen Stock Exchange by online pricing issuance, and the total share capital after issuance was RMB 303,435,500.

In mid-1999, upon the discussion by the board of directors and shareholders’ meeting, the company gave shares for free according to the plan of giving 3 shares for free per 10 shares, and the total share capital after giving shares was RMB 394,466,150, including: state-owned legal entity shares of RMB 120,166,150, social legal entity shares of 10,400,000, foreign-funded shares (B-shares) of RMB 88,400,000, RMB common shares (A-shares) of RMB 156,000,000 and internal employee shares of RMB 19,500,000.

In 2000, upon the approval of China Securities Regulatory Commission, the company allotted 3 shares per 10 shares based on the total share capital of 303,435,500 shares after the A-share issuance in June 1998, with allotment price of RMB 10/share, actually allotted 41,900,000 shares, and the total share capital after allotment amounted to RMB 436,366,150, including: state-owned legal entity shares of RMB 121,566,150, social legal entity shares of RMB 10,400,000, foreign capital shares (B-shares) of RMB 88,400,000 and RMB common shares (A-shares) of RMB 216,000,000.

In April 2005, corporate board of directors reviewed and adopted the 2004 profit pre-distribution plan which was also reviewed and adopted by the 2004 shareholders’ meeting of the company, giving 3 shares for free per 10 shares to all shareholders, and 130,909,845 shares were distributed to all shareholders in 2005.

According to the corporate equity split reform plan adopted by the relevant shareholders’ meeting on corporate equity split reform and the Jiangsu Provincial State-owned Assets Supervision and Administration Commission Su State-owned Assets Reply [2006] No.61 Reply on the Issues Concerning the State-owned Equity Management of Equity Split Reform of Wuxi Weifu High-tech Co., Ltd., eight shareholders of non-tradable shares

including Weifu Group arranged the consideration at a level of giving 1.7 shares for free per 10 shares (giving a total of 47,736,000 shares) to tradable A-share shareholders, so that the original non-tradable share capital may be listed and traded when certain conditions are met, and this plan was implemented on 5 April 2006.

On 27 May 2009, Weifu Group implemented the consideration arrangement with a ratio of giving 0.5 shares for free per 10 shares, based on the tradable A-shares before the stock reform, according to the above equity split reform plan, and as a result, additional 14,039,979 shares were given for free. After implementing additional consideration shares, Weifu Group held 100,021,999 shares of the company, accounting for 17.63% of the total share capital of the company.

According to Reply on Consent to the Merger of Wuxi Industrial Development Group Co., Ltd. with Wuxi Weifu Group Co., Ltd. of the State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government (Xi State-owned Assets Enterprise [2009] No.46), Wuxi Industrial Development Group Co., Ltd. (hereinafter referred to as "Wuxi Industrial Group") absorbed and merged with Weifu Group. After the merger, Weifu Group was cancelled, with its assets and debts to be inherited by Wuxi Industrial Group, which became the largest shareholder of the company.

According to the company shareholders' meeting resolution and the amended articles of association, and upon the approval by the document of China Securities Regulatory Commission Securities Regulatory License [2012] No.109, in February 2012, the company privately issued 112,858,000 RMB common shares (A-shares) to Wuxi Industrial Group and overseas strategic investor German ROBERT BOSCH GMBH (hereinafter referred to as "German Bosch"), with a par value of RMB 1 per share, increasing the registered capital by RMB 112,858,000, and the registered capital after the change was RMB 680,133,995. Wuxi Industrial Group was the largest shareholder of the company, and German Bosch was the second largest shareholder of the company.

In March 2013, the company board of directors reviewed and adopted the 2012 profit distribution plan which was also reviewed and adopted by the 2012 shareholders' meeting of the company in May 2013, giving 5 bonus shares for free per 10 shares to all shareholders, based on the total share capital of 680,133,995 shares, 340,066,997 shares were distributed in total, and as of 31 December 2013, the total company share capital was RMB 1,020,200,992.

Upon the review and approval by the first interim shareholders' meeting in 2015, the company repurchased 11,250,422 A-shares from 26 August 2015 to 8 September 2015, and completed cancellation procedures for the aforesaid repurchased shares at the Shenzhen branch of China Securities Depository and Clearing Co., Ltd. on 16 September 2015; the company paid-in capital (share capital) after the change was RMB 1,008,950,570.

Upon the review and approval by the 5th meeting of the 10th board of directors of the company in 2021, the company repurchased and cancelled 291,000 restricted shares first granted according to the 2020 Restricted Share Incentive Plan, and completed cancellation procedures for the aforesaid repurchased shares at the Shenzhen branch of China Securities Depository and Clearing Co., Ltd. on 20 December 2021; the paid-in capital (share capital) of the company after the change was RMB 1,008,659,570.00.

Upon the review and approval by the 8th meeting of the 10th board of directors of the company in 2022, the company repurchased and cancelled 56,277 restricted shares first granted according to the 2020 Restricted Share Incentive Plan, and completed cancellation procedures for the aforesaid repurchased shares at the Shenzhen branch of China Securities Depository and Clearing Co., Ltd. on 8 July 2022; the paid-in capital (share capital) of the company after the change was RMB 1,008,603,293.00.

In 2023, upon the review and approval by the 14th meeting, 16th meeting and 20th meeting of the 10th board of directors of the company, the company repurchased and cancelled 430,000, 5,593,500 and 417,000 restricted shares first granted according to the 2020 Restricted Share Incentive Plan, and completed cancellation procedures for the aforesaid repurchased shares at the Shenzhen branch of China Securities Depository and Clearing Co., Ltd. on 16 February 2023, 16 June 2023 and 18 December 2023; the company paid-in capital (share capital) after the change was RMB 1,002,162,793.

On 15 April 2024, upon the company's 23rd meeting of the 10th board of directors that reviewed and adopted the Proposal on Repurchasing Cancellation of Some Restricted Shares under the 2020 Restricted Share Incentive Plan, and the company shares concerning repurchasing cancellation were the restricted shares of which trade restriction was not lifted yet held by 535 people, totaling 5,176,500 shares. As of 7 June 2024, the company had completed the repurchasing cancellation procedures of the aforesaid shares at the Shenzhen branch of China Securities Depository and Clearing Co., Ltd., and the company paid-in capital (share capital) after the change was RMB 996,986,293.

On 16 April 2025 and 9 May 2025, the company held the 6th meeting of the 11th board of directors and the 2024 general shareholders' meeting respectively, reviewed and approved Proposal on Changing the Use of Repurchased Shares and Cancellation, agreed to change the use of 25,000,000 A-shares in the special securities account for repurchasing, and changed from "used for implementing employee shareholding plan or equity incentive plan" to "used for cancellation and reduction of registered capital". As of 26 June 2025, the company had completed the repurchased share cancellation procedures for the aforesaid 25,000,000 shares at the Shenzhen branch of China Securities Depository and Clearing Co., Ltd. The company changed its total share capital from 996,986,293 shares to 971,986,293 shares. The Proposal on the Plan for Repurchasing Some A-Shares of the Company was reviewed and approved at the meeting, agreeing the company to repurchase some of A-shares used for reducing registered capital, using its own funds and the special loan for repurchasing, through centralized bidding transactions. On 3 July 2025, the company disclosed the Announcement on the Completion of Some A-share Repurchasing & Share Changes. The company repurchased a total of 5,200,600 A-shares by the special securities account for repurchasing, through centralized bidding transactions. As of 8 July 2025, the company had completed the repurchase and cancellation procedures for the above shares at the Shenzhen branch of China Securities Depository and Clearing Co., Ltd. After this change, as of 31 December 2025, company registered capital (total share capital) changed to RMB 966,785,693.

2. Corporate registered address, organizational structure and headquarter address

Corporate registered address and headquarter address: No.5 Huashan Road, Xinwu District, Wuxi

Corporate Unified Social Credit Code: 91320200250456967N

The company set up the shareholders' meeting and the board of directors

The company has Strategic Investment Department, Market Expansion Department, Organizational HR Department, Compliance & Securities Affairs Department, Administration Department, Finance Department, Discipline Inspection Work Department, Manufacturing Safety Department, Purchasing Center, Technology Center, MS (Mechanical System) Business Department, AC (Automotive Components) Business Department, DS (Automotive Diesel System) Business Department, etc., as well as subsidiaries of Wuxi Weifu Lida Catalytic Purifier Co., Ltd., Nanjing Weifu Jinning Co., Ltd., IRD Fuel Cells A/S, Borit NV, VHIO, etc.

3. Business nature and main operating activities of the company

Corporate business scope: technological development and consulting service in mechanical industry; manufacturing of internal combustion engine fuel system products, fuel system testing instruments and equipment, automotive electronic components, automotive electrical appliance components, non-standard equipment, non-standard cutters and exhaust after-treatment system; sales of general machinery, hardware and electrical equipment, chemical products and raw materials (excluding hazardous chemicals), automotive parts and vehicles (excluding passenger vehicles of less than nine seats); internal combustion engine repair; self-owned house leasing; self-operation and agent for import and export business of various commodities and technologies (except those restricted by the state for operation or prohibited by the state for import and export). Engineering and technical research and experimental development; energy recovery system R&D; manufacturing of automotive parts and accessories; general equipment manufacturing (excluding special equipment manufacturing) (for items subject to approval according to laws, business activities may be implemented after approval by relevant departments). Licensed items: special equipment manufacturing; special equipment installation, renovation and repair (for items subject to approval according to laws, business activities may be implemented after approval by relevant departments, and specific business items are subject to the approval results); general items: engaging in investment activities with own funds; software development; software sales; software outsourcing service; mold manufacturing; mold sales; manufacturing of machine tool functional components and accessories; sales of machine tool functional components and accessories; manufacturing of drawing, calculation and measuring instruments; sales of drawing, calculation and measuring instruments; sales of industrial robots; installation and repair of industrial robots; manufacturing of intelligent basic manufacturing equipment; sales of intelligent basic manufacturing equipment; manufacturing of industrial automatic control system devices; sales of industrial automatic control system devices; manufacturing of material handling apparatuses; sales of material handling apparatuses; manufacturing of gas and liquid separation and purification equipment; sales of gas, liquid separation and purification equipment; technical service, technical development, technical consulting, technical exchange, technical transfer and technical promotion; emerging energy technology R&D; cargo import and export; technical import and export; manufacturing of ordinary valves and plugs (excluding special equipment manufacturing); valve and plug R&D; sales of valves and plugs (except the items subject to approval according to laws, business activities are implemented independently according to laws with business license)

Its main subsidiaries produce and sell internal combustion engine parts, automotive parts, mufflers, converters, fuel cell parts, etc.

4. Approved issuance of financial report

Company financial report was reported with the approval of the company board of directors on 15 April 2026.

5. In the financial statement notes, unless otherwise specified, the following company names are abbreviated as follows:

Name of subsidiaries	Subsidiary abbreviation
Nanjing Weifu Jinning Co., Ltd.	Weifu Jinning

Name of subsidiaries	Subsidiary abbreviation
Wuxi Weifu Lida Catalytic Converter Co., Ltd.	Weifu Lida
Wuxi Weifu Mashan Fuel Injection Equipment Co., Ltd.	Weifu Mashan
Wuxi Weifu Chang'an Co., Ltd.	Weifu Chang'an
Wuxi Weifu International Trade Co., Ltd.	Weifu International Trade
Wuxi Weifu Schmidt Power System Spare Parts Co., Ltd.	Weifu Schmidt
Ningbo Weifu Turbocharging Technology Co., Ltd.	Weifu Tianli
Wuxi Weifu Autocam Precision Machinery Co., Ltd.	Weifu Autocam
Wuxi Weifu Lida Catalytic Converter (Wuhan) Co., Ltd.	Weifu Lida (Wuhan)
Weifu Lida (Chongqing) Automotive Parts Co., Ltd.	Weifu Lida (Chongqing)
Nanchang Weifu Lida Automotive Parts Co., Ltd.	Weifu Lida (Nanchang)
Wuxi Weifu Smart Seat Co., Ltd.	Weifu Autosmart
Weifu Lianhua Automotive Parts (Fuzhou) Co., Ltd.	Weifu Lianhua
Wuxi Weifu Electric Drive Technology Co., Ltd.	Weifu Electric Drive
Wuxi Weifu Qinglong Power Technology Co., Ltd.	Weifu Qinglong
Yiwo Automotive System (Wuxi) Co., Ltd.	Yiwo Automotive
Weifu Zhigan (Wuxi) Technology Co., Ltd.	Weifu Zhigan
Weifu Yite Hydrogen Energy Technology (Wuxi) Co., Ltd.	Weifu Yite
Weifu Baolong (Nanjing) Technology Co., Ltd.	Weifu Baolong
Weifu Holding ApS	SPV
IRD Fuel Cells A/S	IRD
IRD FUEL CELLS LLC	IRD USA
Borit NV	Borit
Borit Inc.	Borit USA
VHIT S.p.A. Società Unipersonale	VHIO

IV. Preparation basis of the financial statements

1. Preparation basis

The company prepared financial statement pursuant to the Accounting Standards for Business Enterprise—Basic Standards and specific accounting standards promulgated by the Ministry of Finance, Application Guidelines of Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations (hereinafter referred to as “Accounting Standards for Business Enterprises”), as well as Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.15—General Provisions on Financial Report (2023 Amendment) of the China Securities Regulatory Commission, based on assumption of sustainable operation, actual transaction and event.

According to relevant provisions of the accounting standards for enterprises, accounting in the company is conducted based on the accrual system. Apart from certain financial instruments, the financial statements are computed on the basis of historical costs. If an asset is impaired, the corresponding provision for impairment shall be made in accordance with the relevant provisions.

2. Continuous operation

The financial statement is presented based on sustainable operation, and the company has the ability of sustainable operation within at least 12 months from the end of reporting period.

V. Significant accounting policies and accounting estimate

The company its subsidiaries have made several specific accounting policies and accounting estimates for various transactions and events, according to actual production and operation characteristics, and based on relevant accounting standards for business enterprises, described below.

1. Statement on compliance with Accounting Standards for Business Enterprises

The financial statements formulated by the company were in accordance with the requirements of accounting standards for enterprises, and they truly and completely reflected the company's consolidation and its parent company's financial status on 31 December 2025, as well as its consolidation and its parent company's operation results, consolidation, cash flow and other relevant information in 2025.

2. Accounting period

The company's accounting period is divided into annual and medium-term periods. The latter is shorter than the reporting period of a complete accounting year. Fiscal year of the company follows the Gregorian calendar year, namely from January 1 to December 31 every year.

3. Business cycle

With 12 months as an operating cycle, the company also uses this as a dividing standard for the liquidity of assets and liabilities.

4. Accounting standard currency

The currency used by the company in preparing the financial statement is RMB. The overseas subsidiaries of the company have determined EUR, DKK, and USD as their functional currencies based on the primary economic environments in which they operate.

5. Accounting treatment method for business combination under the same and different control

Business combination, refers to the transactions or events of combining two or more than two separate businesses into one reporting entity. Business combination includes business combination involving entities under common control and business combination involving entities not under common control.

(1) Enterprise merge under the same control

The enterprises involved in combination are ultimately controlled by the same party or parties before and after the combination. The control is not temporary, and the combination is under the same control. For business combinations under the same control, the party that obtains control over other participating enterprises on the acquisition date is the acquirer, and other enterprises that participate in the combination are the acquirees. Combination date refers to the date on which the combining party actually obtains control to the combined party.

The company measures the assets and liabilities obtained from consolidation of enterprises, according to the book value of consolidated party's assets and liabilities (including the goodwill arising from ultimate controller's

acquisition of the consolidated party) in the ultimate controller's consolidated financial statement on the consolidation date; adjusts the capital premium in capital reserve, by the difference between obtained net asset book value and paid consolidated consideration book value (or total par value of shares issued), and adjusts retained earnings, if the capital premium in capital reserve is insufficient to offset.

The direct expenses generated by the acquirer for the purpose of business combinations shall be recorded into the profits and losses for the current period.

(2) Business combination not under the same control

If the enterprises participating in the merger are not ultimately controlled by the same party or parties before and after the combination, the business combination is facilitated under different controls. For business combinations not under the same control, the party that obtains control over other participating enterprises on the acquisition date is the acquirer, and other enterprises that participate in the combination are the acquirees. The acquisition date refers to the date when acquirer actually obtains control over acquiree.

For the business combination involving entities not under common control, the cost of a business combination paid by the acquirer is the aggregate of the fair value at the acquisition date of assets given, liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquired entity, and relevant professional expenditures directly attributed to the combination, including audit fee, legal service fee, appraisal fee and etc. , are charged to the income statement of the current period when occurs. Any transaction costs occurring in the process of issuing equity securities or debt securities as consideration paid for combination by the acquirer are included in the initially recognized amount of equity securities or debt securities. Contingent consideration shall be record into the cost of business combination at fair value at the acquisition date. If there is new or additional information about facts and circumstances that existed at the acquisition date within 12 months from the date of acquisition that requires to adjust the contingent consideration, the goodwill shall be adjusted correspondingly. The cost of combination incurred to the acquirer and the net identifiable assets obtained in the processing of combination shall be measured at the acquisition-date fair value. Goodwill is identified as the excess of combination cost over the fair value of identifiable net assets obtained by the acquirer in combination on the acquisition date. If the combination cost is less than the fair value of identifiable net assets obtained by acquiree in the combination, the fair value of identifiable assets, liabilities and/or contingent liabilities of the acquiree and the combination costs should be re-computed first. If the combination cost is still less than the fair value of identifiable net assets obtained by the acquiree in the combination, the difference shall be included into the current profits and losses.

When the deductible temporary difference obtained by the purchasing party from the purchased party is unrecognized due to incompliance with the deferred income tax asset recognition criteria on the purchasing date, within 12 months after the purchasing date, if new or further information shows relevant circumstances of the purchasing date have existed, and economic benefits of the purchased party brought by the deductible temporary difference on the purchasing date is expected to realize, the relevant deferred income tax assets are recognized, while the goodwill is reduced; if the goodwill is insufficient to offset, the difference part is recognized as current profits and losses; except for the above circumstances, the deferred income tax assets recognized in connection with enterprise consolidation are included in current profits and losses.

If the consolidation of enterprises under different control is achieved through multiple transactions by steps, and they are the "package deal", the accounting treatment is made with reference to descriptions of the foregoing

paragraphs in this section and Note III, 14 “Long-term equity investment”; if they are not the “package deal”, relevant accounting treatment is subject to distinguishing between individual financial statement and consolidated financial statement.

In separate financial statements, the sum of the carrying amount of the acquirer’s interest in the acquired entity’s equity investments prior to the acquisition date and the additional investment costs at the acquisition date is recognized the initial investment cost; For the acquirer’s interest in the acquired entity’s equity investments prior to the acquisition date that is related to other comprehensive income, it shall be accounted, with other relevant comprehensive incomes, on the same basis of direct disposal of assets or liabilities in the disposal of the investment (i.e., except for the share in change in the re-measurement of the net assets or net liabilities of the defined benefit plan using the equity method, others are accounted into current investment income).

In the consolidated financial statements, the acquirer’s interest in the acquired entity’s equity investments prior to the acquisition date is measured at the fair value at acquisition date, and the difference between fair value and carrying amount is accounted into current investment income; For the acquirer’s interest in the acquired entity’s equity investments prior to the acquisition date that is related to other comprehensive income, it shall be accounted, with other relevant comprehensive incomes, on the same basis of direct disposal of assets or liabilities in the disposal of the investment (i.e., except for the share in change in the re-measurement of the net assets or net liabilities of the defined benefit plan using the equity method, others are accounted into current investment income).

6. The standard for judging control and method for preparing consolidated financial statement

(1) The standard for judging control

The scope of financial statements consolidation is decided based on the control. Control means that the Company has the power over the invested entity, earns variable return by participating in relevant activities of the invested entity, and has the ability to influence the return amount by exercising its power over the invested entity. Generally include the investee company of which the parent company holds more than half of its voting rights and although the company holds less than half of its voting rights, it holds more than half of voting rights of the investee company through the agreement with other investors of the investee company; have the right to decide on financial and operational decisions of the investee company according to the company articles of association or agreement; have the right to appoint or dismiss most members of the board of directors of the investee company; account for a majority of voting rights in the board of directors of the investee company.

(2) Method for compiling consolidated financial statements

From the date of obtaining the actual control of the subsidiary's net assets and production and business decisions, the company began to include it in the scope of consolidation; and ceased to be included in the scope of consolidation from the date of loss of actual control. For the subsidiary in disposal, business performance and cash flows prior to the date of disposal has been included in the consolidated income statement and consolidated cash flow statement; For the subsidiary disposed in the current period, the opening balance in the consolidated balance sheet is not adjusted. For subsidiaries that are not under the same control and whose business combination is increased, the operating results and cash flows after the purchase date have been properly included in the consolidated income statement and the consolidated cash flow statement, and the opening balance and comparison

of the consolidated financial statements are not adjusted. For the subsidiary acquired in the business combination under same control, the business performance and cash flows from the beginning of the period to the acquisition date has been included in the consolidated income statement and consolidated cash flow statement, and the comparative figures in the consolidated financial statements are correspondingly restated.

In preparing of the consolidated financial statements, when the accounting policies or accounting period of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting policies or accounting period. For subsidiaries acquired under a business combination not under common control, the financial statements of the subsidiary are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All major current balances, transactions and unrealized profits in the company are offset when the consolidated financial statements are prepared.

The shareholder's equity of the subsidiary and the current portion of the net profit or loss that does not belong to the company are separately presented as minority shareholders' equity and minority shareholders' profits and losses under the item of shareholders' equity and net profit in the consolidated financial statements. The share of the subsidiary's current net profit or loss attributable to minority interests is presented as "minority interest income" under the net profit in the consolidated income statement. Where losses attributable to the minority shareholders of a subsidiary exceeds the minority shareholders interest in of the equity of the subsidiary, they are still offset against the minority shareholders interest.

If a parent disposes of partial equity interest or loses control of a subsidiary due to other factors, the parent should recognize any residual interest in the former subsidiary at its fair value when control is lost. Difference of the sum of consideration arising from equity disposal and fair value of remaining equity minus the net asset portion of original subsidiaries calculated continuously from the purchase date as per the original shareholding ratio is included in investment income of the current period when losing control right. Other comprehensive income related to the equity investment of the original subsidiary, when the loss of control right is used, the accounting basis is the same as that of the purchased party that directly disposes of the relevant assets or liabilities. (that is, except for the change in the net liabilities or net assets caused by the re-measurement of the defined subsidiaries in the original subsidiary, the rest will be converted into current investment income). Afterwards, the remaining equity of this part is subsequently measured in accordance with relevant regulations such as "Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investment" or "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments", for details, please refer to Note III, 14 "Long-term equity investment" or Note III, 10 "Financial Instruments".

If the company disposes of the equity investment in a subsidiary through multiple transactions until it loses control, it needs to distinguish whether each transaction that deals with the equity investment in the subsidiary until the control is lost is a package transaction. If the terms, conditions, and economic impact of the various transactions for the disposal of an equity investment in a subsidiary meet one or more of the following conditions, it usually indicates that the multiple transactions should be accounted for as a package deal: ① these transactions are entered into simultaneously or with consideration of their mutual impact; ② these transactions as a whole can achieve a complete business result; ③ the occurrence of a transaction depends on the occurrence of at least one other transaction; ④ a transaction is not economical on its own, but is economical when considered together with other transactions. If they are not the package deal, for each transaction, accounting treatment is conducted

respectively according to the applicable principles in “partially disposing the long-term equity investment of subsidiary without losing the control right” and “losing the control right on original subsidiary due to disposal of partial equity investment or other reasons”. Disposal of the equity investment in the subsidiary until the loss of control of the transaction is a package transaction, the transaction will be treated as a transaction to dispose of the subsidiary and lose control; however, before the loss of control, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposition of the investment is recognized in the consolidated financial statements as other comprehensive income. When the control right is lost, it is transferred to the loss of control at the same time. profit and loss.

7. Classification of joint arrangements and accounting of joint operations

Joint arrangement refers to an arrangement that is jointly controlled by two or more participants. The company classifies joint arrangements into joint operations and joint ventures based on the rights it enjoys and the obligations it assumes during the joint venture arrangement. Joint operation refers to the joint venture arrangement in which the company enjoys the relevant assets of the arrangement and bears the liabilities of the arrangement. A joint venture refers to a joint venture arrangement where the company only has rights to the net assets of the arrangement.

The company's investment in joint venture is accounted by the equity method, and treated according to the accounting policy specified in Note III. 14(2)② “Long-term equity investment accounting by the equity method”.

The company operates jointly as a joint venture, confirming the assets held by the company alone, the liabilities the company assumed alone, and confirming jointly held assets and jointly assumed liabilities according to the shares of the company; confirming the income generated from the sale of the company's joint operating output share; the income generated from the sales of joint operations according to the company's share; confirming the expenses incurred by the company alone, and confirming the cost of joint operations according to the company's share.

When the company operates as a joint venture to jointly sell or sell assets (this asset does not constitute a business, the same below), or when purchasing assets from a joint operation, before the assets are sold to a third party. The company only recognizes the portion of profit or loss arising from this transaction that is attributable to other participants of the joint venture. If such assets incur an impairment loss in accordance with the provisions of Accounting Standards for Business Enterprises No. 8 - Asset Impairment and other regulations, for assets contributed or sold by the Company to the joint operation, the Company shall recognize the full amount of the loss. For assets purchased by the Company from the joint operation, the Company shall recognize the loss based on the share it assumes.

8. Determination standards of cash and cash equivalents

The company's cash and cash equivalents include cash on hand, deposits that can be used for payment at any time, investments that owned by the company which are in short-term (usually due within three months from the purchase date), highly liquid, easy to convert to a known amount of cash, low risk of value change.

9. Foreign currency transactions and conversion of foreign currency statements

(1) Conversion of foreign currency transactions

When initially confirming the foreign currency transaction occurred by the company, it shall be converted into the functional currency according to the spot exchange rate on the transaction date. However, the foreign currency conversion business or the transaction involving foreign currency conversion that occurred in the company shall be converted into functional currency amount according to the actual exchange rate.

(2) Conversion methods for foreign currency monetary items and foreign currency non-monetary items

On the balance sheet date, foreign currency monetary items are converted at the spot exchange rate on that date, and the resulting exchange difference is included in current profits and losses, except: ① the exchange difference arising from special borrowings of foreign currency related to constructing the assets eligible for capitalization is treated in the principle of borrowing cost capitalization; ② the exchange difference of hedging instrument used for effective net overseas operation investment hedging (such difference is included in other comprehensive incomes, and it is recognized as current profits and losses until net investment is disposed); ③ for the available-for-sale foreign currency monetary items, the exchange differences arising from book balance changes other than the amortized costs are included in other comprehensive incomes.

For the preparation of consolidated financial statements involving overseas operations, if there is a foreign currency monetary item that substantially constitutes a net investment in overseas operations, the exchange differences arising from changes in exchange rates are included in other comprehensive income; When disposing of overseas operations, transfer to disposal of current profits and losses.

Non-monetary foreign currency items measured at historical cost are still measured by the amount of functional currency converted at the spot exchange rate on the transaction date. Non-monetary foreign currency items measured at fair value shall be converted at the spot exchange rate on the date when the fair value was determined. The difference between the converted functional currency amount and the original functional currency amount shall be treated as changes in fair value (including changes in exchange rates) and included in current profit or loss or confirming as other comprehensive income.

(3) Conversion method of foreign currency financial statements

For the preparation of consolidated financial statements involving overseas operations, if there is a foreign currency monetary item that substantially constitutes a net investment in overseas operations, the exchange differences arising from changes in exchange rates shall be confirmed to be other comprehensive income as a “foreign currency conversion difference”; When disposing of overseas operations, included in disposal of current profit and loss.

The foreign currency financial statement of overseas operation is converted into RMB statement as follows: items of assets and liabilities in the balance sheet are converted at the spot exchange rate on the balance sheet date; except for the “undistributed profit” item, other owner’s equity items are converted at the spot exchange rate at the time of incurrence. Income and expense items in the income statement are converted by the spot exchange rate on the transaction date. The undistributed profit at the end of last year is the undistributed profit at the end of year after conversion of last year; the undistributed profit at the end of period is presented by calculation of each item according to the profit distribution after conversion; the difference between the items of assets and liabilities after

conversion and the total owner's equity items is recognized as other comprehensive incomes, as the conversion difference of foreign currency financial statement. When disposal foreign operations and the control rights are lost, the difference in foreign currency statements related to the overseas operations that are listed in the shareholders' equity items in the balance sheet is transferred to the current profit or loss, either in whole or in proportion to the disposal of the foreign operations.

Foreign currency cash flows and cash flows of overseas subsidiaries are converted at the spot exchange rate on the cash flow occurrence day. The impact of exchange rate changes on cash is treated as a reconciliation item and presented separately in the cash flow statement.

The number at the end of last year and actual number of last year are presented according to the amount after conversion of financial statement of last year.

When disposing of the entire owner's equity of the company's overseas operations or the loss of overseas operations control rights due to the disposal of part of the equity investment or other reasons, the ownership of the shareholders' equity in the balance sheet and the operations related to the overseas operations are attributed to the difference in conversion of foreign currency statements of owners' equity of the parent company and is transferred to the disposal of current profit or loss.

When disposing of part of the equity investment or other reasons that result in a reduction in the proportion of overseas operating equity but not losing control over overseas operations, the foreign exchange statement conversion differences related to the foreign operations disposal part will be attributed to minority shareholders' equity and will not be transferred to the current profits and losses. When disposing of partial equity in an overseas operation is an associate or a joint venture, the foreign currency conversion difference related to the overseas operation is transferred to the disposal of current profit or loss in proportion to the disposal of the foreign operation.

10. Financial instruments

When the company becomes a party to a contract of a financial instrument, the company shall recognize a financial asset or financial liability.

(1) Classification, confirmation and measurement of financial assets

Based on business model of managing financial assets and contractual cash flow characteristics of financial assets, the company divides financial assets into: financial assets measured at amortized cost; financial assets measured at fair value with changes included in other comprehensive incomes; financial assets measured at fair value with changes included in current profits and losses.

Financial assets are measured at fair value at initial recognition. For the financial assets at fair value and through current profit or loss, the transaction expenses thereof should be recognized directly in profit or loss; for other categories of financial assets, the transaction expenses thereof should be recognized into initially recognized amount. For the accounts receivable or bills receivable arising from product sales or labor service provision excluding or not considering significant financing components, the company regards the amount of consideration expected to charge as the initial recognition amount.

i. Financial assets measured at amortized costs

The corporate business model for managing financial assets measured at amortized cost aims at charging

contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing and loan arrangements, namely cash flow is generated on a specific date, only for payment of principal and interests based on outstanding principal amount. The company utilizes effective interest rate method for such financial assets, and performs subsequent measurement as per amortized cost, with gains or losses arising from amortization or impairment included in current profits and losses.

ii. Financial assets measured at fair value with changes included in other comprehensive incomes

The corporate business model for managing such financial assets aims at both contractual cash flow charging and sales, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing and loan arrangements. The company measures such financial assets at fair value with changes included in other comprehensive incomes, but impairment losses or gains, exchange gains and losses, and interest incomes calculated according to the actual interest rate method are included in current profits and losses.

In addition, the company designates some non-trading equity instrument investments as financial assets measured at fair value with changes included in other comprehensive incomes. The company records relevant dividend incomes of such financial assets into current profits and losses, and records fair value changes into other comprehensive incomes. When such financial assets are derecognized, the cumulative gains or losses previously recorded in other comprehensive incomes will transfer from other comprehensive incomes into retained earnings, excluded in current profits and losses.

iii. Financial assets at fair value and through current profit or loss

The company classifies the above financial assets measured at amortized cost and the financial assets other than the financial assets measured at fair value with changes included in other comprehensive incomes as the financial assets measured at fair value with changes included in current profits and losses. In addition, during initial recognition, in order to eliminate or significantly reduce accounting mismatches, the company designates some financial assets as financial assets measured at fair value with changes included in current profits and losses. For such financial assets, the company uses fair value for subsequent measurement, and fair value changes are included in current profits and losses.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities are classified during initial recognition as the financial liabilities measured at fair value with changes included in profits and losses, and other financial liabilities. For financial liabilities at fair value through profit or loss, the transaction expenses thereof should be recognized directly in current profit or loss, and for other financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

i. Financial liabilities at fair value and through current profit or loss

Financial liabilities measured at fair value with changes included in current profits and losses contain transactional financial liabilities (including derivatives that belong to financial liabilities) and financial liabilities designated as measured at fair value during initial recognition with changes included in current profits and losses.

Transactional financial liabilities (including derivatives that belong to financial liabilities) are subsequently measured at fair value, and except for hedge accounting-related, the fair value changes are included in current profits and losses.

The financial liabilities designated as measured at fair value with changes included in current profits and losses, such liabilities are caused by the company's own credit risk changes, with fair value changes included in

other comprehensive incomes, and when the liabilities are derecognized, they are included in other comprehensive incomes, caused by own credit risk changes, with cumulative fair value changes transferred into retained earnings. The remaining fair value changes are included in current profits and losses. If treatment of own credit risk change impact of such financial liabilities in the above manner will cause or expand accounting mismatch in profits and losses, the company includes all gains or losses of such financial liabilities (including the amount of corporate own credit risk change impact) in current profits and losses.

ii. Other financial liabilities

Except the financial liabilities and financial guarantee contract arising from financial asset transfer at variance with derecognition conditions or continuous involvement of transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost, and subsequently measured at amortized cost, with gains or losses resulting from derecognition or amortization included in current profits and losses.

(3) Confirmation basis and measurement method of financial assets transfer

Financial assets are derecognized in one of the following conditions: ①the contractual right to receive cash flow of such financial assets is terminated; ②such financial assets have been transferred, and almost all risks and rewards on the financial asset ownership are transferred to the transferee; ③such financial assets have been transferred, and although the company has neither transferred nor retained almost all risks and rewards on the financial asset ownership, it has given up control of such financial assets.

If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it has not abandoned the control of that financial asset, the relevant financial asset is recognized at the extent of continuing involvement in the transferred financial asset and the corresponding liability is recognized accordingly. The term “continuous involvement in the transferred financial asset” refers to the risk level that the enterprise faces due to the change of the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria of de-recognition, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes is recognized in current profit or loss.

Where a transfer of financial asset partly meets the criteria of de-recognition, the carrying amount of the financial asset transferred should be amortized between the part that is derecognized and the part that is not derecognized according to the fair value, and the difference between the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes and should be amortized to the derecognized part, and the amortized above-mentioned carrying amount, shall be recorded into current profit or loss.

When the company uses financial assets sold with recourse or sells financial assets held in an endorsement, it must determine whether all risks and rewards of ownership of the financial assets have been almost transferred. Where all the risks and rewards of ownership of the financial asset have been transferred to another party, the financial asset is derecognized; Where all the risks and rewards of ownership of the financial asset have been retained, the financial asset is not derecognized; Where all the risks and rewards of ownership of the financial asset have not been transferred or retained, it shall be determined whether the enterprise has retained control over

the asset, and the above-mentioned accounting principles in preceding paragraphs shall be applied.

(4) De-recognition of Financial Liabilities

If current obligations of financial liabilities (or a part thereof) are removed, the company derecognizes such financial liabilities (or a part thereof). If the company (borrower) signs an agreement with the lender, to replace the original financial liabilities by bearing new financial liabilities, and contract clauses of new financial liabilities and original financial liabilities are substantially different, the original financial liabilities are derecognized, while recognizing a new financial liability. If the company makes substantial modification to the contractual clauses of original financial liabilities (or a part thereof), the original financial liabilities are derecognized, and a new financial liability is recognized according to the clauses after modification.

If financial liabilities (or a part thereof) are derecognized, the company records the difference between their book value and consideration paid (including non-cash assets transferred out or liabilities assumed) into current profits and losses.

(5) Offset of financial assets and financial liabilities

When the company has legal right to offset financial assets and financial liabilities of the recognized amount, and such legal rights are currently enforceable, meanwhile, the company plans to settle by net assets or concurrently liquidate such financial assets and repay such financial liabilities, financial assets and financial liabilities are presented in the balance sheet by net amounts after mutual offset. In addition, financial assets and liabilities are presented separately in the balance sheet and cannot be set off against each other.

(6) Determining method of the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can be received for the sale of an asset or the price he needs to pay for transferring a liability in an orderly transaction occurring on the measurement date. Where the financial instruments exist on active market, the company determines their fair value by using quotation on active market. Quoted market prices in an active market refer to the prices that are readily to get regularly from the exchange, the broker, the trade association, pricing services institution, etc. , and they represent the actual market transaction prices in the fair transactions. Where the financial instruments do not exist on active market, the company determines their fair value by using valuation techniques. Valuation techniques include refers to the prices used in recent market transactions by the parties that are familiar to the situation and are voluntary to participate in the transaction, refers to the current fair values of other essentially the same financial instruments, discount cash flow valuation, option pricing models, etc. At the time of valuation, the company leverages valuation techniques that are applicable in the current circumstances and adequately supported by available data and other information, chooses the input value consistent with the characteristics of assets or liabilities considered by market participants in transaction of relevant assets or liabilities, and prefers to use the relevant observable input value. The value that cannot be inputted is utilized, when the relevant observable input value is unavailable or unfeasible to obtain.

11. Impairment of financial assets

The financial assets that the company needs to confirm impairment losses are financial assets measured at amortized cost, debt instrument investments measured at fair value with changes included in other comprehensive

incomes, mainly including bills receivable, accounts receivable, contract assets, other receivables, debt investment, other debt investments, long-term receivables, etc. In addition, for some financial guarantee contracts, provision for impairment and recognition of credit impairment losses are also conducted in accordance with the accounting policies described in this section.

(1) Method for recognizing impairment provision

Based on expected credit losses, the company makes impairment provision and recognizes credit impairment losses according to the applicable expected credit loss measurement method (general method or simplified method) for the above items.

Credit losses refer to the difference between all contractual cash flows receivable under the contract and all cash flows expected to charge and discounted by the company at the original actual interest rate, namely the present value of all cash shortages. Among them, for the financial assets purchased or originated and suffered credit impairment, the company discounts such financial assets as per the credit-adjusted actual interest rate.

General method for measuring expected credit losses means that the company assesses on each balance sheet date whether the credit risks of financial assets have increased significantly since initial recognition, and if the credit risks have increased significantly since initial recognition, the company shall measure loss provision based on the amount equivalent to expected credit losses throughout the existence period; if the credit risks have not increased significantly since initial recognition, the company measures loss provision based on the amount equivalent to expected credit losses within the next 12 months. When evaluating expected credit losses, the company considers all reasonable and well-grounded information, including forward-looking information.

Assuming that the credit risk of the financial instruments with low credit risks on the balance sheet date has not increased significantly since the initial recognition, the Company chooses to measure the loss provision based on the expected credit loss within the next 12 months/does not choose a simplified processing method, and depending on whether their credit risk has increased significantly since the initial recognition, the Company measures the loss provision based on the expected credit loss within the next 12 months or the entire term of its existence.

(2) Criteria for judging whether credit risks have increased significantly since initial recognition

If the default probability of a financial asset within the expected existence period determined on the balance sheet date is significantly higher than the default probability within the expected existence period determined during initial recognition, it indicates that the credit risks of such financial asset have increased significantly. Except in special circumstances, the company adopts the default risk changes that occur within the next 12 months as reasonable estimate of default risk changes that occur throughout the existence period, to determine whether credit risks have increased significantly since initial recognition.

In general, if overdue for more than 30 days, the company believes credit risk of this financial instrument has increased significantly, unless conclusive evidences prove credit risk of this financial instrument has not increased significantly since initial recognition.

(1) The company will consider the following factors when assessing whether credit risk is increased significantly:

- 1) Whether the actual or expected operating results of the debtor have changed significantly;
- 2) Whether the debtor's regulatory, economic or technological environment has undergone significant

adverse changes;

3) Whether the value of collateral used for debt mortgage or the quality of guarantee or credit enhancement provided by third party has changed significantly. These changes are expected to reduce the debtor's economic motivation to repay the loan within the specified period of contract or affect defaulting probability;

4) Whether expected performance and repayment behavior of the debtor has changed significantly;

5) Whether corporate credit management methods for financial instruments have changed, etc.

(2) On the balance sheet date, if the company judges financial instrument only has relatively low credit risk, the company assumes credit risk of this financial instrument has not increased significantly after initial recognition. If the default risk of financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligation in the short term, and even if unfavorable changes exist in the economic situation and operation environment over a long period of time, it may not necessarily reduce the borrower's ability to fulfill its contractual cash obligation, and such financial instrument is deemed to have lower credit risk.

(3) Portfolio method for evaluating expected credit risks based on portfolio

The company evaluates credit risks individually for financial assets with significantly different credit risks, e.g.: receivables from associated parties; receivables in dispute with the other party or involved in litigation and arbitration; receivables with obvious indication that the debtor is probably unable to perform repayment obligations, etc.

Apart from financial assets with single assessment of credit risk, the company classifies financial assets into different groups based on common risk characteristics. Common credit risk characteristics adopted by the company include: financial instrument type, credit risk rating, aging portfolio, overdue account aging portfolio, contract settlement cycle, debtor's industry, etc., to assess credit risk based on portfolio.

(4) Accounting treatment method of financial asset impairment

At the end of period, the company calculates expected credit losses of various financial assets, and if such expected credit losses are greater than current carrying amount of impairment losses, the difference is recognized as impairment losses; if they are less than the carrying amount of current impairment provision, the difference is recognized as impairment gains.

(5) Method for recognizing credit losses of various financial assets

In addition to receivables with individual assessment of credit risks, the company classifies receivables into different groups based on common risk characteristics, and assesses credit risk based on the portfolio. The basis for determining different portfolios and specific methods for measuring expected credit losses are as follows:

Items	Determine the basis for the combination	Specific method for measuring expected credit losses
Receivables financing - bank acceptance bill portfolio	Bank acceptance bill	Regarding receivables within six months, the company does not make provision for expected credit losses; besides, the company believes that the credit risk of the held bank acceptance bills is quite low and will not incur significant losses due to bank default, and therefore the expected credit losses are not measured for the receivables financing-bank acceptance bill portfolio

Items	Determine the basis for the combination	Specific method for measuring expected credit losses
Notes receivable - commercial acceptance bill portfolio	Commercial acceptance bill	Regarding receivables within six months, the company does not make provision for expected credit losses; besides, the credit risk of the commercial acceptance bills held by the company is quite low, because these bills are mainly issued by reputable automobile manufacturers. According to historical experience, there was no major default, and therefore the expected credit losses are not measured for the notes receivable-commercial acceptance bill portfolio
Accounts receivable - customer portfolio	Accounts receivable except receivables from internal related parties and amounts of which the individual provision for credit impairment losses has been made	Expected credit losses measured by aging
Other receivables - other receivable portfolio	Other receivables except receivables from internal related parties and amounts of which the individual provision for credit impairment losses has been made	The expected credit losses are calculated through default risk exposure and expected credit loss rate in the entire duration within the next 12 months, with reference to historical credit loss experience, combined with current status and future economic status forecast.

Regarding accounts receivable with expected credit losses measured by aging, their aging is calculated continually from the initial recognition date of the creditor's right, and the expected credit loss accrual ratio corresponding to different aging stages is:

Aging	Accrual ratio (%)
Within six months	--
Six months to one year	10.00
One to two years	20.00
Two to three years	40.00
More than three years	100.00

12. Inventory

(1) Classification of inventory

Inventory mainly includes raw materials, products in process, finished products, contract performance costs, etc.

(2) Valuation method for delivery

In case of acquisition and delivery, the price is weighted according to the weighted average method;

(3) The inventory system is a perpetual inventory system.

(4) Amortization method for low-value consumables and packages

Low-value consumables should be amortized at one-off amortization method when they are received; and the packages should be amortized at one-off amortization method when they are received.

(5) Recognition standard and accrual method for inventory depreciation reserve

The net realizable value refers to the estimated sold price of inventories less the estimated costs to be incurred upon completion, estimated selling expenses and related taxes in daily activities. When determining the net realizable value of inventories, based on obtaining conclusive evidence, consider the purpose to hold the inventory and the influence of events after the balance sheet date.

On the balance sheet date, inventories are measured at the lower between the cost and net realizable value. When the net realizable value is lower than the cost, inventory depreciation reserve is withdrawn. The provision for inventory devaluation is usually based on the difference between the higher cost of a single inventory item and

its net realizable value. As for inventories with large quantity and low unit price, the provision for inventory depreciation reserve is made based on the category of inventories; as for inventories related to serial products manufactured and sold in the same region, with the same or similar ultimate application or purpose, and difficult to measure separately from other items, the provision for inventory depreciation reserve may be combined.

After accruing inventory depreciation reserve, if the influencing factors of the previous write-down of inventory value have been disappeared and the net realizable value of inventory exceeds its book value, and then it should be reversed from the provision for inventory devaluation accrued and the amount transferred back is included in the current profit or loss.

13. Held for sale and discontinued operation

(1) Held non-current assets for sale and disposal group

If the company recovers its book value mainly through sale (including non-monetary asset exchange with commercial substance, the same below) instead of continuing usage of a non-current asset or disposal group, it should be classified as held for sale. The specific criteria are to meet the following conditions at the same time: a non-current asset or disposal group can be sold immediately under current conditions based on the convention of selling such assets or disposal groups in similar transactions; the company has already made a resolution on the sale plan and the purchase promise; the expected sales would be completed within one year. Among them, the disposal group refers to a group of assets that are disposed of as a whole through sale or other means in a transaction, and the liabilities direct related to these assets transferred in the transaction. If the asset group or asset portfolio of disposal group shares the goodwill obtained in enterprise consolidation according to the Accounting Standards for Business Enterprises No.8 – Impairment of Assets, such disposal group shall include the goodwill allocated to the disposal group.

When the company measures initially or re-measures the non-current assets and disposal groups held for sale on the balance sheet date, if its book value is higher than the fair value minus the net amount after the sale expenses, the book value should be reduced to the net amount of fair value less costs to sell, the amount to write-down is recognized as asset impairment loss, included in the current profit or loss, and make the provision for impairment of held-for-sale assets at the same time. For the disposal group, the recognized asset impairment losses firstly deducts the book value of goodwill in the disposal group, and then proportionally deducts the book value of all non-current assets in such disposal group as specified in the applicable measurement provisions of the Accounting Standards for Business Enterprises No.42 - Held-for-sale Non-current Assets, Disposal Team & Discontinued Operations (hereinafter referred to as the “Held-for-sale Standards”). If the fair value of the disposal group held for sale on the follow-up balance sheet day minus the net amount after the sale expense is increased, the amount of the previous write-down should be restored, which is classified for holding the sale and reversed within the amount of impairment loss of assets confirmed by the measurement of non-current assets as held for sale. The reversed amount should be recorded in the current profit or loss, and the book value of various non-current assets should be increased according to the proportion stipulated as the standard held for sale in addition to goodwill in the disposal group; the book value of the goodwill that has been written off, and the confirmed amount of impairment loss of assets of the non-current assets subject to the holding measurement criteria are not allowed to be reversed before classified as held for sale. .

Non-current assets held for sale or non-current assets in the disposal group are not subject to depreciation or

amortization. The interest and other expenses of the liabilities in the disposal group held for sale continue to be confirmed.

When the non-current asset or disposal group no longer meets the classification criteria for the held-for-sale category, the company should no longer classify it as a held-for-sale category or remove the non-current assets from the disposal group held for sale. It is calculated as the lower of following two measures: (1) The book value before classified as held for sale is the amount adjusted according to the depreciation, amortization or impairment that should be confirmed if it is assumed not to be classified as held for sale; (2) Recoverable amount.

(2) The standard for identifying and method for presenting discontinued operation

Discontinued operations refer to the integral part that meets one of the following conditions, can be separately classified, has been disposed of or classified as held-for-sale category: (1) this integral part represents an independent primary business or a separate major operating area; (2) this integral part is a part of related plan intended for an independent primary business or a separate major operating area; (3) this integral part is a subsidiary acquired solely for resale.

The company presents relevant profits or losses of discontinued operation in the income statement and discloses the impact of discontinued operation in the notes.

14. Long-term equity investment

The long-term equity investment in this part refers to the long-term equity investment that the company has control, joint control or significant influence on the invested entity. The long-term equity investments of which the company does not have control, joint control or significant impact on the investee company are accounted as financial assets measured at fair value with changes included in current profits and losses, if they belong to non-transactional, the company may choose to designate them as financial assets measured at fair value with changes included in other comprehensive incomes at initial recognition for accounting, and the accounting policy is shown in Note III, 10 “Financial instruments”.

Joint control means that the company has common control over an arrangement in accordance with the relevant agreement, and the related activities of the arrangement must be agreed upon by the parties that share the right of control. Significant influence means that the company has the power to participate in decision-making on the financial and operating policies of the invested company, but it cannot control or control jointly the formulation of these policies together with other parties.

(1) Recognition of investment costs

For the long-term equity investment formed in the merger of enterprises under the common control, it shall on the date of merger, regard the share of the book value of the shareholders' equity of the merged enterprise in the merger's consolidated financial statement as the initial cost of the long-term-equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, non-cash assets transferred as well as the book value of the debts borne by the merging party shall offset against the capital reserve. If capital reserve is insufficient, retain earnings shall be adjusted. In the case of issuance of equity securities as the merging consideration, the share of the book value of the shareholders' equity of the merged party in the ultimate controller's consolidated financial statements at the merged date should be taken as the initial investment cost of the long-term equity investment; the difference between the total face value of the issued shares, the initial

investment cost of the long-term equity investment and the total par value of the shares issued should be adjusted for the capital reserve; if the capital reserve is insufficient to offset, the retained earnings should be adjusted. Where the equity of the merged party under the same control is obtained through multiple transactions by steps, to ultimately form business combination under the same control, the treatment shall be subject to whether it is a “package deal”: in case of a “package deal”, the accounting treatment is made on each transaction as a transaction with control right. If they are not “package deal”, the book value of consolidated party [shareholder’s equity/owner’s equity] in the ultimate controller’s consolidated financial statement on the consolidation date is the initial investment cost of long-term equity investment, and capital reserve is adjusted as per the difference between initial investment cost of long-term equity investment and the sum of long-term equity investment book value prior to consolidation plus the book value of new consideration payment for further obtaining shares on the consolidation date; if the capital reserve is insufficient to offset, retained earnings shall be adjusted. The equity investments held before the consolidation date due to using equity method of accounting or other comprehensive incomes recognized as financial assets measured at fair value with changes included in other comprehensive incomes, are not accounted temporarily.

For long-term equity investments acquired by business combinations under non common control, the initial cost of long-term equity investment is the merged cost on the purchase date. The merged costs include assets paid by the purchaser, liabilities incurred or assumed, and the fair value of equity securities issued. Where the equity of the purchased party is obtained through multiple transactions by steps, to ultimately form business combination under different control, the treatment shall be subject to whether it is a “package deal”: in case of a “package deal”, the accounting treatment is made on each transaction as a transaction with control right. Where the deals do not belong to a “package-deal”, it shall regard the sum of the share of the book value of the owner’s equity of the merged enterprise and new investment costs as the initial cost of the long-term-equity investment that using cost accounting method. Where the original held equity is accounted as the equity method, the related comprehensive income should not be accounted temporarily.

Intermediary costs such as auditing, legal services, assessment and consulting, etc. incurred by the combining party or the purchaser for the business combination and the other management cost should be recorded in the current profit or loss when incurred.

Except the long-term equity investment formed by the business combination, the other equity investment is initially measured at the cost. Based on the different way that the long-term equity investment is obtained, the cost should be determined respectively, such as the actual cash paid by the company, the fair value of equity securities issued by the company, the value agreed in the investment contract or agreement, the fair value or original book value of the assets in the exchange transaction of non-monetary assets, and the fair value of the long-term equity investment. Relevant costs directly attributed to the long-term equity investment, taxes, and other necessary expenditures shall be recorded into investment costs. In case of exerting significant impact on the investee company due to additional investment or implementing joint control rather than constitute control, the long-term equity investment cost is the sum of fair value of original equity investment determined as per the Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments and the additional investment cost.

(2) Subsequent measurement and recognition of profit and loss

The long-term equity investment that has common control of the invested entity (except for constitutes a

common operator) or has significant influences, shall be measured using equity method. In addition, the company's financial statements use the cost method to account for long-term equity investments that can control the investee.

i. Long-term equity investment accounted as cost method

When using the cost method, the long-term equity investment is measured at the initial investment cost, and the cost of the long-term equity investment is adjusted when the investment is added or withdrawn. Except for the actual payment for the investment or the cash dividend or profit included in the consideration that has been announced but not yet issued, the current investment income should be recognized in accordance with the cash dividends or profits declared by the investee.

ii. Long-term equity investment employing the equity method

Under equity method, if the initial cost of a long-term equity investment is more than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the initial cost of the long-term equity investment may not be adjusted; if the initial cost of long-term equity investment is less than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profit or loss, and the cost of the long-term equity investment shall be adjusted simultaneously.

Under equity method, according to the assumed share of net profit or loss and other comprehensive income of the invested entity, it shall separately recognize investment income and other comprehensive income, and make adjustment to the book value of the long-term equity investment; it shall calculate its share according to the profit or cash dividend that the invested entity declares to distribute, and reduce the book value of the long-term equity value correspondingly; For other change in invested entity's equity except for net profit or loss, other comprehensive income and profit distribution, it shall make adjustment to the book value of the long-term equity investment and be accounted into capital reserves. When confirming the share of the net profits and losses of the investee, the net profits of the investee should be adjusted for confirmation based on the fair value of the identifiable assets of the investee etc. at the time of acquisition. If the investee adopts the accounting policy and the accounting period inconsistent with that of the company, the financial statements of the investee should be adjusted in accordance with the accounting policies and accounting periods of the company and the investment income and other comprehensive income should be also confirmed. For transactions between the company and its associated enterprise and joint ventures, if the assets invested or sold do not constitute a business, the unrealized profits and losses of internal transactions are calculated based on the proportion, the shares that are attributable to the company are offset. On this basis, confirm investment profit and loss. However, if the unrealized internal transaction losses incurred by the company and the invested entity belong to the impairment loss of the transferred assets, they should not be offset. If the assets invested by the company to joint venture or associate constitutes a business, if the investor obtains a long-term equity investment without the right of control, the fair value of the investment is used as the initial investment cost of the new long-term equity investment. The difference between the initial investment cost and the book value of the investment business is fully accounted in the current profit or loss. If the assets invested by the company to joint venture or associate constitutes a business, the difference between the consideration obtained and the book value of the business is fully recorded in the current profit or loss. Where the company constitutes business by the assets purchased from associated enterprises and joint ventures, accounting treatment shall be conducted pursuant to the provisions of the Accounting Standards for

Business Enterprises No.20 – Enterprise Consolidation, and the gains or losses related to transactions are fully recognized.

When the net losses incurred by the invested entity are confirmed, the book value of the long-term equity investment and other actual long-term equity of net investment to the invested entity could be reduced to zero. In addition, if the company has the obligation to bear additional losses to the invested entity, recognize the estimated liabilities according to the expected obligations, which is included in the current investment losses. For the net profit realized by the invested entity in the subsequent period, the company should resume the share of unrecognized losses of its share of profits, and then recover the amount of its share of profits.

iii. Acquisition of minority shareholders' interest

In preparation of consolidated financial statements, the difference between the new long-term equity investment obtained by purchasing minority shareholder's interest and its attributable share in net assets of the subsidiary continuously calculated from the acquisition date (or merger date) according to the new shareholding ratio shall be accounted into capital reserves, and if the capital reserves are insufficient, retain earnings shall be adjusted.

iv. Disposal of long-term equity investment

In the consolidated financial statement, if the parent company partially disposes the long-term equity investment of subsidiary without losing the control right, the difference between disposal price and net assets of subsidiary corresponding with the disposal of long-term equity investment is charged to owner's equity; if the parent company partially disposes the long-term equity investment of subsidiary, resulting in losing control right of subsidiary, it is subject to relevant account policy specified in the Note III, 6, (2) "Method for the preparation of Consolidated Financial Statement".

For the disposal of long-term equity investment under other circumstances, the difference between the book value of the equity and the actually obtained price from the disposal of equity shall be recorded into current profit or loss.

For the long-term equity investment measurement under equity method, the remaining equity after the disposal shall still be measured using equity method, when disposes of the long-term equity, other comprehensive income that has been accounted into shareholder's equity shall be treated, according to the relevant ratio, on the same basis on which the invested equity directly disposes of relevant assets or liabilities. The shareholders' equity recognized because of other change in invested entity's equity except for net profit or loss, other comprehensive income and profit distribution shall be carried forward in proportion to current profit or loss.

Where the long-term equity investment is measured using cost method and the remaining equity after the disposal are still measured using cost method, other comprehensive income that is recognized due to the employment of equity method or financial instrument recognition and measurement criterion before the investing entity obtains the control of the invested entity, it shall conduct accounting treatment on the same basis on which the invested equity directly disposes of relevant assets or liabilities, and transfer in proportion the current profit or loss; other equity change in the invested entity's net assets, except for net profit or loss, other comprehensive income and profit distribution, that is recognized due to the employment equity method shall be carried forward in proportion into current profit or loss.

If the company disposes of part of the equity investment and loses control of the invested entity, when the individual financial statements are prepared, if the remaining equity after disposal can exert joint control or

significant influence on the investee, it should be calculated according to the equity method, and the residual equity is regarded as being adjusted as equity method when it is obtained; if the remaining equity after disposal cannot exert joint control or significant influence on the invested entity, it should be accounted in accordance with the relevant provisions of the criteria for recognition and measurement of financial instruments. The difference between the fair value on the date of loss of control and the book value is included in the current profit or loss. Before the company obtains control over the investee, for the other comprehensive income recognized as equity method or financial instrument recognition and measurement standard, it is recorded with the basis that the investee disposes of directly the related assets and liabilities when it loses control over the investee. The changes in the other owners' equity as the equity method other than net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in the current profit or loss when it loses control over the investee. Among them, if the remaining equity after disposal is accounted as the equity method, other comprehensive income and other owners' equity are transferred in proportion; if the residual equity after disposal is accounted as according to the criteria for recognition and measurement of financial instruments, other comprehensive income and all other rights & interests are fully transferred.

If the company disposes of part of the equity investment and loses the joint control or significant influence on the investee, the remaining equity after disposal should be calculated according to the criteria for confirmation and measurement of financial instruments, and the difference between the book value and the fair value on the date of loss of joint control or significant influence is included in the current profit or loss. Other comprehensive income that is recognized under equity method for former equity investment, when the use of equity method is terminated, shall be treated on the same basis on which the invested equity directly disposes of relevant assets or liabilities; the shareholder's equity recognized because of other change in invested entity's equity except for net profit or loss, other comprehensive income and profit distribution shall be carried forward completely to current profit or loss when the use of equity method is terminated.

The company disposes of the equity investment in the subsidiary company through multiple transactions step by step until it loses control. If the above transaction belongs to a "package deal", the each transaction should be accounted to dispose of the equity investment in the subsidiary and lose control. Before the loss of control, for the difference between the book value of the disposal equity corresponding to the long-term equity investment and each disposal price, it is at first recognized as other comprehensive income, and then transferred to the current profit or loss at the time of loss of control.

15. Investment real estate

Investment real estate refers to real estate held to earn rent or capital appreciation, or both. Including land use rights that have been leased, land use rights that are held and prepared for transfer after appreciation, buildings that have been leased, etc.

Investment real estate is initially measured at cost. Subsequent expenditures related to investment real estate should be included in the cost of investment real estate if the economic benefits associated with the asset are likely to flow in and its cost can be reliably measured. Other subsequent expenditures are included in the current profits and losses when occurring.

The company adopts a cost model for subsequent measurement of investment real estate, and depreciates or amortizes in accordance with policies that are consistent with the use right of buildings or land.

For the details of impairment test method and withdrawal method of impairment provision of investment real estate, please refer to Note III, 20 “Long-term asset impairment”.

When real estate for personal use or inventory is converted to investment real estate or investment real estate is converted to real estate for personal use, the book value before conversion is regarded as the recorded value after conversion.

When the use of investment real estate is changed to personal use, the investment of real estate will be converted to fixed assets or intangible assets from the date of change. When the use of real estate for personal use is changed to earning rent or capital appreciation, the fixed assets or intangible assets is converted to investment real estate from the date of change. When conversion occurs, for those are converted to the investment real estate measured by the cost model, the book value before conversion is regarded as the recorded value after conversion; for those are converted to the investment real estate measured by fair value model, fair value on the conversion date is regarded as the value recorded after the conversion.

When the investment real estate is disposed of or permanently withdrawn from use and it is expected that no economic benefit can be obtained from its disposal, the recognition of the investment real estate should be terminated. The income from disposal of investment real estate sold, transferred, scrapped or damaged is deducted for its book value and related tax expenses and charged to the current profit or loss.

16. Fixed assets

(1) Fixed asset confirmation conditions

The term “fixed assets” refers to the tangible assets that are held for the sake of producing commodities, rendering labor service, renting or business management and their useful life is in excess of one fiscal year. No fixed asset may be recognized unless the economic benefits pertinent to the fixed asset are likely to flow into the company and the cost of the fixed asset can be measured reliably. Fixed assets are initially measured at cost and taken into account the impact of the estimated cost of disposal.

(2) Depreciation methods of various fixed assets

From the next month after the fixed assets reach the scheduled usable condition, the depreciation should be made within the service life as the life-average method. The use life, estimated net residual value and annual depreciation rate of various types of fixed assets are as follows:

Category	Depreciation year limit (years)	Residual value rate (%)	Yearly depreciation rate (%)
Permanent title land	Indefinite period	--	No depreciation
Houses and buildings	20~35	5	2.71~4.75
Machinery equipment	10	5	9.50
Transportation equipment	4~5	5	19.00~23.75
Electronics and other equipments	3~10	5	9.50~31.67

The expected net residual value is the amount that the company has currently reduced the estimated disposal expenses from the disposal of the asset, the estimated use life of the fixed asset is finished at the end of its useful life.

(3) Impairment test method of fixed assets and withdrawal method of impairment provision

For the details of impairment test method and withdrawal method of impairment provision of fixed assets, please refer to Note III, 20 “Long-term Asset Impairment”.

(4) Other instructions

For the subsequent expenditures related to fixed assets, if the economic benefits associated with the fixed assets are likely to flow in and their costs can be reliably measured, they are included in the cost of fixed assets and the recognition of the book value of the replaced part is terminated. The other subsequent expenses are included in the current profit or loss when incurred.

The fixed assets are derecognized when the fixed assets are disposed or if no economic benefits are expected to generate from the use or disposal. The difference between the disposal income of fixed assets sold, transferred, scrapped or damaged after deducting their book value and related tax fees is included in the current profit or loss.

The company reviews the use life, estimated net residual value, and depreciation method of fixed assets at least at the end of the year, and if any change, it is recorded as a change in accounting estimates.

17. Construction in process

Company construction in progress is divided into two types of self-operated construction and outsourcing construction. When construction in progress is completed and reaches the intended usable status, fixed assets are carried over. Criteria for judging intended usable status shall meet one of the following conditions: physical construction (including installation) work of fixed assets has been fully completed or substantially fully completed; trial production or trial operation has started, and the results show that assets can run normally or produce qualified products stably, or the results of trial operation show that they can run or operate normally; the expenditure amount on fixed assets of such construction is little or no longer occurring; the purchased and built fixed assets have reached design or contract requirements, or basically complied with design or contract requirements.

When the engineering in construction reaches the preset serviceable condition, it shall be transferred to fixed assets according to the actual cost of the engineering. Where reaching the intended usable status but not yet completed final accounting, first transfer in fixed assets as per the estimated value, and then adjust original tentative estimated value as per the actual cost after completion of final accounting, but the originally accrued depreciation is no longer adjusted.

For details of the impairment test method and withdrawal method of impairment provision of construction in progress, please refer to Note III, 20 “Long-term asset impairment”.

18. Borrowing costs

The borrowing costs shall include interest on borrowings, amortization of discounts or premiums on borrowings, ancillary expenses, and exchange balance on foreign currency borrowings. The capitalization of borrowing costs that can be directly attributable to the acquisition, construction, or production of assets that meet the conditions for capitalization is started when the capital expenditure and borrowing costs have already been incurred, and the necessary acquisition, construction, or production activities in order to make the assets ready for their intended use or sale have been started. The capitalization is stopped when the constructed or produced assets that meet the conditions for capitalization reach a state of intended use or sale. The remaining borrowing costs are recognized as expenses in the current period.

The actual interest expenses of the special borrowings incurred in the current period should be capitalized

after subtracting the interest income earned by the unutilized borrowing funds from bank or the investment income obtained from the temporary investment; the general borrowings should be determined for the amount of capitalization as following, the weighted average of asset expenditures that the accumulative assets expenditure exceeds the special borrowings is multiplied by the capitalization rate of general borrowings. The capitalization rate is determined on the basis of weighted average interest rate of the general borrowings.

During the capitalization period, the foreign exchange differences on foreign currency specific borrowings should be capitalized; exchange differences on foreign currency general borrowings should be recorded in the current profits and losses.

Assets eligible for capitalization refer to the fixed assets that require a long period of time for acquisition, construction, or production for use or sale, investment real estate, inventory, etc.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended till the acquisition and construction or production of the asset restarts.

Assets eligible for capitalization refer to the assets such as fixed assets, investment real estate and inventories that require a relatively long period of purchasing, construction or production activities so as to achieve the intended usable or salable status.

19. Intangible assets

(1) Intangible assets

Intangible assets are identifiable non-monetary assets that are owned or controlled by the company, without physical shape.

Intangible assets are initially measured at cost. The expenditures related to intangible assets are included in the costs of intangible assets, if relevant economic benefits are likely to flow into the company and their costs can be reliably measured. Expenditure for other items is included in the current profit or loss when incurred.

Land use rights acquired are usually accounted as intangible assets. The plant and other buildings of self-development and construction, the related land use rights expenditures and building construction costs are accounted as intangible assets and fixed assets, respectively. For the purchased houses and buildings, the relevant price should be allocated between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them should be treated as fixed assets.

Intangible assets with limited useful lives are amortized by the straight line staging average method over their expected useful lives from the moment they are available for use, less their estimated net residual value and the accumulative amount of accrued impairment losses. Intangible assets with indefinite useful lives are not amortized.

At the end of the period, the useful life and amortization method of intangible assets with limited useful life are reviewed, if any change occurs, they are treated as changes in accounting estimates. In addition, the service life of an intangible asset with an indefinite useful life is reviewed. If there is evidence that the period during which the intangible asset brings economic benefits to the enterprise is predictable, the service life of the intangible asset is estimated and the intangible asset with a finite service life is amortized as the amortization policy.

(2) Research & development expenditure

The expenditures of the company's internal research and development projects are divided into research phase expenditures and development phase expenditures.

Expenditure for the research phase is included in the current profit or loss when incurred.

The scope of classifying company R&D expenditure includes requisitioned materials, manual and labor costs of R&D, amortization of R&D equipment, amortization of other intangible assets and fixed assets used in the development process, water and electricity expenses, etc.

Company specific standard for dividing expenditures at the research stage and development stage of internal R&D project:

The research stage refers to a stage of innovatively planned investigation and research activities in order to acquire and understand new scientific or technical knowledge; the development stage refers to a stage of activities applying research results or other knowledge to a plan or design before commercial production or use, so as to produce a new or substantially improved material, device, product, etc.

Expenditure in the development phase that satisfies the following conditions at the same time is recognized as intangible assets. Expenditure at the development stage that does not satisfy the following conditions is included in the current profit and loss:

- i. It is technically feasible to complete the intangible asset so that it can be used or sold;
- ii. It is intended to finish and use or sell the intangible assets;
- iii. The ways in which intangible assets generate economic benefit includes the way that it can prove the existence of the market of the products from the intangible assets or it can prove the existence of the market of intangible assets itself. If intangible assets are used internally and it can prove their usefulness;
- iv. Sufficient technical, financial and other resources to support the development of the intangible assets and the ability to use or sell the intangible assets;
- v. Expenditure attributable to the development stage of the intangible asset can be reliably measured.

The specific conditions for capitalizing expenditure during the company development phase:

If it is not possible to distinguish between research phase expenditures and development phase expenditures, all R&D expenditures incurred should be charged to the current profit or loss.

(3) Intangible asset impairment test method and impairment provision method

For details of the impairment test method and withdrawal method of impairment provision of intangible assets, please refer to Note III, 20 "Long-term asset impairment".

20. Long-term asset impairment

For non-current non-financial assets such as fixed assets, construction in progress, intangible assets with limited service life, right-of-use asset, investment real estate measured in cost mode, and long-term equity investments in subsidiaries, associated enterprises, joint ventures, etc., the company should determine whether there are signs of impairment on the balance sheet date. If there is any sign of impairment, its recoverable amount is estimated and the impairment test is conducted. For goodwill, intangible assets with an indefinite useful life, and intangible assets that have not yet reached their usable status are tested for impairment annually, irrespective of whether there is any sign of impairment.

If the impairment test results indicate that the recoverable amount of the asset is less than its book value, the difference should be withdrawn and accounted as impairment loss. The recoverable amount is the higher of the fair value of the assets minus the disposal expenses and the present value of the estimated future cash flow of the assets. The fair value of the asset is determined on the basis of the price of the sales agreement in an arm's length transaction. If there is no sales agreement but there is an active market for assets, the fair value is determined on the basis of the buyer's bid for the asset; if there is no sales agreement and active asset market, the most available good information is based to estimate the fair value of asset. Disposal expenses include legal fees related to the disposition of assets, related taxes, handling expenses, and direct expenses incurred in bringing assets into a saleable state. The present value of the expected future cash flow of the assets is determined by the amount of discounted cash flow selected in accordance with the estimated future cash flow generated during the continuous use and final disposal of the assets. The provision for impairment of assets is calculated and confirmed on the basis of individual assets. If it is difficult to estimate the recoverable amount of a single asset, the asset group to which the asset belongs should be used to determine the recoverable amount of the asset group. Asset groups are the smallest portfolio of assets that can generate cash inflows independently.

For the goodwill separate listed in the financial statements, the book value of goodwill is amortized to the asset group or combination of asset groups that are expected to benefit from the synergies of the business combination when assessing impairment. If the test result shows that the recoverable amount of an asset group or a combination of asset groups which includes the goodwill that have been apportioned to is lower than its book value, it shall be recognized as the corresponding impairment loss. The amount of impairment loss is at first written down against the book value of the goodwill allocated to the asset group or combination of asset groups, and then as the proportion to the book value of other assets other than goodwill in the asset group or combination of asset groups, it is used to write down the book value of other assets.

Once any loss of the above asset impairment is recognized, the value recoverable shall not be switched back in the future accounting periods.

21. Long-term deferred expense

Long-term expenses to be apportioned are various expenses that have already occurred, but they should be burdened by the reporting period and subsequent periods with a time limit of more than one year. Corporate long-term deferred expenses mainly include decoration and renovation expenses. Long-term expenses to be apportioned are amortized on a straight-line basis over the expected benefit period.

22. Contract liabilities

Contract liabilities refer to corporate obligation of transferring commodities to customers for customer consideration received or receivable. If customers have paid contract consideration or the company has obtained unconditional right of receiving payment before the company transfers commodities to customers, the company presents such received amount or receivables as contract liabilities at the time of actual payment and payable in due time by customers, whichever is earlier. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

23. Staff salary

(1) Accounting treatment method for short-term remuneration

During the accounting period when employees provide service for the company, the company recognizes the actually incurred short-term remuneration as liabilities, and records in the current profits and losses, unless the Accounting Standards for Business Enterprises otherwise requires or allows to record in the asset costs; the incurred employee welfare expense is recorded in the current profits and losses or related asset costs according to the actually incurred amount when actually incurred. If employee welfare expense is non-monetary welfare, it is measured at fair value; for medical insurance premium, work injury insurance premium, maternity insurance premium, other social insurance premiums and housing provident fund paid by the enterprise for employees, as well as trade union funding and employee education funding drawn as stipulated, during the accounting period when employees provide service for it, the corresponding employee remuneration amount is calculated and determined according to the prescribed accrual basis and accrual ratio, and corresponding liabilities are recognized, and recorded in the current profits and losses or related asset costs.

(2) Accounting treatment method for post-employment welfare

The company categories the post-employment welfare plan as defined contribution plan and defined benefit plan. Post-employment welfare plan refers to the agreement reached between the enterprise and employees on the post-employment welfare, or the rules or measures made by the enterprise to provide post-employment welfare to employees. The defined contribution plan is the welfare plan after demission that the company assumes no further payment responsibility after depositing fixed expenses into independent funds; the defined benefit plan is the welfare plan after demission apart from defined contribution plan.

(3) Accounting treatment method for dismissal welfare

Prior to the expiration of the labor contract, the company terminate the labor relations with employees, or propose compensation suggestions to encourage employees to accept voluntary redundancy. And it is recognized as liabilities arising from the compensation due to termination of labor relationship with employees on an earlier date between the company failing to unilaterally withdraw the plan of terminating labor relationship or layoff suggestion and recognizing cost and expense concerning reorganization of dismissal welfare payment, and included in the current profits and losses at the same time. Staff internal retirement plan can be treated by the same principle as the above termination benefits. The company will include the internally retired staff salary to be paid from the date of staff ceasing providing service to the date of normal retirement and the paid social insurance premium, etc. into the current profits and losses (dismissal welfare), while meeting the criteria of recognizing estimated liabilities.

(4) Accounting treatment method for other long-term employee welfares

The company also provides supplementary retirement benefits beyond the insurance system prescribed by the state to employees who meet certain conditions. Such supplementary retirement benefit belongs to defined benefit plan, and the defined benefit liabilities recognized on the balance sheet are the present value of defined benefit obligation minus the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the treasury bond interest rate with period and currency similar to those of the obligation, according to the projected unit credit method. The service expenses concerning supplementary retirement benefit (including

current service costs, past service costs and settlement gains or losses) and net interest are recorded in the current profits and losses or related asset costs, and the changes arising from re-measuring net liabilities or net assets of defined benefit plan are included in other comprehensive income.

24. Estimated liabilities

The company recognizes obligation as estimated liability, when the obligation arising from contingent matters such as offering external guarantee, litigation matters, product quality assurance and loss contract has become a current obligation of the company, the performance of such obligation is likely to cause economic benefits flowing out of the company and the amount of such obligation can be reliably measured.

The company conducts initial measurement of estimated liabilities according to the best estimate of expenditure required to fulfill relevant current obligations, and reviews the book value of estimated liabilities on the balance sheet date.

If all or part of expenditures required for liquidation of estimated liabilities are expected to be compensated by the third party, when the compensation amount is basically determined to be receivable, it is recognized separately as asset, and the recognized compensation amount does not exceed book value of the estimated liabilities.

25. Share-based payment

(1) Accounting treatment method of share-based payment

Share-based payment is a transaction in which an enterprise grants equity instruments or undertakes equity-instrument-based liabilities in return for services from employee or other parties. The share-based payments shall consist of equity-settled share-based payments and cash-settled share-based payments.

i. Equity-settled share-based payment

The equity-settled share-based payment in return for employee services shall be measured at the fair value of the equity instruments granted to the employees. When the service in vesting period is completed or the specified performance conditions are met for exercisable right, based on the best estimate of the quantity of exercisable right equity instruments in vesting period, the fair value amount is included in relevant costs or expenses by straight-line method calculation/in case of immediately exercising the right after granting, it is included in relevant costs or expenses on the grant date, and capital reserve is increased accordingly.

On each balance sheet date during the vesting period, the company makes the best estimate based on the latest information of exercisable right, staff number change and other subsequent information, and modifies the expected number of exercisable right equity instruments. The impact of aforesaid estimates is included in the current relevant costs or expenses, and the capital reserve is adjusted accordingly.

As for equity-settled share-based payment in exchange for other party's service, if the fair value of other party's service can be reliably measured, it is measured as per the fair value of other party's service on the acquisition date; if the fair value of other party's service cannot be reliably measured, but the fair value of equity instruments can be reliably measured, it is measured as per the fair value of equity instruments on the service acquisition date, and included in relevant cost or expense, which increases the shareholder's equity accordingly.

ii. Cash-settled share-based payment

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the enterprise. In case of immediately exercising the right after granting, it is included in relevant costs or expenses on the granting date, and liabilities are increased accordingly; if the right may not be exercised until the service in vesting period is completed or the specified performance conditions are met, on each balance sheet date within the vesting period, based on the best estimate of exercisable right status, the service obtained in the current period shall be included in costs or expenses, as per the fair value of liabilities undertaken by the enterprise, and liabilities are increased accordingly.

The company shall, on each balance sheet date and on each account date prior to the settlement of the relevant liabilities, re-measure the fair values of the liabilities and include the changes in the current profits and losses.

(2) Relevant accounting treatment of share-based payment plan modification and termination

When the company modifies the share-based payment plan, if the modification increases the fair value of granted equity instruments, the increase of service is recognized according to increased fair value of equity instruments. The increased fair value of equity instruments refers to the difference between fair value of equity instruments on the modification date before and after the modification. If the modification reduces total fair value of share-based payment or adopts other methods unfavorable to employees, accounting treatment will continuously be carried out on the obtained service, and such change is deemed as never occurred, unless the company has canceled a part or all of the granted equity instruments.

During the vesting period, if the granted equity instruments are canceled, the company makes acceleration of exercisable right on the canceled and granted equity instruments, the amount that shall be recognized in the remaining vesting period will be immediately included in the current profits and losses, and the capital reserve is simultaneously recognized. If employees or other parties choose to meet non-vesting conditions but fails to meet in the vesting period, the company will treat it as cancellation of equity instruments.

(3) Accounting treatment of share-based payment transaction involving the company and its shareholders or actual controllers

If share payment transaction between the company and corporate shareholders or actual controllers is involved, either settlement company or service-receiving company falls within corporate consolidation scope, and the other is beyond corporate consolidation scope, accounting treatment is conducted in corporate consolidated financial statements according to the following regulations.

i. If the settlement enterprise settles by its own equity instruments, the share-based payment transaction shall be treated as equity-settled share-based payment; otherwise, it is treated as cash-settled share-based payment.

If the settlement enterprise is an investor of the service-accepting enterprise, it shall recognize long-term equity investment of the service-accepting enterprise as per fair value of equity instruments on the grant date or fair value of liabilities borne, and simultaneously recognize capital reserve (other capital reserves) or liabilities.

ii. If the service-accepting enterprise has no settlement obligation or grants its own equity instruments to the company employees, such share-based payment transaction shall be treated as equity-settled share-based payment; if the service-accepting enterprise has settlement obligation and does not grant its own equity instruments to the company employees, such share-based payment transaction shall be treated as cash-settled share-based payment.

For share-based payment transaction between enterprises within the scope of the merger of the enterprise, if the service-accepting enterprise and the settlement enterprise are not the same enterprise, the recognition and measurement of such share-based payment transaction is treated by the above principle in the respective individual financial statement of the service-accepting enterprise and the settlement enterprise.

26. Preferred stock, perpetual bond and other financial instruments

(1) Distinction between perpetual bond and preferred stock

The financial instruments issued by the company, such as perpetual bond and preferred stock that meet the following conditions are regarded as equity instruments:

i. Such financial instruments do not include contractual obligations to deliver cash or other financial assets to the other party or exchange financial assets or financial liabilities with other parties under potentially adverse conditions;

ii. If such financial instruments must or may be settled by using the company's own equity instruments in the future, and if such financial instruments are non-derivative instruments, they exclude the contractual obligations to deliver variable number of own equity instruments for settlement; if they are derivative instruments, the company can only settle such financial instruments by exchanging fixed amount of cash or other financial assets with fixed number of own equity instruments.

Except for the financial instruments classified as equity instruments under the above conditions, other financial instruments issued by the company shall be classified as financial liabilities.

If the financial instrument issued by the company is compound financial instrument, it shall be recognized as a liability as per the fair value of liability component, and the amount after the actually received amount deducting the fair value of liability component shall be recognized as "other equity instrument". The transaction costs incurred for issuing compound financial instrument are apportioned between liability component and equity component as per their respective proportion to the total issuance price.

(2) Accounting method for perpetual bond and preferred stock

Financial instruments such as perpetual bonds and preferred stocks categorized as financial liabilities, their relevant interests, dividends (or stock dividends), gains or losses, as well as gains or losses arising from redemption or refinancing, etc, except for the borrowing cost eligible for capitalization (see Note III, 18 "Borrowing cost"), are included in the current profits and losses.

For the financial instruments of perpetual bond, preferred stock, etc classified as equity instruments, during their issuance (including refinancing), repurchase, sale or cancellation, the company handles as equity changes, and related transaction costs are also deducted from equity. The company's distribution to holders of equity instruments is regarded as profit distribution.

The company does not recognize the fair value changes of equity instruments.

27. Income

When the contract between the company and customers meets the following conditions simultaneously, income is recognized when customers obtain relevant control right of commodity: all parties to the contract have approved this contract and promised to perform their respective obligations; the contract has clarified the rights

and obligations of all parties to the contract pertaining to the transferred commodity or provided labor; the contract has clear payment terms regarding the transferred commodity; the contract has commercial substance, namely the performance of this contract will change the company's future cash flow risk, time distribution or amount; the consideration obtained by the company due to transferring commodity to customers is likely to be recovered.

On the contract start date, the company identifies each individual performance obligation in the contract, and apportions the transaction price to each individual performance obligation as per the relative proportion of separate selling price for the commodity promised by each individual performance obligation. When determining transaction price, the impact of factors are considered, such as variable consideration, major financing component in the contract, non-cash consideration and consideration payable to customers.

For each individual performance obligation in the contract, if one of the following conditions is met, the company recognizes the transaction price apportioned to this individual performance obligation as income during relevant performance period according to the performance progress: customers obtain and consume the economic benefits brought by the company's performance while the company is performing contract; customers can control the commodities in progress during performance of the company; the commodities produced during performance of the company have irreplaceable application, and the company has the right to charge funds on the part that has completed performance so far during the entire contract period. The performance progress is determined by input method according to the nature of the transferred commodity. When the performance progress cannot be reasonably determined, if corporate costs incurred are expected to be compensated, income is recognized according to the amount of costs incurred until performance progress can be reasonably determined.

If one of the above conditions is not met, the company recognizes income for the transaction price apportioned to this individual performance obligation at the time when customers obtain relevant control right of commodity. When judging whether customers have obtained commodity control right, the company considers the following signs: the company is entitled to current charging right for such commodity, which means customers have current payment obligation for such commodity; the company has transferred legal ownership of such commodity to customers, which means customers have held legal ownership of such commodity; the company has transferred such commodity in kind to customers, which means customers have occupied such commodity in kind; the company has transferred main risk and reward on ownership of such commodity to customers, which means customers have obtained main risk and reward on ownership of such commodity; customers have accepted such commodity; other signs indicating customers have obtained commodity control right.

The point of time for recognizing domestic sales income of the company: The company delivers goods according to the sales contract or order. On the reconciliation date agreed with the buyer, it verifies the goods received and inspected by the buyer during the period from the previous reconciliation date to the current reconciliation date with the buyer. After verification by both parties, the risk and reward are transferred to the buyer, the company issues invoice to the buyer according to the variety, quantity and amount recognized by reconciliation, and the sales income is recognized as realized on the reconciliation date.

The company recognizes revenue from overseas sales upon completion of customs clearance. Revenue is recognized based on the export date specified on the export declaration form.

28. Contract costs

II. Contract costs are divided into performance costs and contract acquisition costs.

III. The costs incurred by the company for performance of the contract are recognized an asset as the contract performance costs when simultaneously meeting the following conditions:

(1) Such costs are directly related to a current or expected contract, including direct labor, direct material, manufacturing expense (or similar expense), cost explicitly borne by customers, and other costs incurred solely due to such contract.

(2) This cost increases enterprise resources to fulfill the contract performance obligation in the future;

(3) This cost is expected to be recovered.

IV. The incremental costs incurred by the company for acquisition of the contract that are expected to be recovered are recognized an asset as the contract acquisition costs; however, if the amortization of such asset does not exceed one year, it can be included in the current profits and losses at the time of occurrence.

V. For assets related to contract costs, they are amortized on the same basis as the income recognition of goods or services related to such assets.

VI. If the book value of assets related to contract cost is higher than the difference between the following two items, the company makes provision for impairment reserve on the excessive part and recognizes as asset impairment losses:

(1) Remaining consideration expected to acquire due to the transfer of commodity or service related to such assets;

(2) Costs estimated to incur for the transfer of such relevant commodity or service.

VII. If the above asset impairment reserve is subsequently reversed, the book value of assets after reversal shall not exceed the book value of such assets on the reversal date under the assumption that no impairment provision is made.

29. Government subsidies

Government grants refer to monetary assets and non-monetary assets obtained by the company free from the government, excluding the capital invested by the government as investor and entitled to corresponding owner's equity. Government subsidies are divided into government subsidies related to assets and government subsidies related to benefits. The company defines the government grants obtained for construction or forming long-term assets by other means as asset-related government grants; the other government grants are defined as revenue-related government grants. If government document has not expressly specified the object of grants, the grants shall be divided into revenue-related government grants and asset-related government grants in the following ways: (1) in case the government document has specified the specific target of grants, divide according to the relative ratio between expenditure amount of formed asset in the budget of such specific target and expenditure amount included in the expense, and such division ratio shall be reviewed on each balance sheet date and modified when necessary; (2) if the government document only has general statement on the purpose of usage, rather than specify the specific target, it is deemed as revenue-related government grants. If government grants are monetary assets, measure according to received or receivable amount. Government subsidies as non-monetary

assets shall be measured at fair value; if fair value can't be obtained reliably, it shall be measured at nominal amount. Government grants measured at nominal amount are directly charged to current profits and losses.

The company usually recognizes and measures government grants as per the paid-in amount when actually received. Nevertheless, in case of conclusive evidence at the end of period to show compliance with relevant criteria of fiscal support policy provisions and expected receipt of fiscal support funds, measure in accordance with the amount receivable. Government grants measured at the amount receivable must concurrently satisfy all of the following conditions: (1) The amount of the receivable grant is either officially confirmed through a document issued by the competent government authority, or is reasonably estimable by the entity in accordance with the provisions of the formally issued a fiscal fund management regulation, with no material uncertainty about the estimated amount; (2) The grant eligibility is determined pursuant to a fiscal support program and its associated fiscal fund management regulation that has been formally issued by the local finance authority and made publicly available in compliance with the Regulations on Government Information Disclosure. The management regulation must be inclusive (i.e., open to applications from any qualifying enterprise) and not specifically tailored to particular enterprises. (3) The grant-related approval document explicitly specifies a disbursement schedule, and the disbursement is guaranteed by a corresponding fiscal budget allocation, which thus provides reasonable assurance that the funds will be received within the stipulated time limit. (4) Any additional conditions (if any) that must be satisfied depending on the specific circumstances of the Company and the grant-related specifics.

Asset-related government subsidy is recognized as deferred income and included in current profits and losses within the service life of relevant asset in a reasonable and systematic manner. If the income-related government subsidy is used to compensate for relevant costs or losses after the compensation period, it is recognized as deferred income and included in current profits and losses in the period of recognizing relevant costs or losses; if it is used for compensating the incurred relevant costs or losses, it is directly included in current profits and losses.

The government grants that include both asset-related part and income-related part shall be accounted for respectively by distinguishing the different parts; in case of difficult to distinguish, they shall be classified as revenue-related government grants as a whole.

The government grants associated with the company's daily activities shall be charged to other revenue or offset relevant costs, according to the nature of economic business; the government grants that are unassociated with daily activities are charged to non-operating income and expenditure.

When the recognized government subsidy needs to be returned, if there is relevant deferred income balance, the book balance of relevant deferred income is written off, and the excessive part is included in current profits and losses to adjust book value of assets; in other cases, it is directly included in current profits and losses.

30. Deferred income tax assets/deferred income tax liabilities

Calculate and recognize deferred income tax assets or deferred income tax liabilities at the applicable tax rate during the period for expected recovery of such assets or settlement of such liabilities, according to the difference between the book value of assets or liabilities and the tax basis (the difference between the tax basis and the book number, if tax basis can be determined according to the tax law, regarding the item not recognized as asset and liability).

Deferred tax assets are recognized probably limited by the available taxable income tax amount for offsetting the deductible temporary difference. On the balance sheet date, if conclusive evidence indicates that it is likely to

obtain sufficient taxable income in future periods to offset deductible temporary differences, the deferred income tax assets unrecognized in previous accounting periods are recognized.

On the balance sheet date, the book value of deferred income tax assets is reviewed; if it is likely not to obtain sufficient taxable income to offset the benefits of deferred income tax assets in the future, the book value of deferred income tax assets shall be written off. Reverse the written-down amount, when it is likely to obtain sufficient taxable income.

The current income tax and deferred income tax of the company are included in the current profits or losses as income tax expense or revenue, but excluding the income tax arising from the following circumstances: consolidation of enterprises; trade or event recognized directly in the owner's equity.

When having legitimate right of net settlement, and intending to execute net settlement or concurrently obtaining assets and settling liabilities, the company's current income tax assets and current income tax liabilities shall be reported at the net amount after offsetting.

31. Leasing

(1) The company acts as a lessee

The types of corporate leasing assets are mainly houses and buildings.

On the lease start date, the company recognizes right-of-use assets and lease liabilities for the lease other than short-term lease and low-value asset lease, and recognizes depreciation expense and interest expense respectively during the lease term.

The company includes the lease payment of short-term lease and low-value asset lease into the current expenses using the straight-line method during each period of the lease term.

i. Right-of-use assets

Right-of-use assets refer to the lessee's right to use the lease assets during the lease term. On the lease start date, the right-of-use assets shall be initially measured at cost. The costs include: ① initial measurement amount of leasing liabilities; ② where lease incentive exists in the lease payment paid on or before the lease start date, deduct relevant amount of lease incentive already entitled; ③ initial direct expense incurred by the lessee; ④ the costs estimated to incur by the lessee for dismantling and removing leasing assets, restoring the site where leasing assets are located, or recovering leasing assets to the state agreed in lease clauses.

The depreciation of company right-of-use assets is accrued on a straight-line basis. If it can be reasonably determined that the ownership of lease assets will be obtained at the expiration of the lease term, make provision for depreciation within the estimated remaining useful life of the lease assets; if it cannot be reasonably determined that the ownership of lease assets will be obtained at the expiration of the lease term, make provision for depreciation during the shorter of the lease term and the remaining service life of the lease assets.

The company determines whether the right-of-use assets have been impaired and makes accounting treatment in accordance with relevant provisions in Accounting Standards for Business Enterprises No.8—Asset Impairment.

ii. Lease liabilities

Leasing liabilities shall be initially measured at present value of lease payment not yet paid at the lease term start date. The lease payment includes: ① fixed payment (including actual fixed payment), if there exists lease

incentive, deduct relevant amount of lease incentive; ② variable lease payment depending on the index or ratio; ③ payables estimated according to the guarantee balance provided by the lessee; ④ exercise price of purchase option, provided that the lessee reasonably determines that this option will be exercised; ⑤ payables to exercise the lease termination option, provided that the lease term indicates that the lessee will exercise the lease termination option;

The company adopts interest rate implicit in lease as the discount rate; where interest rate implicit in lease cannot be determined, the company adopts incremental borrowing rate as the discount rate. The company calculates the interest expense of lease liabilities during each period of the lease term at a fixed periodic interest rate, and includes it in the finance expense. This periodic rate refers to the discount rate or revised discount rate adopted by the company.

Variable lease payments excluded from measurement of lease liabilities are included in current profits and losses at the time of actual occurrence.

When the company changes the evaluation result of renewal option, lease termination option or purchase option, re-measure the lease liabilities according to the present value calculated as per the changed lease payment and revised discount rate, and adjust the book value of right-of-use assets accordingly. When the actual lease payment, estimated payables of guarantee balance or variable lease payment depending on index or ratio is changed, re-measure the lease liabilities at the present value calculated as per the changed lease payment and original discount rate, and adjust the book value of right-of-use assets accordingly.

iii. Short-term lease and low-value asset lease

For short-term lease (lease with a lease term of no more than 12 months on the lease start date) and low-value asset (with a value of less than RMB 2,000) lease, the company follows a simplified treatment method, without recognizing right-of-use assets and leasing liabilities, but it records the lease payment during each period of the lease term in the related asset costs or the current gains and losses using the straight-line method or other systematic reasonable methods.

(2) The company acts as a lessor

i. Operating leasing

The company adopts the straight-line method to recognize lease receipts from operating lease as the rental income for each period of the lease term. Variable lease payment amount related to operating lease and excluded from the lease receipt amount is recorded in current profits and losses when it actually occurs.

ii. Financial leasing

On the lease start date, the company recognizes financial lease receivables, and de-recognizes financial lease assets. Financial lease receivables are initially measured by net lease investment (the sum of unguaranteed residual value and present value of lease payment amount not yet received on the lease start date discounted at the interest rate implicit in lease), and interest income during the lease term is calculated and recognized as per fixed periodic rate. Variable lease payment amount obtained by the company and excluded from the measurement of net lease investment is recorded in current profits and losses when it actually occurs.

32. Method for determining materiality thresholds and the basis for selection

Disclosure items related to the criteria for materiality judgments	Method for determining materiality thresholds and the basis for selection
Important prepayments with aging of over 1 year	Prepayments with single aging of over 1 year accounting for more than 10% of the total prepaid amount and the amount greater than RMB 15,000,000
Important construction in progress	Budget of single project greater than RMB 80,000,000
Important accounts payable with aging of over 1 year	Accounts payable with single aging of over 1 year accounting for more than 10% of the total accounts payable and the amount greater than RMB 80,000,000
Other important payables with aging of over 1 year	Other payables with single aging of over 1 year accounting for more than 10% of the total other payables and the amount greater than RMB 15,000,000
Important contract liabilities with aging of over 1 year	Contract liabilities with single aging of over 1 year accounting for more than 10% of the total contract liabilities and the amount greater than RMB 15,000,000
Important non-wholly owned subsidiaries	Subsidiary's net assets accounting for more than 5% of the consolidated statement net assets, or subsidiary's net profits accounting for more than 10% of the consolidated statement net profits
Important joint ventures or associated enterprises	Single investee company's long-term equity investment book value accounting for more than 5% of consolidated statement net assets with the amount greater than RMB 1,000,000,000, or investment profits and losses under the long-term equity investment equity method accounting for more than 10% of consolidated statement net profits with the amount greater than RMB 100,000,000

33. Other important accounting policies and accounting estimates

In the process of applying accounting policies, due to internal uncertainties of operating activities, the company needs to make judgments, estimates and assumptions on the book value of report items that cannot be accurately measured. These judgments, estimates and assumptions are made based on past experience of the company executives, and considering other relevant factors. These judgments, estimates and assumptions affect the reporting amount of incomes, expenses, assets and liabilities, as well as disclosure of contingent liabilities on the balance sheet date. Nevertheless, the actual results caused by uncertainties of these estimates may be different from current estimates of the company executives, and further cause significant adjustment on the book value of affected assets or liabilities in the future.

The company conducts periodic review on the foregoing judgments, estimates and assumptions on the basis of continuous operation; if changes in accounting estimates only affect the current period of changes, the affected amount shall be recognized in the current period of changes; if it affects both current period of changes and future period, the affected amount shall be recognized in the current period of changes and future period.

On the balance sheet date, important areas for the company's judgments, estimates and assumptions on financial statement item amount are as follows:

(1) Provision for bad debts

When the company adopts the expected credit loss model to evaluate impairment of financial instruments, the application of expected credit loss model requires major judgments and estimates, and all reasonable and reference information must be considered, including forward-looking information. When making such judgments and estimates, the company infers the expected changes in the debtor's credit risk according to historical repayment data, combined with economic policies, macroeconomic indicators, industry risks and other factors.

(2) Inventory falling price reserves

The company measures as per the lower of cost and net realizable value, and makes provision for inventory devaluation to the obsolete and unsalable inventory of which the cost exceeds the net realizable value, according

to inventory accounting policy. The inventory devaluation to net realizable value is based on assessing the saleability of inventory and its net realizable value. To identify inventory devaluation requires judgments and estimates of executives based on obtaining conclusive evidence, and considering the purpose of holding inventory, influence of events after balance sheet date and other factors. The difference between actual result and original estimate will affect the book value of inventory, as well as the reversal or accrued provision for inventory devaluation during the period of estimates changed.

(3) Impairment reserve of non-financial non-current assets

The company judges if there is possible sign of impairment on the non-current assets other than financial assets on the balance sheet date. For intangible assets with uncertain service life, in addition to annual impairment test, when there is sign of impairment, impairment test shall be conducted as well. If there is indication showing that the carrying amount is not retrieved, non-liquid assets apart from financial assets shall be provided with impairment testing.

When the book value of asset or asset group is higher than the recoverable amount, which is the higher of net amount after fair value deducting disposal expense and present value of estimated future cash flow, it indicates occurrence of impairment.

The net amount of fair value deducting disposal expense is determined by reducing the incremental cost that can be directly attributed to such asset disposal, with reference to sales agreement price of similar assets in fair trade or observable market price.

When estimating the present value of future cash flow, major judgments are required on the asset (or asset group) output, selling price, related operating cost, discount rate used when calculating the present value, etc. When estimating recoverable amount, the company may use all relevant information available, including forecasts of output, selling price and related operating cost which are made based on reasonable and supportable assumptions.

The company tests whether goodwill is impaired at least every year. This requires estimation on the present value of future cash flow of asset group or asset group portfolio with goodwill allocated. When estimating the present value of future cash flow, the company needs to estimate the future cash flow generated by asset group or asset group portfolio, and concurrently select appropriate discount rate to determine the present value of future cash flow.

(4) Depreciation and amortization

After considering the residue value of investing real estate, fixed assets and intangible assets, the company uses straight line method for depreciation and amortization provision in the service life. The company regularly reviews the service life, to determine the amount of depreciation and amortization expenses included in each reporting period. The service life is determined by the company based on past experience of similar assets and combined with expected technical updates. In case of significant change in previous estimates, the depreciation and amortization expenses will be adjusted in the future.

(5) The fair value of financial instruments

For financial instruments without available quotation on active trading market, fair value shall be determined by the valuation techniques. Valuation techniques include using the latest trading information on the market, the discounted cash flow method and option pricing model, etc. The company has established a set of workflow,

ensuring that qualified personnel are responsible for the fair value calculation, verification and review work. The valuation model used by the company is made with market information as much as possible and unique information of the company as little as possible. It is noteworthy that some of the information used in the valuation model needs estimation by the management (e.g. discount rate, target exchange rate volatility, etc.). The company regularly reviews the above estimates and assumptions and makes adjustment when necessary.

(6) Income tax

In normal operating activities of the company, final tax treatment and calculation of some transactions have certain uncertainties. Whether some items can be listed as pre-tax shall gain approval of the tax authority. If there is difference between the final recognized result of these taxation matters and the originally estimated amount, such difference will have an impact on the current income tax and deferred income tax during the period of final recognition.

34. Changes in significant accounting policies and accounting estimates

(1) Important accounting policy changes

No.

(2) Changes in significant accounting estimates

No.

VI. Tax items

1. Main tax categories and tax rates

Tax categories	Tax calculation basis	Specific tax rate
Value added tax	The output tax is calculated based on taxable income, and VAT is calculated and paid according to the difference after deducting the deductible input tax amount of the current period.	13%, 9%, 6%, 25% (IRD, Denmark), 22% (VHIO, Italy), 21% (Borit, Belgium), levy rate 5%
Urban maintenance and construction tax	Turnover tax payable	7%, 5%
Education surcharge	Turnover tax payable	5%
Enterprise income tax	Income tax payable	15%, 20%, 21%, 22%, 25%, 24%+ regional tax 3.9%
Description on taxpayers with different enterprise income tax rates:		
	Name of taxpayer	Income tax rate
	The company, Weifu Jinning, Weifu Lida, Weifu Tianli, Weifu Mashan, Weifu Autocam, Weifu Shimite, Weifu Lida (Chongqing), Weifu Autosmart, Weifu Chang'an	15%
	Weifu Lida (Wuhan)	20%
	IRD USA, Borit USA	21%
	IRD (Denmark)	22%
	Weifu International Trade, Weifu Electric Drive, Weifu Qinglong, Yiwo Auto, Weifu Lida (Nanchang), Weifu Intelligent Sensor, Weifu Lianhua, Borit (Belgium), Weifu Yite, Weifu Baolong	25%
	VHIO (Italy)	24% + regional tax 3.9%

2. Tax benefit and approval document

The company, Weifu Jinning, Weifu Lida, Weifu Tianli and Weifu Mashan passed high-tech enterprise accreditation in 2023, entitled to 15% preferential income tax rate from 1 January 2023 to 31 December 2025. Weifu Autosmart was accredited as a high-tech enterprise in 2024, and entitled to 15% preferential income tax rate from 1 January 2024 to 31 December 2026. Weifu Autocam was accredited as a high-tech enterprise in 2024, and entitled to 15% preferential income tax rate from 1 January 2024 to 31 December 2026. Weifu Shimite and Weifu Chang'an were accredited as high-tech enterprises in 2025, and entitled to 15% preferential income tax rate from 1 January 2025 to 31 December 2027.

According to Announcement on Continuation of Income Tax Policy for Western Development Enterprises 2020 No.23 of the Ministry of Finance, State Taxation Administration and National Development and Reform Commission, from 1 January 2021 to 31 December 2030, for the enterprises located in the western region with industrial items specified in Catalogue of Encouraged Industries in the Western Region as their main business and main business income accounting for more than 60% of the total enterprise income, enterprise income tax shall be levied at a reduced rate of 15%. Weifu Lida (Chongqing) is subject to a preferential income tax rate of 15% in 2025.

According to Announcement on Relevant Tax Policy to Further Support the Development of Small-sized Micro-profit Enterprises and Individual Industrial and Commercial Households (Ministry of Finance and State Taxation Administration Announcement 2023 No.12), the taxable income shall be calculated at a reduced rate of 25% for small-sized micro-profit enterprises, with company income tax policy subject to a tax rate of 20%, which shall continue implementation until 31 December 2027. Weifu Lida (Wuhan) met the criteria for small-sized micro-profit enterprise in 2025, and was entitled to the above tax preference.

VII. Notes on consolidated financial statement items

Unless otherwise specified, in the following items of notes (including notes on main items of company financial statement), “end of period” refers to 31 December 2025, “end of last year” refers to 31 December 2024, “current period” refers to the year 2025, and “last period” refers to the year 2024.

1. Monetary fund

Items	Closing balance	Balance at the end of last year
Cash on hand	8,403.89	5,360.59
Bank savings	2,269,214,635.09	2,217,667,887.48
Other monetary funds	89,627,273.49	28,927,203.45
Total	2,358,850,312.47	2,246,600,451.52
Of which: Total amount due from overseas	101,759,199.50	153,019,429.47

Other descriptions: The closing balance of other monetary funds included large-denomination pledged certificates of deposit of RMB 60,412,602.74, bank acceptance bill security deposit of RMB 20,188,696.29, Mastercard security deposit of RMB 152.85, letter of guarantee security deposit of RMB 273,032.92, IRD performance security deposit of RMB 8,291,872.97, and third-party payment account balance of RMB 460,915.72.

2. Trading financial assets

Items	Closing balance	Balance at the end of last year
Financial assets at fair value and through current profit or loss	2,334,658,155.36	1,429,682,635.57
Of which: Listed company shares	888,391.56	10,501,800.00
Bank wealth management products	2,017,206,116.57	554,713,511.24
Otherswealth management products	316,563,647.23	864,467,324.33
Total	2,334,658,155.36	1,429,682,635.57

3. Bills receivable**(1) List of bills receivable**

Items	Closing balance	Balance at the end of last year
Bank acceptance bill	--	--
Commercial acceptance bill	93,133,355.40	99,914,699.81
Total	93,133,355.40	99,914,699.81

(2) Classified and presented by bad debt provision method

Category	Closing balance				
	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Bills receivable with provision for bad debts made by combination	93,133,355.40	100.00	--	--	93,133,355.40
Of which: Bank acceptance bill	--	--	--	--	--
Commercial acceptance bill	93,133,355.40	100.00	--	--	93,133,355.40
Total	93,133,355.40	100.00	--	--	93,133,355.40

(Continued)

Category	Opening balance				
	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Bills receivable with provision for bad debts made by combination	99,914,699.81	100.00	--	--	99,914,699.81
Of which: Bank acceptance bill	--	--	--	--	--
Commercial acceptance bill	99,914,699.81	100.00	--	--	99,914,699.81
Total	99,914,699.81	100.00	--	--	99,914,699.81

(3) Pledged notes receivable at the end of period

No.

(4) Notes receivable which was endorsed or discounted and undue on balance sheet date at the end of the period.

Items	Ending derecognition amount	Ending non-derecognition amount
Bank acceptance bill	--	--
Commercial acceptance bill	--	6,228,142.15
Total	--	6,228,142.15

(5) Notes converted to accounts receivable due to the drawer's failure to perform the agreement at the end of period

No.

4. Accounts receivable

(1) Disclosure by age

Aging	Closing balance	Balance at the end of last year
Within a year	4,334,268,607.72	3,729,236,009.53
Of which: Within six months	4,253,883,964.14	3,641,532,161.27
Six months to one year	80,384,643.58	87,703,848.26
One to two years	16,753,416.84	15,814,370.53
Two to three years	9,069,061.73	12,232,320.70
More than three years	26,951,657.03	21,845,527.28
Subtotal	4,387,042,743.32	3,779,128,228.04
Less: Bad debt provision	45,979,564.85	41,474,335.01
Total	4,341,063,178.47	3,737,653,893.03

(2) Classified and presented by bad debt provision method

Category	Closing balance				Book value
	Book balance		Bad debt reserve		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable with single provision for bad debt reserve	22,742,112.36	0.52	22,231,606.13	97.76	510,506.23
Accounts receivable for which bad debt provision has been assessed by portfolios	4,364,300,630.96	99.48	23,747,958.72	0.54	4,340,552,672.24
Total	4,387,042,743.32	100.00	45,979,564.85	—	4,341,063,178.47

(Continued)

Category	Balance at the end of last year				Book value
	Book balance		Bad debt reserve		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable with single provision for bad debt reserve	17,072,318.27	0.45	17,072,318.27	100.00	--
Accounts receivable for which bad debt provision has been assessed by portfolios	3,762,055,909.77	99.55	24,402,016.74	0.65	3,737,653,893.03
Total	3,779,128,228.04	100.00	41,474,335.01	—	3,737,653,893.03

i. Accounts receivable with single provision for bad debt reserve at the end of period:

Accounts receivable (by entity)	Closing balance			Accrual basis
	Book balance	Bad debt reserve	Accrual ratio (%)	
Linyi Zhongtai Automotive Parts Manufacturing Co., Ltd.	6,193,466.77	6,193,466.77	100.00	Forecast as difficult to recover
Brilliance Auto Group Holding Co., Ltd.	3,337,118.71	3,337,118.71	100.00	Forecast as difficult to recover
Shaanxi Wanfang Automotive Parts Co., Ltd.	2,198,973.18	2,198,973.18	100.00	Forecast as difficult to recover
SAIC Hongyan Automobile Co., Ltd.	1,883,372.36	1,863,738.32	98.96	Forecast as difficult to recover
Dongfeng Chaoyang Chaochai Power Co., Ltd.	1,823,262.64	1,823,262.64	100.00	Forecast as difficult to recover
Nedstack Fuel Cell Technology BV	1,460,456.57	1,460,456.57	100.00	Forecast as difficult to recover
Lovol Tianjin Engines Co., Ltd.	1,018,054.89	1,018,054.89	100.00	Forecast as difficult to recover
Other customers	4,827,407.24	4,336,535.05	89.83	Forecast as difficult to recover
Total	22,742,112.36	22,231,606.13	—	—

VIII. (Continued)

Accounts receivable (by entity)	Opening balance			
	Book balance	Bad debt reserve	Accrual ratio (%)	Accrual basis
Linyi Zhongtai Automotive Parts Manufacturing Co., Ltd.	6,193,466.77	6,193,466.77	100.00	Forecast as difficult to recover
Brilliance Auto Group Holding Co., Ltd.	2,693,280.39	2,693,280.39	100.00	Forecast as difficult to recover
SAIC Hongyan Automobile Co., Ltd.	2,297,240.06	2,297,240.06	100.00	Forecast as difficult to recover
Dongfeng Chaoyang Chaochai Power Co., Ltd.	1,823,262.64	1,823,262.64	100.00	Forecast as difficult to recover
Lovol Tianjin Engines Co., Ltd.	1,018,054.89	1,018,054.89	100.00	Forecast as difficult to recover
Other customers	3,047,013.52	3,047,013.52	100.00	Forecast as difficult to recover
Total	17,072,318.27	17,072,318.27	—	—

ii. Accounts receivable for which bad debt provision has been assessed by portfolios:

Aging	Closing balance		
	Book balance	Bad debt reserve	Accrual ratio (%)
Within six months	4,253,616,904.39	--	--
Six months to one year	77,567,514.76	7,756,751.46	10.00
One to two years	15,640,849.20	3,128,169.88	20.00
Two to three years	7,687,208.71	3,074,883.49	40.00
More than three years	9,788,153.90	9,788,153.89	100.00
Total	4,364,300,630.96	23,747,958.72	0.54

(Continued)

Aging	Balance at the end of last year		
	Book balance	Bad debt reserve	Accrual ratio (%)
Within six months	3,640,596,534.97	--	--
Six months to one year	87,407,080.86	8,740,708.09	10.00
One to two years	14,549,657.71	2,909,932.32	20.00
Two to three years	11,252,099.78	4,500,839.88	40.00
More than three years	8,250,536.45	8,250,536.45	100.00
Total	3,762,055,909.77	24,402,016.74	0.65

iii. In the portfolio, there were no accounts receivable with provision for bad debts by other methods.

(3) Bad debt reserve status

Category	Balance at the end of last year	Amount of changes in current period				Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	Conversion of foreign currency statement	
Single provision	17,072,318.27	5,193,036.39	-250,477.21	519,472.69	235,246.95	22,231,606.13
Portfolio provision	24,402,016.74	--	638,824.45	66,166.87	50,933.30	23,747,958.72
Total	41,474,335.01	5,193,036.39	388,347.24	585,639.56	286,180.25	45,979,564.85

Description: Significant recovery or reversal amount of bad debt reserve in the current period: No.

(4) Receivables actually written-off in the current period

Items	Write-off amount
Accounts receivable actually written off	585,639.56

Descriptions: No significant accounts receivable write-off in the current period.

(5) Accounts receivable of the Top 5 closing balance classified by the overdue party

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of allowance for bad debts
Bosch Powertrain	837,818,105.83	19.10	5,540,525.12
German Bosch	719,908,284.79	16.41	1,160,786.70
Customer 2	297,345,450.59	6.78	481.47
Customer 1	252,396,372.29	5.75	1,063,529.76
Customer 3	184,529,149.43	4.21	82,754.91
Total	2,291,997,362.93	52.25	7,848,077.96

5. Receivables financing**(1) Financing of receivables**

Items	Closing balance	Balance at the end of last year
Bills receivable	1,861,919,025.73	1,713,187,182.25
Of which: Bank acceptance bill	1,861,919,025.73	1,713,187,182.25
Total	1,861,919,025.73	1,713,187,182.25

(2) Financing of receivables pledged at the end of period

Items	Pledged amount at the end of period
Bank acceptance bill	408,648,804.25
Total	408,648,804.25

(3) Financing of receivables endorsed or discounted but not yet mature on the balance sheet date at the end of period

Items	Ending derecognition amount	Ending non-derecognition amount
Bank acceptance bill	466,919,579.02	--
Total	466,919,579.02	--

6. Advance payment**(1) Advance payment is listed by age**

Aging	Closing balance		Balance at the end of last year	
	Amount	Proportion (%)	Amount	Proportion (%)
Within a year	98,012,846.59	98.51	87,178,436.38	93.45
One to two years	1,181,857.84	1.19	2,329,391.28	2.50
Two to three years	296,620.00	0.30	3,468,224.73	3.72
More than three years	1,635.12	0.00	307,414.10	0.33
Total	99,492,959.55	100.00	93,283,466.49	100.00

(2) Advance payment of Top 5 closing balance classified by advance payment objects

Name of company	Closing balance	Proportion to the total closing balance of advance payments (%)
German Bosch	13,992,553.66	14.06
Dongbei Special Steel Group Co., Ltd.	13,152,032.72	13.22
Wuxi Ling'en Electromechanical Equipment Co., Ltd.	12,126,000.00	12.19
State Grid Jiangsu Electric Power Co., Ltd.	10,603,491.07	10.66
Shenzhen Jinminjiang Intelligent Equipment Co., Ltd.	8,100,000.00	8.14
Total	57,974,077.45	58.27

7. Other receivables

Items	Closing balance	Balance at the end of last year
Interests receivable	--	--
Dividends receivable	5,357,758.49	5,357,758.49
Other receivables	77,623,089.75	925,171,249.08
Total	82,980,848.24	930,529,007.57

(1) Dividends receivable

Invested entity	Closing balance	Balance at the end of last year
Wuxi Weifu Precision Machinery Manufacturing Co., Ltd.	5,357,758.49	5,357,758.49
Total	5,357,758.49	5,357,758.49

(2) Other receivables

Disclosure by age

Aging	Closing balance	Balance at the end of last year
Within a year	16,389,752.66	25,570,895.82
One to two years	2,658,174.54	353,994.58
Two to three years	380,706.22	2,544,811,701.19
More than three years	2,045,106,282.98	4,320,762.08
Subtotal	2,064,534,916.40	2,575,057,353.67
Less: Bad debt provision	1,986,911,826.65	1,649,886,104.59
Total	77,623,089.75	925,171,249.08

Classification by fund nature

Nature of funds	Period-end book balance	Book balance at the end of last year
Corporate current accounts	645,071.02	7,013,631.68
Cash pledge and guarantee deposit	11,950,266.49	10,540,482.23
Employee borrowings and reserve funds	240,006.80	384,928.19
Social insurance and housing provident fund paid on behalf	13,442,906.73	13,024,199.29
Weifu International Trade "platform trade" business portfolio	2,038,255,787.68	2,542,263,370.70
Others	877.68	1,830,741.58
Subtotal	2,064,534,916.40	2,575,057,353.67
Less: Bad debt provision	1,986,911,826.65	1,649,886,104.59
Total	77,623,089.75	925,171,249.08

Provision for bad debt reserve

Bad debt reserve	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Balance at the end of last year	5,786,049.86	--	1,644,100,054.73	1,649,886,104.59
Book balance of other receivables at the end of last year is in the current period:	--	--	--	--
——Transfer in Phase II	--	--	--	--
——Transfer in Phase III	--	--	--	--
——Transfer back to Phase II	--	--	--	--
——Transfer back to Phase I	--	--	--	--
Provision in the current period	1,749,549.39	--	335,092,051.77	336,841,601.16
Reversal in the current period	--	--	--	--
Write-off in current period	--	--	--	--

Bad debt reserve	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Write-off in the current period	3,261.39	--	--	3,261.39
Other changes	187,382.29	--	--	187,382.29
Closing balance	7,719,720.15	--	1,979,192,106.50	1,986,911,826.65

Bad debt reserve status

Category	Balance at the end of last year	Amount of changes in current period				Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	Conversion of foreign currency statement	
Bad debt reserve	1,649,886,104.59	336,841,601.16	--	3,261.39	187,382.29	1,986,911,826.65
Total	1,649,886,104.59	336,841,601.16	--	3,261.39	187,382.29	1,986,911,826.65

Other receivables actually written-off in this period

Items	Write-off amount
Other receivables actually written off	3,261.39

Other receivables of Top 5 closing balance classified by debtors

Name of company	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Bad debt reserve Closing balance
Weifu International Trade “platform trade” business portfolio	See other descriptions	2,038,255,787.68	Over 3 years	98.73	1,979,160,379.70
Wuxi CR Gas Co., Ltd.	Deposit	1,353,500.00	Over 3 years	0.07	1,353,500.00
Wuxi Xingzhou Industrial Park Development Co., Ltd.	Deposit	1,138,741.21	Within 1 year, 2-3 years, more than 3 years	0.06	710,923.98
Wuxi Xingzhou Energy Development Co., Ltd.	Deposit	1,045,373.12	Within 1 year, more than 3 years	0.05	903,042.26
Wuxi Chenyang Construction Equipment Leasing Co., Ltd.	Deposit	1,000,000.00	Within 1 year	0.05	100,000.00
Total	—	2,042,793,402.01	—	98.96	1,982,227,845.94

Other descriptions: For details on Weifu International Trade “platform trade” business portfolio, refer to the description in Note XV, 7 “Other important transactions and events affecting investor decision-making”.

8. Inventory

(1) Inventory classification

Items	Closing balance		
	Book balance	Inventory falling price reserves	Book value
Raw materials	583,093,953.74	100,756,472.59	482,337,481.15
Unfinished products	558,452,738.49	30,798,354.66	527,654,383.83
Finished products	1,579,852,880.89	131,709,756.97	1,448,143,123.92
Total	2,721,399,573.12	263,264,584.22	2,458,134,988.90

(Continued)

Items	Balance at the end of last year		
	Book balance	Inventory falling price reserves	Book value

Items	Balance at the end of last year		
	Book balance	Inventory falling price reserves	Book value
Raw materials	558,770,000.24	100,525,696.37	458,244,303.87
Unfinished products	555,451,953.02	28,344,427.22	527,107,525.80
Finished products	1,468,970,529.18	145,401,957.71	1,323,568,571.47
Total	2,583,192,482.44	274,272,081.30	2,308,920,401.14

(2) Inventory falling price reserves

Items	Balance at the end of last year	Increased amount in current period		Decreased amount in current period		Closing balance
		Provision	Conversion of foreign currency statement	Reversal or write-off	Others	
Raw materials	100,525,696.37	38,567,033.38	1,204,383.64	39,540,640.80	--	100,756,472.59
Unfinished products	28,344,427.22	10,726,669.08	1,099,306.21	9,372,047.85	--	30,798,354.66
Finished products	145,401,957.71	84,973,828.75	444,688.59	99,110,718.08	--	131,709,756.97
Total	274,272,081.30	134,267,531.21	2,748,378.44	148,023,406.73	--	263,264,584.22

9. Non-current assets due within 1 year

Items	Closing balance	Balance at the end of last year
Other non-current assets due within one year [Note]	689,033,205.47	509,070,575.38
Other non-current financial assets due within one year	--	50,000,000.00
Total	689,033,205.47	559,070,575.38

[Note]: Refer to the principal of large-denomination certificates of deposit redeemed upon maturity within one year and accrued interest.

10. Other current assets

Items	Closing balance	Balance at the end of last year
Export tax rebate receivable	7,369,802.15	5,356,094.47
VAT rebate receivable	2,489,909.34	7,165,454.75
Prepaid tax and VAT retained	171,745,232.56	146,820,302.41
Input tax to be deducted and certified	14,674,947.65	17,548,216.30
Prepaid expenses	15,244,244.74	10,282,601.20
Physical assets such as small household appliances [Note 1]	42,786,744.82	--
Others	6,425,755.18	1,815,790.33
Subtotal	260,736,636.44	188,988,459.46
Less: Impairment reserve of other non-current assets [Note 2]	122,887,023.61	--
Total	137,849,612.83	188,988,459.46

[Note 1]: Small home appliances are the properties involved in the Weifu International Trade “platform trade” case returned by the public security organ to the company;

[Note 2]: After prudent assessment by management of the company regarding VAT receivables - prepaid VAT, there is significant uncertainty as to the future recoverability of such amounts, and clear indications of impairment have emerged. Accordingly, an impairment provision of RMB 122,887,000 has been recognized.

11. Long-term equity investment

Invested entity	Balance at the end of last year	Increases and decreases in current period				
		Additional investment	Investment reduction	Investment gains and losses recognized under equity method	Adjustment of other comprehensive revenues	Other equity change
Associated enterprises:						
Wuxi Weifu Environmental Protection Catalyst Co., Ltd.	1,010,047,290.27	--	--	207,208,545.69	--	1,935,873.21
Bosch Powertrain Co., Ltd.	3,413,961,630.25	--	--	725,067,949.82	--	--
Zhonglian Automotive Electronics Co., Ltd.	1,871,790,817.25	--	--	514,090,471.95	--	--
Wuxi Weifu Precision Machinery Manufacturing Co., Ltd.	44,310,168.33	--	--	-269,981.18	--	74,644.79
Changchun Xuyang Weifu Automotive Parts Technology Co., Ltd.	8,472,997.94	--	--	9,210.97	--	--
Precors GmbH	--	--	--	--	--	--
Wuxi Autolink Intelligent Technology Co., Ltd.	210,866,149.89	--	--	-63,616,983.38	--	-5,010,637.63
Lezhuo Bowei Hydraulic Technology (Shanghai) Co., Ltd.	132,760,771.59	--	--	-33,886,008.88	--	--
Wuxi Zhuowei Times High-tech Co., Ltd.	37,919,312.88	--	--	-2,126,059.56	--	--
Voith HySTech GmbH	304,969,740.19	28,963,801.82	--	-220,140,284.10	--	--
Total	7,035,098,878.59	28,963,801.82	--	1,126,336,861.33	--	-3,000,119.63

(Continued)

Invested entity	Increases and decreases in current period				Closing balance	Closing balance of provision for impairment
	Declare distribution of cash dividends or profits	Provision for impairment	Conversion of foreign currency statement	Other changes		
Associated enterprises:						
Wuxi Weifu Environmental Protection Catalyst Co., Ltd.	117,600,000.00	--	--	--	1,101,591,709.17	--
Bosch Powertrain Co., Ltd.	214,397,603.56	--	--	--	3,924,631,976.51	--
Zhonglian Automotive Electronics Co., Ltd.	300,000,000.00	--	--	--	2,085,881,289.20	--
Wuxi Weifu Precision Machinery Manufacturing Co., Ltd.	--	--	--	--	44,114,831.94	--

Invested entity	Increases and decreases in current period				Closing balance	Closing balance of provision for impairment
	Declare distribution of cash dividends or profits	Provision for impairment	Conversion of foreign currency statement	Other changes		
Changchun Xuyang Weifu Automotive Parts Technology Co., Ltd.	--	--	--	--	8,482,208.91	--
Precors GmbH	--	--	--	--	--	8,998,648.57
Wuxi Autolink Intelligent Technology Co., Ltd.	--	--	--	142,238,528.88	--	--
Lezhuo Bowei Hydraulic Technology (Shanghai) Co., Ltd.	--	--	--	--	98,874,762.71	--
Wuxi Zhuowei Times High-tech Co., Ltd.	--	--	--	--	35,793,253.32	--
Voith HySTech GmbH	--	136,596,429.69	22,803,171.78	--	--	138,865,054.65
Total	631,997,603.56	136,596,429.69	22,803,171.78	142,238,528.88	7,299,370,031.76	147,863,703.22

12. Other equity instrument investments

(1) Investment of other equity instruments

Items	Closing balance	Balance at the end of last year
Wuxi Xichan Microchip Co., Ltd.	592,742,690.00	592,742,690.00
Wuxi Autolink Intelligent Technology Co., Ltd. [Note]	371,348,000.00	--
Others	85,048,000.00	85,048,000.00
Total	1,049,138,690.00	677,790,690.00

[Note]: In November 2025, Wuxi Autolink Intelligent Technology Co., Ltd. initiated the Hong Kong stock application work. According to the revised articles of association of this company, the company shall no longer have the right to appoint directors to the invested entity, unable to continue to exert significant influence over the company, and therefore this investment was no longer accounted for as an associated enterprise; meanwhile, the company designated this investment as a financial asset measured at fair value with changes recorded in other comprehensive income, according to the business model for managing this financial asset. At the end of 2025, the Autolink investment fair value of the company was determined, with reference to the appraisal result issued by Beijing Zhongheyi Asset Appraisal Co., Ltd. and the latest financing price of Autolink.

(2) Investment of non-transactional equity instruments

Items	Gains and losses recorded in other comprehensive income in the current period (losses marked as “-”)	Cumulative gains and losses recorded in other comprehensive income at the end of the current period (losses marked as “-”)	Dividend income recognized in the current period	Reasons for designating to measure at fair value with changes included in other comprehensive income
Wuxi Xichan Microchip Co., Ltd.	--	--	--	Attributable to non-trading equity instrument investment
Wuxi Autolink Intelligent Technology Co., Ltd.	--	--	--	Attributable to non-trading equity instrument investment
Others	--	--	--	Attributable to non-trading equity instrument investment
Total	--	--	--	—

13. Other non-current financial assets

Items	Closing balance	Balance at the end of last year
Financial assets classified as measuring at fair value with change recorded in current profits and losses	751,258,396.69	747,471,349.81
Of which: Investment in other debt instruments and equity instruments held for more than one year	751,258,396.69	747,471,349.81
Less: Other non-current financial assets due within one year	--	50,000,000.00
Total	751,258,396.69	697,471,349.81

14. Investment real estate**(1) Investment real estate with the model of cost measurement**

Items	Houses and buildings	Total
IX. Original book value		
1. Balance at the end of last year	95,327,686.03	95,327,686.03
2. Increased amount in current period	23,689,544.68	23,689,544.68
(1) Outsourcing	--	--
(2) Transfer of the fixed assets	23,689,544.68	23,689,544.68
3. Decreased amount in current period	17,273,395.16	17,273,395.16
(1) Disposal	501,896.37	501,896.37
(2) Other transfer-out	16,771,498.79	16,771,498.79
4. Closing balance	101,743,835.55	101,743,835.55
X. Cumulative depreciation and amortization		
1. Balance at the end of last year	50,366,755.64	50,366,755.64
2. Increased amount in current period	10,008,123.41	10,008,123.41
(1) Provision or amortization	2,152,844.95	2,152,844.95
(2) Transfer of the fixed assets	7,855,278.46	7,855,278.46
3. Decreased amount in current period	10,949,363.37	10,949,363.37
(1) Disposal	486,839.48	486,839.48
(2) Other transfer-out	10,462,523.89	10,462,523.89
4. Closing balance	49,425,515.68	49,425,515.68
XI. Provisions for impairment		
1. Balance at the end of last year	--	--
2. Increased amount in current period	--	--
3. Decreased amount in current period	--	--

Items	Houses and buildings	Total
4. Closing balance	--	--
XII. Book value		
1. Period-end book value	52,318,319.87	52,318,319.87
2. Book value at the end of last year	44,960,930.39	44,960,930.39

(2) Amount and reason for investment real estate with property ownership certificate unhandled

Items	Book value	Reasons for uncompleted the Property Ownership Certificate
Weifu Jinning House	52,182.36	Relevant property right procedures are being handled

15. Fixed assets

Items	Closing balance	Balance at the end of last year
Fixed assets	4,582,924,701.55	4,461,619,375.21
Fixed asset liquidation	--	--
Total	4,582,924,701.55	4,461,619,375.21

(1) Fixed assets

Fixed assets are as follows

Items	Houses and buildings	Machinery equipment	Transportation equipment	Electronics and other equipments	Land	Total
XIII. Original book value						
1. Balance at the end of last year	2,476,447,467.18	5,407,734,912.76	46,817,358.94	1,391,716,721.51	30,905,579.87	9,353,622,040.26
2. Increased amount in current period	57,970,397.78	548,415,029.35	13,930,656.11	171,419,593.43	--	791,735,676.67
(1) Purchase	1,487,808.80	46,594,559.44	3,704,470.50	17,137,783.43	--	68,924,622.17
(2) Transfer of construction progress	39,565,694.99	489,711,837.54	10,226,185.61	154,281,810.00	--	693,785,528.14
(3) Others	16,916,893.99	12,108,632.37	--	--	--	29,025,526.36
3. Decreased amount in current period	27,658,210.01	53,561,975.64	883,229.26	54,184,717.65	--	136,288,132.56
(1) Disposal or scraping	3,968,665.33	53,561,975.64	883,229.26	42,337,770.73	--	100,751,640.96
(2) Others	23,689,544.68	--	--	11,846,946.92	--	35,536,491.60
4. Conversion of foreign currency statement	11,754,394.55	49,519,687.05	7,302.03	36,017,264.27	2,915,022.81	100,213,670.71
5. Closing balance	2,518,514,049.50	5,952,107,653.52	59,872,087.82	1,544,968,861.56	33,820,602.68	10,109,283,255.08
XIV. Cumulative depreciation						
1. Balance at the end of last year	668,529,085.04	3,063,216,934.23	24,275,580.49	933,624,243.29	--	4,689,645,843.05
2. Increased amount in current period	87,166,958.74	375,388,180.61	3,808,092.00	165,155,881.83	--	631,519,113.18
(1) Provision	76,696,854.97	373,665,099.24	3,808,092.00	165,155,881.83	--	619,325,928.04
(2) Others	10,470,103.77	1,723,081.37	--	--	--	12,193,185.14
3. Decreased amount in current period	9,051,347.41	43,776,066.00	862,394.20	25,237,574.96	--	78,927,382.57
(1) Disposal or scraping	1,196,068.95	43,776,066.00	862,394.20	23,608,683.62	--	69,443,212.77

Items	Houses and buildings	Machinery equipment	Transportation equipment	Electronics and other equipments	Land	Total
(2) Others	7,855,278.46	--	--	1,628,891.34	--	9,484,169.80
4. Conversion of foreign currency statement	5,472,482.93	29,748,826.14	1,606.11	27,254,350.48	--	62,477,265.66
5. Closing balance	752,117,179.30	3,424,577,874.98	27,222,884.40	1,100,796,900.64	--	5,304,714,839.32
XV. Provisions for impairment						
1. Balance at the end of last year	14,287,345.82	148,936,967.61	73,319.90	23,694,157.00	15,365,031.67	202,356,822.00
2. Increased amount in current period	1,192,045.29	12,720,710.79	77,327.71	304,124.54	--	14,294,208.33
(1) Provision [Note]	1,192,045.29	10,483,486.52	77,327.71	304,124.54	--	12,056,984.06
(2) Others	--	2,237,224.27	--	--	--	2,237,224.27
3. Decreased amount in current period	--	1,356,428.31	--	3,596,884.47	--	4,953,312.78
(1) Disposal or scraping	--	1,356,428.31	--	1,359,660.20	--	2,716,088.51
(2) Others	--	--	--	2,237,224.27	--	2,237,224.27
4. Conversion of foreign currency statement	1,328,140.67	6,046,973.01	-1,261.43	1,122,910.39	1,449,234.02	9,945,996.66
5. Closing balance	16,807,531.78	166,348,223.10	149,386.18	21,524,307.46	16,814,265.69	221,643,714.21
XVI. Book value						
1. Period-end book value	1,749,589,338.42	2,361,181,555.44	32,499,817.24	422,647,653.46	17,006,336.99	4,582,924,701.55
2. Book value at the end of last year	1,793,631,036.32	2,195,581,010.92	22,468,458.55	434,398,321.22	15,540,548.20	4,461,619,375.21

Other descriptions: Other changes in buildings and structures were mainly caused by the conversion of investment properties in the current period; other changes in machinery equipment and electronic and other equipment were caused by the asset category adjustment in the current period.

[Note]: Affected by relevant policy adjustment of overseas hydrogen energy industry, the operating losses of overseas wholly-owned subsidiary IRD and its US subsidiary increased, with signs of impairment in long-term assets; after a prudent impairment test, the provisions were made for fixed asset impairment reserve of RMB 12,056,984.04, construction in progress impairment reserve of RMB 36,839,003.67, right-of-use asset impairment reserve of RMB 3,609,952.82, long-term deferred expense impairment reserve of RMB 5,484,764.62, and other non-current asset impairment reserve of RMB 8,596,558.12.

Temporarily idle fixed assets

Items	Original book value	Cumulative depreciation	Provisions for impairment	Book value
Machinery equipment	1,509,286.38	617,182.45	864,626.49	27,477.44
Other devices	5,988,078.39	2,939,148.49	2,749,525.98	299,403.92
Total	7,497,364.77	3,556,330.94	3,614,152.47	326,881.36

Fixed assets rent through operating lease

Items	Period-end book value
Houses and buildings	14,822,858.71
Total	14,822,858.71

Fixed assets without handling property ownership certificate

Items	Book value	Reasons for uncompleted the property certificate
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Items	Book value	Reasons for uncompleted the property certificate
Weifu Chang'an - Plant houses and office buildings	24,678,867.02	Relevant property right procedures are being handled
Weifu Jinning - Plant houses and office buildings	147,218.79	Relevant property right procedures are being handled

16. Construction in process

Items	Closing balance	Balance at the end of last year
Construction in process	280,431,452.37	380,321,816.50
Engineering materials	--	--
Total	280,431,452.37	380,321,816.50

(1) Construction in process

Construction in process

Items	Closing balance			Balance at the end of last year		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Hydrogen Energy Industrial Park construction project	1,044,510.86	--	1,044,510.86	385,316.66	--	385,316.66
Weifu (Huishan) Intelligent Industrial Park Phase II	7,573,068.22	--	7,573,068.22	--	--	--
Company Xinan Branch No.1 Workshop Renovation Project	--	--	--	4,456,868.76	--	4,456,868.76
Land Plot 103 Phase 6 Project	--	--	--	222,994.13	--	222,994.13
Production lines and equipment under installation and commissioning	288,205,125.59	36,422,667.30	251,782,458.29	353,665,522.78	184,615.38	353,480,907.40
Software and systems under installation and commissioning	8,335,003.57	--	8,335,003.57	17,367,111.09	--	17,367,111.09
Sporadic construction security projects	11,696,411.43	--	11,696,411.43	4,408,618.46	--	4,408,618.46
Total	316,854,119.67	36,422,667.30	280,431,452.37	380,506,431.88	184,615.38	380,321,816.50

Changes of important construction in progress in current period

Name of projects	Amount of Budget (RMB ten thousand)	Balance at the end of last year	Increased amount in current period	Current transfer in of fixed assets	Other current reductions	Closing balance
Company Xinan Branch No.1 Workshop Renovation Project	41,245.40	4,456,868.76	--	4,456,868.76	--	--
Land Plot 103 Phase 6 Project	6,309.48	222,994.13	--	222,994.13	--	--
Hydrogen Energy Industrial Park construction project	55,000.00	385,316.66	659,194.20	--	--	1,044,510.86
Weifu (Huishan) Intelligent Industrial Park Phase II	27,000.00	--	7,573,068.22	--	--	7,573,068.22
Production lines and equipment under installation and commissioning	—	353,665,522.78	588,759,435.96	654,219,833.15	--	288,205,125.59

Name of projects	Amount of Budget (RMB ten thousand)	Balance at the end of last year	Increased amount in current period	Current transfer in of fixed assets	Other current reductions	Closing balance
Software and systems under installation and commissioning	—	17,367,111.09	30,124,824.53	--	39,156,932.05	8,335,003.57
Subtotal	—	376,097,813.42	627,116,522.91	658,899,696.04	39,156,932.05	305,157,708.24

(Continued)

Project name	Proportion of cumulative engineering investment to budget (%)	Engineering progress	The accumulated amount of interest capitalization	Of which: Amount of interest capitalization in the current period	Interest capitalization rate in the current period (%)	Source of funds
Company Xinan Branch No.1 Workshop Renovation Project	100%	Completed	--	--	--	Own capital
Land Plot 103 Phase 6 Project	100%	Completed	--	--	--	Own capital
Hydrogen Energy Industrial Park construction project	0.19%	Completion of design plan	--	--	--	Own capital
Weifu (Huishan) Intelligent Industrial Park Phase II	2.80%	Engineering early stage	--	--	--	Own capital
Production lines and equipment under installation and commissioning	--	--	--	--	--	Own capital
Software and systems under installation and commissioning	--	--	--	--	--	Own capital
Subtotal	--	--	--	--	--	--

Impairment reserve of construction in progress accrued in the current period

Items	Opening balance	Provision in the current period	Decrease in current period	Converted difference in foreign currency statements	Closing balance
Equipments installation	184,615.38	36,839,003.67	--	-600,951.75	36,422,667.30
Total	184,615.38	36,839,003.67	--	-600,951.75	36,422,667.30

17. Right-of-use assets

Items	Houses and buildings	Machinery equipment	Total
XVII. Original book value			
1. Balance at the end of last year	83,289,566.04	27,897,838.84	111,187,404.88
2. Increased amount this year	64,713,247.53	1,281,886.44	65,995,133.97
(1) Rental increase	64,713,247.53	1,281,886.44	65,995,133.97
3. Decreased amount this year	8,168,774.25	533,943.57	8,702,717.82
(1) Upon maturity or disposal	8,168,774.25	533,943.57	8,702,717.82
4. Converted difference in foreign currency statements	3,973,130.31	2,040,399.00	6,013,529.31
5. Closing balance	143,807,169.63	30,686,180.71	174,493,350.34
XVIII. Cumulative depreciation			
1. Balance at the end of last year	29,728,433.95	13,693,528.56	43,421,962.51
2. Increased amount this year	28,226,492.74	6,979,626.27	35,206,119.01
(1) Provision	28,226,492.74	6,979,626.27	35,206,119.01
3. Decreased amount this year	7,391,319.51	278,955.08	7,670,274.59
(1) Upon maturity or disposal	7,391,319.51	278,955.08	7,670,274.59
4. Converted difference in foreign currency statements	711,126.17	1,208,944.06	1,920,070.23
5. Balance at the end of the year	51,274,733.35	21,603,143.81	72,877,877.16
XIX. Provisions for impairment			

Items	Houses and buildings	Machinery equipment	Total
1. Balance at the end of last year	--	--	--
2. Increased amount this year	3,609,952.82	--	3,609,952.82
(1) Provision	3,609,952.82	--	3,609,952.82
3. Decreased amount this year	--	--	--
4. Converted difference in foreign currency statements	59,954.92	--	59,954.92
5. Balance at the end of the year	3,669,907.74	--	3,669,907.74
XX. Book value			
1. Book value at the end of the year	88,862,528.54	9,083,036.90	97,945,565.44
2. Book value at the end of last year	53,561,132.09	14,204,310.28	67,765,442.37

18. Intangible assets

(1) Intangible assets

Items	Land use right	Computer software	Trademark and trademark license use right	Patented and non-patented technology	Total
XXI. Original book value					
1. Balance at the end of last year	419,260,133.17	241,798,650.13	41,597,126.47	255,390,917.74	958,046,827.51
2. Increased amount in current period	14,337,536.79	39,542,492.36	--	--	53,880,029.15
(1) Purchase	14,337,536.79	385,560.31	--	--	14,723,097.10
(2) Transfer of construction in progress	--	39,156,932.05	--	--	39,156,932.05
3. Decreased amount in current period	977,558.40	2,797,687.01	--	3,539,793.05	7,315,038.46
(1) Disposal or scraping	977,558.40	2,390,607.36	--	3,539,793.05	6,907,958.81
(2) Others	--	407,079.65	--	--	407,079.65
4. Conversion of foreign currency statement	--	1,678,522.84	--	20,592,935.52	22,271,458.36
5. Closing balance	432,623,934.75	280,218,155.13	41,597,126.47	272,444,060.21	1,026,883,276.56
XXII. Accumulated amortization					
1. Balance at the end of last year	121,763,326.96	201,212,782.11	9,709,000.00	127,725,716.90	460,410,825.97
2. Increased amount in current period	9,148,502.24	32,743,464.43	--	22,315,214.61	64,207,181.28
(1) Provision	9,148,502.24	32,743,464.43	--	22,315,214.61	64,207,181.28
3. Decreased amount in current period	806,462.41	1,862,687.81	--	3,539,793.05	6,208,943.27
(1) Disposal or scraping	806,462.41	1,760,917.90	--	3,539,793.05	6,107,173.36
(2) Others	--	101,769.91	--	--	101,769.91
4. Conversion of foreign currency statement	--	1,400,370.36	--	11,031,070.88	12,431,441.24
5. Closing balance	130,143,106.85	233,456,189.03	9,709,000.00	157,532,209.34	530,840,505.22
XXIII. Provisions for impairment					
1. Balance at the end of last year	--	448,292.66	16,646,900.00	--	17,095,192.66
2. Increased amount in current period	--	--	--	--	--
3. Decreased amount in current period	--	--	--	--	--
4. Conversion of foreign currency statement	--	42,283.08	--	--	42,283.08

Items	Land use right	Computer software	Trademark and trademark license use right	Patented and non-patented technology	Total
5. Closing balance	--	490,575.74	16,646,900.00	--	17,137,475.74
XXIV. Book value					
1. Period-end book value	302,480,827.90	46,271,390.36	15,241,226.47	114,911,850.87	478,905,295.60
2. Book value at the end of last year	297,496,806.21	40,137,575.36	15,241,226.47	127,665,200.84	480,540,808.88

19. Goodwill

(1) Goodwill book value

Matters generating goodwill	Balance at the end of last year	Increase in current period	Decrease in current period	Conversion of foreign currency statement	Closing balance
		Enterprise merger	Disposal		
Consolidated with Weifu Tianli	1,784,086.79	--	--	--	1,784,086.79
Consolidated with Borit	238,284,918.92	--	--	22,070,419.90	260,355,338.82
Total	240,069,005.71	--	--	22,070,419.90	262,139,425.61

(2) Provision for goodwill impairment

Matters generating goodwill	Balance at the end of last year	Increase in current period	Decrease in current period	Conversion of foreign currency statement	Closing balance
		Provision	Disposal		
Consolidated with Weifu Tianli	--	--	--	--	--
Consolidated with Borit	207,463,687.49	33,125,793.96	--	19,765,857.37	260,355,338.82
Total	207,463,687.49	33,125,793.96	--	19,765,857.37	260,355,338.82

(3) Relevant information on asset group or asset group portfolio where the goodwill exists

Name	Asset group or portfolio composition and basis	Operating division and basis	Whether consistent with previous years
Weifu Tianli	Long-term assets concerning the consolidated Weifu Tianli goodwill; the management clarified such asset group to be used and operated independent of other assets, and to generate cash inflow independently	Automotive Intake System Product Division; asset group output product category	Yes
Borit	Long-term assets concerning the consolidated Borit goodwill; the management clarified such asset group to be used and operated independent of other assets, and to generate cash inflow independently	Other automotive parts divisions; asset group output product category	Yes

(4) Specific method of determining recoverable amount

The company estimates the recoverable amount of asset group with impairment signs according to the higher of the net amount of its fair value minus disposal expense and the present value of expected future net cash flow; regarding the asset group without impairment signs, the company determines the recoverable amount of this asset group by the present value of the expected future net cash flow of such asset group.

Weifu Tianli: Determine its recoverable amount according to the present value of expected future cash flow

Items	Book value of asset group including goodwill	Recoverable amount	Impairment amount	Year limit of the forecast period	Key parameters of the forecast period	Key parameters of stable period	Basis for determining key parameters of stable period
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Weifu Tianli	199,231,916.97	777,560,811.19	—	5 years	Income growth rate: 2%-38%; profit margin: 6%-7%; discount rate 10.14%	Income growth rate 0%, profit margin 6.49%, discount rate 10.14%	Considering prudence, the income growth during the stable period was 0%
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Borit: Determine the recoverable amount according to the net amount of fair value minus disposal expense

Items	Book value of asset group including goodwill	Recoverable amount	Impairment amount	Method of determining fair value and disposal expense	Key parameters	Basis for determining key parameters
Borit	170,848,710.18	136,709,454.69	33,125,793.96	Market approach	Enterprise value/sales income	Comparable company average

Descriptions: The company calculated the recoverable amount of this asset group, with reference to the appraisal result of Hu Jia Appraisal Report (2026) No.0095 Asset Appraisal Report of Wuxi Weifu High-Technology Group Co., Ltd. on the Recoverable Amount of Goodwill-related Asset Group Arising from Weifu Holding ApS Acquisition of Borit NV Concerning Goodwill Impairment Test for the Purpose of Financial Reporting issued by Shanghai Jiace Asset Appraisal Co., Ltd. According to the impairment test results, the company has made provision for impairment reserve of RMB 33,125,793.96 to the goodwill associated with the asset group in the current period.

(5) Performance commitment completion and corresponding impairment of goodwill

Inapplicable.

20. Long-term deferred expense

Items	Balance at the end of last year	Increase in current period	Current amortization	Conversion of foreign currency statement	Other decrease	Closing balance
Decoration expense, etc.	22,202,465.04	49,728,058.21	11,178,248.90	2,129,430.87	5,484,764.62	57,396,940.60
Total	22,202,465.04	49,728,058.21	11,178,248.90	2,129,430.87	5,484,764.62	57,396,940.60

Descriptions: Other reductions were the provision for impairment reserve.

21. Deferred income tax assets/deferred income tax liabilities

(1) Non-offset deferred income tax asset details

Items	Closing balance		Balance at the end of last year	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Bad debt reserve	44,152,193.79	6,905,968.05	41,797,429.02	6,435,174.40
Inventory falling price reserves	213,603,028.75	33,540,830.32	236,847,793.55	36,125,249.29
Fixed asset impairment reserve	95,191,249.93	16,607,584.61	96,998,034.32	17,014,413.73
Impairment reserve of construction in progress	184,615.38	27,692.31	184,615.38	27,692.31
Provisions for intangible asset impairment	16,646,900.00	2,497,035.00	16,646,900.00	2,497,035.00
Deferred incomes	116,439,925.84	17,563,299.19	149,757,581.67	22,633,752.36
Internal unrealized profits	71,547,412.32	13,192,513.91	65,395,598.24	13,015,777.61

Items	Closing balance		Balance at the end of last year	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Wage payable, accrued expense, etc.	954,373,383.21	149,574,911.28	917,718,552.00	145,328,224.99
Asset depreciation, amortization difference	24,717,114.06	3,711,115.68	23,208,041.96	3,527,337.81
Deductible loss amount	1,231,507,412.99	188,106,484.27	1,168,677,565.93	175,301,634.90
Impairment reserve of other non-current assets	146,615,749.63	21,992,362.44	146,615,749.63	21,992,362.44
Lease liabilities	77,754,490.02	16,628,519.52	61,461,573.00	14,237,201.65
Fluctuation of fair value	40,671,644.15	6,100,746.63	30,550,763.25	4,582,614.49
Total	3,033,405,120.07	476,449,063.21	2,955,860,197.95	462,718,470.98

(2) Details of non-offset deferred tax liabilities

Items	Closing balance		Balance at the end of last year	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Difference in fair value of consolidated Weifu Tianli assets under different control and taxation basis	8,788,973.20	1,318,345.98	9,256,736.95	1,388,510.52
Difference in fair value of consolidated IRD assets under different control and taxation basis	35,509,947.59	7,812,188.47	42,249,682.78	9,294,930.21
Difference in fair value of consolidated Borit assets under different control and taxation basis	13,838,768.77	3,459,692.13	15,512,362.69	3,878,090.60
Difference in fair value of consolidated VH business assets under different control and taxation basis	44,901,017.14	10,776,244.06	42,200,640.32	10,128,153.65
Fluctuation of fair value	44,731,787.81	7,018,986.57	823,158.14	123,473.72
Accelerated depreciation of fixed assets	870,317,608.44	135,932,828.36	844,054,613.82	131,777,556.75
Right-of-use assets	76,082,085.49	16,266,866.76	62,433,477.96	13,999,594.04
Others	64,198,291.94	10,983,558.81	83,354,236.41	13,578,003.30
Total	1,158,368,480.38	193,568,711.14	1,099,884,909.07	184,168,312.79

(3) Deferred income tax assets or liabilities presented by net amount after offsetting

Items	Mutually offset amount of deferred income tax assets and liabilities at the end of period	Closing balance of deferred income tax assets or liabilities after offsetting	Offset amount of deferred income tax assets and liabilities at the end of last year	Balance of deferred income tax assets or liabilities at the end of last year after offsetting
Deferred income tax assets	166,550,052.70	309,899,010.51	159,298,304.33	303,420,166.65
Deferred income tax liabilities	166,550,052.70	27,018,658.45	159,298,304.33	24,870,008.46

(4) Unrecognized deferred income tax assets

Items	Closing balance	Balance at the end of last year
Bad debt reserve	1,988,739,197.71	1,649,563,010.58
Inventory falling price reserves	49,661,555.47	37,424,287.75
Subsidiary loss amount	1,350,265,857.24	923,958,282.87
Provisions for long-term equity investment impairment	147,863,703.22	8,223,048.38
Fixed asset impairment reserve	126,452,464.28	105,358,787.68
Impairment reserve of construction in progress	36,238,051.92	--
Provisions for intangible asset impairment	490,575.74	448,292.66
Fair value changes of other equity instrument investments	12,600,000.00	13,600,000.00
Impairment reserve of other non-current assets	122,887,023.61	--
Wage payable, accrued expense, etc.	42,545,482.35	49,304,003.51

Items	Closing balance	Balance at the end of last year
Total	3,877,743,911.54	2,787,879,713.43

Other descriptions: Due to the uncertainty about whether the loss-making subsidiary can obtain sufficient taxable income in the future, the deferred income tax assets are not recognized.

(5) The deductible losses of unrecognized deferred income tax assets will expire in the following years

Year	Closing balance	Balance at the end of last year
2025 years	--	7,635,552.89
2026 years	33,144,849.80	46,267,496.16
2027 years	54,686,831.09	90,932,850.34
2028 years	78,303,845.07	104,023,377.77
2029 years	99,939,854.63	119,116,583.00
2030 and thereafter	344,928,798.27	--
No expiration date [Note]	739,261,678.38	555,982,422.71
Total	1,350,265,857.24	923,958,282.87

Note: Those with no expiration date in the deductible losses are operating losses incurred by overseas subsidiaries of the company, and operating losses can be compensated infinitely in accordance with the tax policy in the locality where overseas subsidiaries operate.

22. Other non-current assets

Items	Closing balance	Balance at the end of last year
Prepaid engineering and equipment fund	192,938,074.50	186,322,984.79
Contract acquisition cost with amortization period of more than one year at the time of initial recognition	3,625,624.88	4,330,621.43
Contract performance cost with amortization period of more than one year at the time of initial recognition	40,362,622.75	--
Large certificate of deposit due over one year	20,769,315.07	689,071,260.28
Finance products	146,615,749.63	160,163,280.47
Subtotal	404,311,386.83	1,039,888,146.97
Less: Impairment reserve of other non-current assets	155,072,072.78	146,615,749.63
Total	249,239,314.05	893,272,397.34

23. Assets with limited ownership or right of use

Items	Period-end book value	Limited type	Restricted case
Monetary fund	20,188,696.29	Deposit	Security deposit paid for issuing bank acceptance bills
Monetary fund	8,291,872.97	Deposit	IRD performance bond
Monetary fund	273,032.92	Deposit	Guarantee deposit for letter of guarantee
Monetary fund	152.85	Deposit	Mastercard security deposit
Monetary fund	60,412,602.74	Deposit	Security deposit for obtaining bank loan pledge and interest
Accounts receivable	10,000,000.00	Pledge	Accounts receivable pledge financing
Receivables financing	408,648,804.25	Pledge	Notes pledged for issuing bank acceptance bills
Trading financial assets	10,150,000.00	Freeze	Funds were frozen by the court due to litigation. The frozen funds are held in a corporate structured deposit account opened by the company with a bank. The principal balance of this deposit account is RMB 100 million, of which RMB 10.15 million is restricted as a result of the freeze.
Total	517,965,162.02	—	—

24. Short-term borrowings**(1) Short-term loan classification**

Items	Closing balance	Balance at the end of last year
Credit loan	504,667,506.68	392,800,433.57
Pledge borrowings	59,426,508.10	--
Interest payable	669,795.45	319,714.38
Total	564,763,810.23	393,120,147.95

25. Bills payable

Category	Closing balance	Balance at the end of last year
Bank acceptance bill	1,913,336,503.36	2,014,217,247.05
Total	1,913,336,503.36	2,014,217,247.05

26. Accounts payable**(1) List of payables**

Items	Closing balance	Balance at the end of last year
Operational accounts payable for purchasing goods or labor services	4,195,992,940.45	3,661,507,490.23
Engineering and equipment funds payable	179,884,154.40	238,437,702.05
Total	4,375,877,094.85	3,899,945,192.28

(2) Major payables aged over 1 year

No.

27. Advance receipt

Items	Closing balance	Balance at the end of last year
Advance receipt of rental fee	4,013,931.36	2,652,511.04
Total	4,013,931.36	2,652,511.04

28. Contract liabilities**(1) Contract liability**

Items	Closing balance	Balance at the end of last year
Advance receipt of cargo funds	63,010,303.58	56,148,545.13
Total	63,010,303.58	56,148,545.13

(2) Important contractual liabilities aging more than 1 year

No.

29. Payroll payable**(1) Staff remuneration payables**

Items	Balance at the end of last year	Increase in current period	Decrease in current period	Closing balance
XXV. Short-term remuneration	286,170,405.86	1,540,056,720.42	1,524,576,419.43	301,650,706.85

Items	Balance at the end of last year	Increase in current period	Decrease in current period	Closing balance
XXVI. Post-employment welfare defined benefit plan	28,540,420.13	225,331,805.12	239,220,866.44	14,651,358.81
XXVII. Dismissal benefits	1,023,380.23	10,676,964.45	1,920,559.41	9,779,785.27
XXVIII. Incentive fund paid within one year	67,660,000.00	--	47,660,000.00	20,000,000.00
XXIX. Other short-term benefits—housing subsidy, employee reward and welfare fund	21,883,842.70	--	3,709,523.94	18,174,318.76
Total	405,278,048.92	1,776,065,489.99	1,817,087,369.22	364,256,169.69

Description of dismissal benefit: Dismissal benefit was the employee remuneration payable arising from the company internal employee retirement plan, and the amount forecast to be paid in the next year was presented under this subject.

(2) Short-term remuneration

Items	Balance at the end of last year	Increase in current period	Decrease in current period	Closing balance
XXX. Salaries, bonuses, allowances and subsidies	270,773,275.35	1,250,498,320.54	1,235,220,924.10	286,050,671.79
XXXI. Staff welfare expenses	--	86,833,609.47	86,833,609.47	--
XXXII. Social insurance charges	312,450.03	74,412,227.88	74,386,438.15	338,239.76
Of which: Medical insurance premium	231,732.98	60,013,189.83	59,986,887.57	258,035.24
Injury insurance premium	71,875.47	8,040,824.14	8,042,697.69	70,001.92
Maternity insurance premium	8,841.58	6,358,213.91	6,356,852.89	10,202.60
XXXIII. Housing fund	778,913.00	92,053,908.66	92,006,965.66	825,856.00
XXXIV. Labor union fund & employee education fund	9,551,179.06	19,202,042.19	18,823,919.98	9,929,301.27
XXXV. Other short-term remuneration - social security	4,754,588.42	17,056,611.68	17,304,562.07	4,506,638.03
Total	286,170,405.86	1,540,056,720.42	1,524,576,419.43	301,650,706.85

(3) Setting up withdrawing and deposit plan

Items	Balance at the end of last year	Increase in current period	Decrease in current period	Closing balance
1. Basic pension insurance premium	8,666,008.76	183,799,310.18	183,508,369.52	8,956,949.42
2. Unemployment insurance premium	20,356.56	5,014,837.98	4,990,591.39	44,603.15
3. Enterprise annuity payment	19,854,054.81	36,517,656.96	50,721,905.53	5,649,806.24
Total	28,540,420.13	225,331,805.12	239,220,866.44	14,651,358.81

Description of post-employment benefit - defined contribution plan:

The company joins in the pension and unemployment insurance programs established by government agencies in accordance with regulations, and according to these programs, the company deposits expense to such programs according to a certain percentage of social insurance premium base specified by the government every month. Except for the above monthly payment, the company will no longer hold any further payment obligations. All the related expenses shall be included into current profit or loss or the costs of related assets when occurs. For the enterprise annuity plan, refer to the Note XV, 4 “Annuity plan”.

30. Taxes payable

Items	Closing balance	Balance at the end of last year
Value added tax	23,728,130.97	17,962,320.77

Items	Closing balance	Balance at the end of last year
Enterprise income tax	26,338,033.58	15,110,401.06
Urban maintenance and construction tax	1,556,316.59	1,103,941.58
Education surcharge	1,146,327.89	798,036.26
Housing property tax	7,056,699.71	6,355,132.42
Land use tax	1,408,216.46	1,556,476.60
Individual income tax	6,766,820.73	6,198,892.34
Stamp duty	2,887,888.46	2,469,983.52
Others	366,601.08	155,033.86
Total	71,255,035.47	51,710,218.41

31. Other payables

Items	Closing balance	Balance at the end of last year
Interest payable	--	--
Dividends payable	2,937,600.00	--
Other payables	62,369,120.22	44,547,794.12
Total	65,306,720.22	44,547,794.12

(1) Dividends payable

Items	Closing balance	Balance at the end of last year
Subsidiary's dividends payable	2,937,600.00	--
Total	2,937,600.00	--

(2) Other payables

Presented by fund nature

Items	Closing balance	Balance at the end of last year
Deposit and margin	31,307,210.21	13,909,942.25
Withheld social insurance and housing provident fund, etc.	2,707,549.19	1,301,468.22
Corporate current accounts	23,526,000.00	23,526,000.00
Others	4,828,360.82	5,810,383.65
Total	62,369,120.22	44,547,794.12

Major other payables aged over 1 year

Items	Closing balance	Reasons for outstanding or not carrying over
Ningbo Jiangbei High-tech Industrial Park Development and Construction Co., Ltd.	19,026,000.00	The conditions for carrying forward not met

32. Non-current liabilities due within 1 year

Items	Closing balance	Balance at the end of last year
Long-term borrowings due within 1 year (Note V, 34)	100,104,542.78	200,010,680.56
Lease liabilities due within 1 year (Note V, 36)	30,052,680.37	20,693,207.97
Total	130,157,223.15	220,703,888.53

33. Other current liabilities

Items	Closing balance	Balance at the end of last year
Rebate payable	231,984,909.31	282,435,925.87
Tax to be output	7,722,417.64	2,950,311.81
Commercial acceptance bill endorsed and undue	6,228,142.15	--

Items	Closing balance	Balance at the end of last year
Total	245,935,469.10	285,386,237.68

34. Long-term borrowing

Items	Closing balance	Balance at the end of last year
Credit loan	187,404,542.78	300,010,680.56
Less: Long-term borrowings due within one year	100,104,542.78	200,010,680.56
Total	87,300,000.00	100,000,000.00

35. Bonds payable

(1) Bonds payable

Items	Closing balance	Balance at the end of last year
Bonds payable	500,624,657.53	--
Total	500,624,657.53	--

(2) Increase and decrease of bond payable

Bond name	Face value	Coupon rate	Issue date	Bond maturity	Issue amount	Balance at the end of last year
25 Weifu K1	500,000,000.00	1.90%	2025/12/8	3 years	500,000,000.00	--
Total	500,000,000.00	--	--	--	500,000,000.00	--

(Continued)

Bond name	Issue in current period	Accrued interest at face value	Premium discount amortization	Repayment in the current period	Closing balance
25 Weifu K1	500,000,000.00	624,657.53	--	--	500,624,657.53
Total	500,000,000.00	624,657.53	--	--	500,624,657.53

Descriptions: On 21 October 2025, the company received Reply on Agreeing to the Registration of Technological Innovation Company Bonds Publicly Issued by Wuxi Weifu High-Technology Group Co., Ltd. to Professional Investors (CSRC License [2025] No.2321) from the China Securities Regulatory Commission, agreeing to the registration application of Technological Innovation Company Bonds with a total face value of no more than RMB 3 billion publicly issued by the company to professional investors. The company publicly issued the first batch of Technological Innovation Company Bonds with a face value of RMB 500 million (specifically used for 465 modern industrial cluster) to professional investors on 8 December 2025, raised funds of RMB 500 million, with a bond term of 3 years and a coupon rate of 1.90%.

36. Lease liabilities

Items	Closing balance	Balance at the end of last year
Lease payment amount	110,509,867.86	73,534,246.81
Unrecognized financing expense	-7,083,414.26	-5,524,522.36
Less: Leasing liabilities due within one year	30,052,680.37	20,693,207.97
Total	73,373,773.23	47,316,516.48

37. Long-term accounts payable

Items	Closing balance	Balance at the end of last year
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Items	Closing balance	Balance at the end of last year
Long-term accounts payable	7,780,000.00	8,740,000.00
Special accounts payable	--	18,265,082.11
Total	7,780,000.00	27,005,082.11

(1) Long-term accounts payable

Items	Items	Closing balance	Balance at the end of last year
Nanjing Finance Bureau High-tech Branch (Note ①)	Financial support funds (2010)	--	960,000.00
Nanjing Finance Bureau High-tech Branch (Note ②)	Financial support funds (2011)	5,040,000.00	5,040,000.00
Nanjing Finance Bureau High-tech Branch (Note ③)	Financial support funds (2013)	2,740,000.00	2,740,000.00
Total	--	7,780,000.00	8,740,000.00

Notes:

Note ①: Financial support funds are the support funds provided by Nanjing Finance Bureau High-tech Branch to encourage Weifu Jinning to settle in Nanjing High-tech Industrial Development Zone, with a period from 27 December 2010 to 27 December 2025. If the operating period in the zone is less than 15 years, the financial support funds must be refunded.

Note ②: Financial support funds are the support funds provided by Nanjing Finance Bureau High-tech Branch to encourage Weifu Jinning to settle in Nanjing High-tech Industrial Development Zone, with a period from 28 December 2011 to 28 December 2026. If the operating period in the zone is less than 15 years, the financial support funds must be refunded.

Note ③: Financial support funds are the support funds provided by Nanjing Finance Bureau High-tech Branch to encourage Weifu Jinning to settle in Nanjing High-tech Industrial Development Zone, with a period from 18 December 2013 to 18 December 2028. If the operating period in the zone is less than 15 years, the financial support funds must be refunded.

(2) Special accounts payable

Items	Balance at the end of last year	Increase in current period	Decrease in current period	Closing balance	Cause of formation
Weifu Jinning demolition compensation funds	18,265,082.11	--	18,265,082.11	--	See the description
Total	18,265,082.11	--	18,265,082.11	--	

Descriptions: According to the Housing Expropriation Decision of Nanjing Xuanwu District People's Government Ning Xuan Government Expropriation (2012) No.001, in order to implement the Ming Dynasty City Wall Environmental Comprehensive Improvement Project, partial lands and real estates of Weifu Jinning must be expropriated. According to the State-owned Land House Expropriation and Compensation Agreement signed between Weifu Jinning and Nanjing Xuanwu District Housing Expropriation Management Office, the total compensation was RMB 19,706,700, including the lessee's operating losses and more totaling RMB 1,441,600. The above funds were received in the early stage, and the lessee's losses were compensated. As of the end of 2025, the above lands and real estates had been transferred.

38. Long-term employee remuneration payable**(1) Long-term payable employee payroll**

Items	Closing balance	Balance at the end of last year
XXXVI. Post-employment welfare - defined benefit plan net liabilities	18,028,501.68	19,879,635.58
XXXVII. Dismissal benefits	7,606,269.58	11,027,155.79
XXXVIII. Other long-term benefits - incentive fund	78,319,699.51	100,872,070.31
Less: Incentive fund paid within one year	23,500,000.00	85,660,000.00
Other long-term benefits - incentive fund balance	54,819,699.51	15,212,070.31
Total	80,454,470.77	46,118,861.68

(2) Defined benefit plan changes

Present value of the defined benefit plan obligations

Items	The current period	Same period last year
XXXIX. Balance at the end of last year	19,879,635.58	21,238,891.62
XL. Defined benefit cost included in current period (year) profits and losses	645,658.20	652,062.46
1. Service cost in the current period (year)	645,658.20	652,062.46
XLI. Defined benefit cost recorded into other comprehensive incomes	-413,276.52	-135,700.88
1. Actuarial gains (losses marked with "-")	-413,276.52	-135,700.88
XLII. Other changes	-2,083,515.58	-1,875,617.62
1. Paid welfare	-3,893,574.84	-985,295.66
2. Converted difference in foreign currency statements	1,810,059.26	-890,321.96
XLIII. Balance at the end of period (year)	18,028,501.68	19,879,635.58

Other notes: Retirement allowance system shall be established in accordance with relevant Italian regulations (Trattamento di Fine Rapporto, short for TFR, namely employee severance pay). VHIO must make provision for the employee retirement allowance according to employees' employment period and taxable base salary, and pay it to employees after they depart the job or are dismissed. In this plan, future cash outflow is forecast by inflation rate, and the present value is determined by the discount rate. The above defined benefit plan brings actuarial risks to VHIO, mainly including interest rate risk and inflation risk. The interest rate reduction will cause an increase in the present value of defined benefit plan obligation. Furthermore, the present value of defined benefit plan obligation is related to the planned future payment standard, and the payment standard is determined according to the inflation rate. Therefore, rising inflation rate will also lead to increase in the planned liabilities.

39. Estimated liabilities

Items	Closing balance	Balance at the end of last year
Product quality assurance	104,609,340.95	121,072,840.23
Environmental protection commitments	315,420.20	288,233.90
Pending disputes and lawsuits	530,742.49	508,477.63
Total	105,455,503.64	121,869,551.76

40. Deferred incomes

Items	Balance at the end of last year	Increase in current period	Decrease in current period	Conversion of foreign currency statement	Closing balance
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Items	Balance at the end of last year	Increase in current period	Decrease in current period	Conversion of foreign currency statement	Closing balance
Government subsidies	151,419,335.74	22,314,064.57	45,116,021.66	324,642.49	128,942,021.14
Total	151,419,335.74	22,314,064.57	45,116,021.66	324,642.49	128,942,021.14

Among them, project involving government subsidy:

Subsidy item	Balance at the end of last year	Amount of subsidies added in current period	Amount recorded in other incomes in current period	Conversion of foreign currency statement	Closing balance	Related to assets / incomes
Diesel Engine-based Distributed High-pressure Common Rail System R&D Capability & Production Line Technology Reform Project	3,973,394.44	--	781,651.38	--	3,191,743.06	Assets concerned
Automobile Diesel Engine Common Rail System High-pressure Variable Pump R&D & Industrialization Project	688,639.41	--	685,275.89	--	3,363.52	Assets concerned
Industrial Upgrading Fund (2014)	33,722,041.39	--	11,006,608.67	--	22,715,432.72	Revenue concerned
Compensation for newly-built assets after relocation of parent company	26,199,457.92	--	15,043,256.69	--	11,156,201.23	Assets concerned
Industrial Upgrading Fund (2016)	40,000,000.00	--	--	--	40,000,000.00	Revenue concerned
National High-tech Management Committee technology reform guidance funds	1,354,537.03	--	1,113,873.64	--	240,663.39	Assets concerned
Diesel engine variable cross-section turbocharger implementation program	1,624,110.44	--	944,989.46	--	679,120.98	Assets concerned
2020 municipal technology reform fund project funding	2,295,544.70	--	605,316.80	--	1,690,227.90	Assets concerned
Strategic cooperation agreement funds of key intelligent manufacturers in High-tech Zone	1,708,305.34	--	374,518.91	--	1,333,786.43	Assets concerned
High-performance vehicle proton exchange membrane fuel cell membrane electrode R&D and industrialization project	6,296,840.52	--	2,006,084.07	--	4,290,756.45	Assets concerned
2023 Wuxi industrial transformation and upgrading funds	8,114,753.86	--	1,010,230.51	--	7,104,523.35	Assets concerned
Project for Technology Reform and Capacity Optimization of Turbochargers with Annual Output of 150,000 Units	1,472,238.25	--	203,881.14	--	1,268,357.11	Assets concerned

Subsidy item	Balance at the end of last year	Amount of subsidies added in current period	Amount recorded in other incomes in current period	Conversion of foreign currency statement	Closing balance	Related to assets / incomes
High-durability Dynamic Seal Development Machine Application Project	1,530,000.00	--		--	1,530,000.00	Assets concerned
2022 Project of Equipment Input at Small Test Stage of Hydrogen Fuel Cell Parts	582,043.36	--	138,180.83		443,862.53	Assets concerned
Intelligent construction - motor shaft expansion project	--	1,990,000.00	274,369.20	--	1,715,630.80	Assets concerned
Low-platinum high-environment adaptability hydrogen fuel cell system R&D project	--	1,560,000.00	--	--	1,560,000.00	Assets concerned
Systematic technical research on hybrid gasoline engines for China VII emission standard	--	1,500,000.00	--	--	1,500,000.00	Assets concerned
“Industries 4.0 grants” (Industrial 4.0 subsidy or funding)	--	13,659,112.90	2,709,746.38	239,427.72	11,188,794.24	Assets concerned
Other projects	21,857,429.08	3,604,951.67	8,218,038.09	85,214.77	17,329,557.43	Related to assets / incomes
Total	151,419,335.74	22,314,064.57	45,116,021.66	324,642.49	128,942,021.14	—

41. Share capital

Items	Balance at the end of last year	Increase or decrease in current period (+, -)					Closing balance
		New shares issued	Shares given for free	Share conversion of provident fund	Others-cancellation	Subtotal	
Total number of shares	996,986,293	--	--	--	-30,200,600	-30,200,600	966,785,693

Note: The share capital reduction in the current period was caused by company repurchased share cancellation of 30,200,600 shares.

42. Capital reserve

Items	Balance at the end of last year	Increase in current period	Decrease in current period	Closing balance
Capital stock premium	3,158,553,526.22	326,423.50	539,526,820.24	2,619,353,129.48
Other capital reserves	105,095,575.22	2,010,518.00	39,955,086.44	67,151,006.78
Total	3,263,649,101.44	2,336,941.50	579,481,906.68	2,686,504,136.26

Note: (1) The share capital premium increased by RMB 326,423.50 in the current period, caused by the premium capital contribution of subsidiary minority shareholders; the reduction of RMB 539,526,820.24 in the current period was caused by company repurchased share cancellation of 30,200,600 shares.

(2) Other capital reserve increase of RMB 2,010,518.00 in the current period was the amount enjoyed by the

company as per the shareholding ratio due to other equity changes of associated enterprises; other capital reserves decreased in the current period included other capital reserves of RMB 39,945,647.02 corresponding to the equity of Autolink transferred out, and the handling fee paid for repurchased shares of RMB 9,439.42.

43. Treasury stock

Items	Balance at the end of last year	Increase in current period	Decrease in current period	Closing balance
Share repurchase	469,722,092.24	100,005,328.00	569,727,420.24	--
Total	469,722,092.24	100,005,328.00	569,727,420.24	--

Note: The increase of RMB 100,005,328.00 in the current period was caused by 5,200,600 repurchased shares; the reduction of RMB 569,727,420.24 in the current period was caused by company repurchased share cancellation of 30,200,600 treasury shares.

44. Other comprehensive incomes

Items	End of last year Balance	Amount incurred in this period				Closing balance
		Amount incurred before income tax for the current period	Less: Income tax expenses	After-tax parent company's attributable share	After-tax minority shareholders' attributable share	
XLIV. Other comprehensive income that will be reclassified to profit or loss	-1,437,353.97	413,276.52	--	413,276.52	--	-1,024,077.45
Of which: Other comprehensive incomes unable to transfer to profits and losses under the equity method	16,008.80	--	--	--	--	16,008.80
Changes arising from re-measuring defined benefit plan	-1,453,362.77	413,276.52	--	413,276.52	--	-1,040,086.25
XLV. Other comprehensive income reclassified into profit and loss	11,569,759.36	111,852,416.71	--	111,852,416.71	--	123,422,176.07
Of which: Foreign currency financial statement translation difference	11,569,759.36	111,852,416.71	--	111,852,416.71	--	123,422,176.07
Total	10,132,405.39	112,265,693.23	--	112,265,693.23	--	122,398,098.62

45. Special reserve

Items	Balance at the end of last year	Provision in the current period	Used in this period	Closing balance
Safety production expense	6,257,090.28	30,637,084.80	28,274,540.91	8,619,634.17

Other notes:

(1) Description on the extraction of special reserve (safety production expense): According to Financial Assets [2022] No.136 Administrative Measures for Withdrawing and Using Enterprise Safety Production Expenses jointly issued by the Ministry of Finance and the Ministry of Emergency Management, in the current

period, the company shall determine the amount to be accrued for the current year by excess regressive, based on the last year's operating income, and withdraw on average on a monthly basis.

(2) The above safety production fee included the safety production fee accrued by the company in accordance with regulations and the part in subsidiary's safety production expense accrued as stipulated attributable to shareholders of the company.

46. Surplus reserve

Items	Balance at the end of last year	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	510,100,496.00	--	--	510,100,496.00

Note: Pursuant to provisions of the Company Law and articles of association, the company withdraws the statutory surplus reserve as per 10% of net profits. If the cumulative amount of statutory surplus reserve reaches more than 50% of the corporate registered capital, it shall no longer be withdrawn.

47. Undistributed profits

Items	The current period	Last period	Proportion of extraction or distribution
Undistributed profit at the end of the prior year before adjustment	15,523,124,882.77	15,054,950,398.12	--
Adjustment of total undistributed profits at the end of last year (increase +, decrease -)			--
Adjusted undistributed profits at the end of last year	15,523,124,882.77	15,054,950,398.12	--
Add: Net profit attributable to shareholders of parent company in current period	1,068,167,498.05	1,659,533,740.63	--
Others	1,004,237.29	--	--
Less: Withdrawal of statutory surplus reserve		--	--
Less: Withdrawal of staff bonus and welfare funds	--	5,535,978.52	--
Cash dividends payable	969,152,063.00	1,185,823,277.46	RMB 10/10 shares this year, RMB 12.2/10 shares last year
Undistributed profits at the end of period	15,623,144,555.11	15,523,124,882.77	

48. Operating incomes and operating costs

(1) Operating income and operating cost

Items	Current amount		Previous amount	
	Income	Cost	Income	Cost
Main business	11,873,975,422.18	9,899,708,804.88	11,010,590,101.39	9,083,542,710.99
Other businesses	149,903,636.09	40,129,343.86	156,673,054.46	53,624,305.40
Total	12,023,879,058.27	9,939,838,148.74	11,167,263,155.85	9,137,167,016.39

(2) Operating income and operating cost decomposition information

Items	Energy conservation and emission reduction: Automotive Fuel Injection System Product Division		Energy conservation and emission reduction: Automotive After-treatment System Product Division	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Main business	4,913,386,776.49	3,920,096,418.96	3,671,578,714.98	3,146,612,888.30

Items	Energy conservation and emission reduction: Automotive Fuel Injection System Product Division		Energy conservation and emission reduction: Automotive After-treatment System Product Division	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Of which: Recognition at a certain point of time	4,913,386,776.49	3,920,096,418.96	3,671,578,714.98	3,146,612,888.30
Recognition at a certain period of time	--	--	--	--
Other businesses	100,032,453.43	20,502,908.49	31,027,726.39	14,888,045.97
Of which: Recognition at a certain point of time	76,716,521.79	17,979,763.49	28,958,646.70	14,198,328.19
Recognition at a certain period of time	--	--	--	--
Rental income	23,315,931.64	2,523,145.00	2,069,079.69	689,717.78
Total	5,013,419,229.92	3,940,599,327.45	3,702,606,441.37	3,161,500,934.27

(Continued)

Items	Energy conservation and emission reduction: Intake System Product Division		Intelligent Electric Product Division	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Main business	1,061,023,325.54	844,205,344.54	2,142,422,632.33	1,860,011,218.94
Of which: Recognition at a certain point of time	1,061,023,325.54	844,205,344.54	2,142,422,632.33	1,860,011,218.94
Recognition at a certain period of time	--	--	--	--
Other businesses	9,544,264.80	819,097.20	9,280,997.87	3,916,195.20
Of which: Recognition at a certain point of time	8,099,243.67	566,729.47	9,280,997.87	3,916,195.20
Recognition at a certain period of time	--	--	--	--
Rental income	1,445,021.13	252,367.73	--	--
Total	1,070,567,590.34	845,024,441.74	2,151,703,630.20	1,863,927,414.14

(Continued)

Items	Green Hydrogen Energy Product Division		Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Main business	85,563,972.84	128,782,934.14	11,873,975,422.18	9,899,708,804.88
Of which: Recognition at a certain point of time	85,563,972.84	128,782,934.14	11,873,975,422.18	9,899,708,804.88
Recognition at a certain period of time	--	--	--	--
Other businesses	18,193.60	3,097.00	149,903,636.09	40,129,343.86
Of which: Recognition at a certain point of time	18,193.60	3,097.00	123,073,603.63	36,664,113.35
Recognition at a certain period of time	--	--	--	--
Rental income	--	--	26,830,032.46	3,465,230.51
Total	85,582,166.44	128,786,031.14	12,023,879,058.27	9,939,838,148.74

49. Taxes and surcharges

Items	Current amount	Previous amount
Urban maintenance and construction tax	14,581,136.84	13,049,328.17
Education surcharge	10,542,293.48	9,351,364.94
Housing property tax	25,297,533.91	21,451,633.02
Land use tax	5,191,297.54	5,804,975.69
Vehicle and vessel use tax	30,878.47	18,416.00

Items	Current amount	Previous amount
Stamp duty	9,419,461.23	8,374,396.39
Other taxes	1,607,386.37	1,649,642.74
Total	66,669,987.84	59,699,756.95

Notes: As for the payment standard of taxes and fees, please refer to Note IV, Tax Items.

50. Sales expenses

Items	Current amount	Previous amount
Wage and wage-related expense	99,745,132.59	89,134,548.13
Office material consumption and business travel expense	12,616,935.70	13,162,540.56
Warehouse expense	32,465,033.33	27,004,714.83
Business entertainment expenses	14,712,930.63	14,344,721.18
Others	45,319,976.17	29,648,076.13
Total	204,860,008.42	173,294,600.83

51. Management expenses

Items	Current amount	Previous amount
Wage and wage-related expense	395,848,807.39	366,182,391.60
Depreciation expense and long-term asset amortization	149,861,368.85	127,534,031.96
Office material consumption and business travel expense	35,370,421.09	29,148,557.96
Others	226,460,408.28	203,745,469.77
Total	807,541,005.61	726,610,451.29

52. R&D expenses

Items	Current amount	Previous amount
Technical development expense	695,553,391.89	690,258,974.54
Total	695,553,391.89	690,258,974.54

53. Financial expenses

Items	Current amount	Previous amount
Interest expense	22,596,287.74	25,385,434.57
Less: Interest income	51,524,160.25	101,699,691.65
Exchange gains and losses	-5,229,358.85	15,276,844.52
Handling fee expenditure, etc.	4,097,581.15	5,267,914.58
Total	-30,059,650.21	-55,769,497.98

54. Other revenues

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Government grants related to daily business activities	64,332,685.51	84,356,626.01	36,103,638.35
Offset amount of VAT input tax addition	79,064,682.97	101,017,699.02	--
Overseas subsidiary tax credit	1,287,655.08	9,439,082.70	1,287,655.08

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Refund of handling fee for withholding personal income tax	733,427.02	717,913.05	--
Total	145,418,450.58	195,531,320.78	37,391,293.43

Among them, government grants are as follows:

Subsidy item	Current amount	Previous amount	Related to assets/revenues
Compensation for depreciation/amortization of newly-built assets after relocation of parent company	15,043,256.69	18,626,888.11	Assets concerned
Automobile Diesel Engine Common Rail System High-pressure Variable Pump R&D & Industrialization Project	685,275.89	998,635.05	Assets concerned
Diesel engine variable cross-section turbocharger implementation program	944,989.46	1,081,642.59	Assets concerned
National High-tech Management Committee technology reform guidance funds	1,113,873.64	1,218,151.94	Assets concerned
Industrial Upgrading Fund	11,006,608.67	10,361,436.74	Revenue concerned
Diesel Engine-based Distributed High-pressure Common Rail System R&D Capability & Production Line Technology Reform Project	781,651.38	781,651.40	Assets concerned
2020 municipal technology reform fund project funding	605,316.80	615,654.83	Assets concerned
Special funds for 2019 2nd batch provincial-level industrial and information industry transformation	117,919.21	422,844.68	Assets concerned
Post stabilization and expansion subsidy	2,432,715.03	2,166,190.72	Revenue concerned
Weifu Jinning financial support funds	960,000.00	1,030,000.00	Revenue concerned
Ningbo Jiangbei District Top 50 Enterprise Selection	1,710,000.00	840,000.00	Revenue concerned
Strategic cooperation agreement funds of key intelligent manufacturers in High-tech Zone	374,518.91	833,156.76	Revenue concerned
Talent policy subsidy	1,311,450.00	1,646,000.00	Revenue concerned
Special funds for intelligent transformation and digital transformation	400,000.00	500,000.00	Revenue concerned
Wuxi industrial transformation and upgrading funds	3,616,314.58	7,535,176.47	Related to assets / incomes
R&D subsidy for high-performance vehicle proton exchange membrane fuel cell membrane electrode R&D and industrialization project	--	4,500,000.00	Revenue concerned
2022 Hydrogen Energy Project R&D and settlement award	--	11,433,123.80	Revenue concerned
VH Project rental subsidy	2,400,000.00	3,502,124.77	Revenue concerned
Ningbo 2023 8th Batch National Manufacturing Single-Category Champion Enterprise Reward	--	1,500,000.00	Revenue concerned
2024 Wuxi technical transformation funds	1,630,000.00	--	Revenue concerned
IoT-based diesel power system distribution collaboration support key technology R&D subsidy funds	2,000,000.00	--	Assets concerned
Ningbo 2025 Key "Little Giant" Subsidy Funds	2,000,000.00	--	Revenue concerned
"Industries 4.0 grants" (Industrial 4.0 subsidies)	2,709,746.38	--	Assets concerned
Other subsidy projects	12,489,048.87	14,763,948.15	Related to assets / incomes
Total	64,332,685.51	84,356,626.01	

55. Investment income

Items	Current amount	Previous amount
Long-term equity investment incomes by equity methods	1,124,396,147.32	1,481,848,406.86
Investment income of financial assets held for trading during the holding period	8,593,762.36	43,914,146.08

Items	Current amount	Previous amount
Investment income from disposing of long-term equity investment	264,044,480.51	--
Investment income from disposing transactional financial assets	34,018,616.93	16,818,201.49
Dividend income obtained during the period of holding other equity instrument investment	--	18,590.00
Income of de-recognition of financial assets measured at amortized cost	--	-3,521,058.98
Receivables financing discount de-recognition profits and losses	-2,300,079.55	-3,439,527.22
Debt restructuring revenue	5,433,965.62	-599,671.45
Total	1,434,186,893.19	1,535,039,086.78

56. Proceed from fair value variance

Items	Current amount	Previous amount
Increase and decrease in fair value of tradable financial assets	61,265,098.76	-17,300,039.60
Total	61,265,098.76	-17,300,039.60

57. Credit impairment losses

Items	Current amount	Previous amount
Bad debt losses of accounts receivable	-4,491,174.48	6,297,099.34
Bad debt losses of other receivables	-336,841,601.16	-233,309.61
Total	-341,332,775.64	6,063,789.73

58. Asset impairment losses

Items	Current amount	Previous amount
Inventory depreciation losses	-134,267,531.21	-162,213,478.31
Fixed asset impairment loss	-12,056,984.04	-3,647,300.41
Impairment losses of construction in progress	-36,839,003.67	--
Impairment loss of long-term equity investment	-136,596,429.69	-8,420,913.32
Goodwill impairment losses	-33,125,793.96	-86,485,586.18
Right-of-use asset impairment losses	-3,609,952.82	--
Long-term deferred expense impairment losses	-5,484,764.62	--
Impairment losses on other non-current assets	-122,887,023.61	--
Impairment losses on other non-current assets	-8,596,558.12	-146,615,749.63
Total	-493,464,041.74	-407,383,027.85

59. Asset disposal gains

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Profits from disposal of non-current assets	24,692,882.72	13,291,098.40	24,692,882.72
Non-current asset disposal losses	-7,035,698.74	-2,823,757.81	-7,035,698.74
Total	17,657,183.98	10,467,340.59	17,657,183.98

60. Non-operating income

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Payables without need for payment	1,509,736.47	2,828,169.51	1,509,736.47
Liquidated damages and compensation income	2,304,679.77	892,435.26	2,304,679.77
Others	137,047.63	204,273.23	137,047.63
Total	3,951,463.87	3,924,878.00	3,951,463.87

61. Non-operating expenses

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Non-current asset scraping losses	3,328,234.71	1,790,013.62	3,328,234.71
Of which: Abandonment of fixed assets loss	3,328,234.71	1,790,013.62	3,328,234.71
External donation expenditure	213,500.00	327,000.00	213,500.00
Fines and late fees	222,521.73	2,982,546.00	222,521.73
Others	16,995.32	31,305.96	16,995.32
Total	3,781,251.76	5,130,865.58	3,781,251.76

62. Income tax expenses**(1) Income tax expense statement**

Items	Current amount	Previous amount
Current income tax expense	69,143,208.01	43,361,008.86
Deferred income tax expenses	-6,447,989.94	-3,317,862.74
Total	62,695,218.07	40,043,146.12

(2) Accounting profit and income tax expense adjustment process

Items	Current amount
Total profit	1,163,377,187.22
Income tax expense calculated by statutory/applicable tax rate	174,506,578.08
Impact of subsidiaries applicable for different tax rates	-95,009,303.14
Impact of adjusting income tax in previous periods	12,137,314.48
Impact of non-taxable income	-192,856,274.29
Impact of non-deductible costs, expenses and losses	11,354,238.92
Impact of deductible losses of unrecognized deferred income tax assets used previously	-11,416,028.55
Impact of deductible temporary differences or deductible losses of unrecognized deferred income tax assets this year	237,870,530.82
Impact of additional deduction expenses	-73,891,838.25
Income tax expenses	62,695,218.07

63. Other comprehensive incomes

Refer to Note V, 44 for details.

64. Cash flow statement

(1) Other cash received related to operating activities

Items	Current amount	Previous amount
Interest incomes	18,893,587.77	32,663,700.79
Government subsidy	41,298,955.44	46,851,928.27
Operational bill security deposit	118,482.75	1,100,355.80
Weifu International Trade "platform trade" business fund inflow	460,416,340.50	--
Others	51,040,717.03	29,401,358.02
Total	571,768,083.49	110,017,342.88

(2) Other cash paid to operating-related activities

Items	Current amount	Previous amount
Cash payment	484,077,701.87	408,752,372.86
Others	25,190,036.64	9,769,220.53
Total	509,267,738.51	418,521,593.39

(3) Other cash paid to financing-related activities

Items	Current amount	Previous amount
Lease payment	39,164,279.59	27,764,816.39
Repurchased circulating A-shares	100,005,328.00	--
Acquired subsidiary minority shareholders' equity	--	191,118,200.00
Repurchased shares of restricted share incentive plan that have not been unlocked	--	63,567,420.00
Payment of bank loan security deposit	60,000,000.00	--
Others	259,439.42	9,766.98
Total	199,429,047.01	282,460,203.37

65. Supplementary information of Cash Flow Statement

(1) Supplementary information of Cash Flow Statement

Supplementary information	Current amount	Previous amount
1. Net profits adjusted to cash flow from operating activities:		
Net profits	1,100,681,969.15	1,717,171,190.56
Add: Provision for impairment of assets	834,796,817.38	401,319,238.12
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	621,478,772.99	592,342,504.85
Depreciation of right-of-use assets	35,206,119.01	21,478,575.57
Amortization of intangible assets	64,207,181.28	73,374,527.58
Amortization of long-term prepaid expenses	11,178,248.90	9,487,894.63
Losses from disposing fixed assets, intangible assets and other long-term assets (revenues marked with "--")	-17,657,183.98	-10,467,340.59
Losses of fixed asset scrapping (revenues marked with "--")	3,328,234.71	1,790,013.62
Fair value change losses (revenues marked with "--")	-61,265,098.76	17,300,039.60
Financial costs (revenues marked with "--")	-15,014,255.29	-33,424,181.14
Investment losses (revenues marked with "--")	-1,431,053,007.12	-1,542,599,344.43
Decrease of deferred income tax assets (increase marked with "-")	-6,478,843.86	8,492,788.42
Increase of deferred income tax liabilities (decrease marked with "-")	2,148,649.99	-12,882,114.41
Decrease of inventory (increase marked with "-")	-286,230,497.41	-401,241,175.69
Decrease of operational receivables (increase marked with "-")	-358,197,164.92	234,141,091.44
Increase of operational payables (decrease marked with "-")	493,234,536.91	500,829,903.35

Supplementary information	Current amount	Previous amount
Others	2,362,543.89	5,219,037.26
Net cash flow from operating activities	992,727,022.87	1,582,332,648.74
2. Major investing and financing activities uninvolved cash receipts and expenditures:		
Debt conversion to capital		
Convertible company bonds due within one year		
Fixed assets acquired under finance lease		
3. Net change of cash and cash equivalents:		
Closing balance of cash	2,020,913,308.04	1,756,944,672.22
Less: Cash balance at the end of last year	1,756,944,672.22	2,061,986,694.41
Add: Closing balance of cash equivalents		--
Less: Cash equivalent balance at the end of last year		--
Net increase of cash and cash equivalents	263,968,635.82	-305,042,022.19

(2) Composition of cash and cash equivalents

Items	Closing balance	Balance at the end of last year
XLVI. Cash	2,020,913,308.04	1,756,944,672.22
Of which: Cash on hand	8,403.89	5,360.59
Bank deposits for payment at any time	2,020,443,988.43	1,756,884,345.96
Other monetary assets for payment at any time	460,915.72	54,965.67
XLVII. Cash equivalents	--	--
Of which: Bond investments due within three months	--	--
XLVIII. Closing balance of cash and cash equivalents	2,020,913,308.04	1,756,944,672.22
Of which: Cash and cash equivalents with restricted use by the parent company or group subsidiaries	--	--

(3) Circumstances of limited scope of use but still presenting under the cash and cash equivalents:

No.

(4) Monetary funds not falling under cash and cash equivalents

Items	Current amount	Previous amount	Causes
Bank deposit - principal of time deposit for 3 months or more and accrued interest	248,770,646.66	460,783,541.52	Not meeting the definition of cash and cash equivalents
Other monetary funds - security deposit paid for obtaining bank loan and accrued interest	60,412,602.74	--	Not meeting the definition of cash and cash equivalents
Other monetary funds - security deposit paid for issuing bank acceptance bills	20,188,696.29	20,363,281.63	Not meeting the definition of cash and cash equivalents
Other monetary funds - IRD performance bond	8,291,872.97	7,583,721.64	Not meeting the definition of cash and cash equivalents
Other monetary funds - Mastercard security deposit	152.85	202,231.29	Not meeting the definition of cash and cash equivalents
Other monetary funds - L/G security deposit	273,032.92	719,003.22	Not meeting the definition of cash and cash equivalents
Other currency funds - ETC frozen	--	4,000.00	Not meeting the definition of cash and cash equivalents
Total	337,937,004.43	489,655,779.30	

(5) Classified presentation of the changes in the liabilities arising from financing activities from opening balance to closing balance

Items	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	393,120,147.95	753,489,427.09	350,081.07	582,195,845.88	--	564,763,810.23

Items	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Long-term loans (including those due within one year)	300,010,680.56	90,000,000.00	--	202,500,000.00	106,137.78	187,404,542.78
Bonds payable	--	500,000,000.00	624,657.53	--	--	500,624,657.53
Leasing liabilities (including those due within one year)	68,009,724.44	--	73,495,157.60	37,538,717.34	540,049.25	103,426,115.45
Total	761,140,552.95	1,343,489,427.09	74,469,896.20	822,234,563.22	646,187.03	1,356,219,125.99

66. Foreign currency monetary items

(1) Foreign currency monetary items

Items	Foreign currency balance at the end of period	Conversion rate	Converted RMB balance at the end of period
Monetary fund			
Of which: USD	34,352,686.29	7.0288	241,458,161.40
EUR	26,933,318.52	8.2355	221,809,344.67
HKD	2,050,478.93	0.90322	1,852,033.58
JPY	16,498,011.00	0.044797	739,061.40
DKK	18,554,907.04	1.1018	20,443,796.58
Accounts receivable			
Of which: USD	2,624,634.10	7.0288	18,448,028.16
EUR	27,564,480.29	8.2355	227,007,277.43
DKK	8,413,769.95	1.1018	9,270,291.73
Other receivables			
Of which: EUR	295,314.81	8.2355	2,432,065.12
DKK	2,186,588.55	1.1018	2,409,183.26
Short-term borrowings			
Of which: EUR	3,001,854.84	1.1018	3,307,443.66
DKK	22,435,982.26	8.2355	184,771,531.90
Accounts payable			
Of which: USD	1,016,854.40	7.0288	7,147,266.21
EUR	23,445,576.42	8.2355	193,086,044.61
JPY	10,304,463.00	0.044797	461,609.03
DKK	12,392,867.24	1.1018	13,654,461.13
CHF	124,612.57	8.8510	1,102,945.86
Other payables			
Of which: EUR	13,068.91	8.2355	107,629.01
DKK	896,112.34	1.1018	987,336.58
Non-current liabilities due within 1 year			
Of which: USD	57,248.88	7.0288	402,390.93
EUR	801,133.65	8.2355	6,597,736.17
DKK	2,757,142.29	1.1018	3,037,819.38
Lease liabilities			
Of which: EUR	2,221,467.63	8.2355	18,294,896.67
DKK	16,049,095.45	1.1018	17,682,893.37

(2) Description on overseas operating entities

The subsidiary IRD was founded in Denmark in 1990. The company obtained 66.00% equity of this company in April 2019 through cash purchase of equity, and increased stake in this company by 34.00% in

October 2020 through cash purchase of equity. After increasing holding, the company acquired 100.00% equity of the company. The company adopts DKK as its accounting standard currency, mainly specialized in the R&D, production and sales of fuel cell parts.

The subsidiary Borit was founded in Belgium in 2010. The company obtained 100.00% equity of this company in November 2020 through cash purchase of equity. The company adopts EUR as its accounting standard currency, mainly specialized in the R&D, production and sales of fuel cell parts.

The subsidiary VHIO was founded in Italy in 2000. The company obtained 100.00% equity of this company in October 2022 through cash purchase of equity. The company adopts EUR as its accounting standard currency, mainly specialized in the R&D, production and sales of vacuum and hydraulic pumps.

67. Leasing

(1) The company acts as a lessee

For details of right-of-use assets and lease liabilities, refer to the Note V, 17 and V, 36.

Recorded in this year's profits and losses

Items	Recorded in This Year's Profits and Losses	
	Reporting item	Amount
Interest on leasing liabilities	Financial expenses	3,760,196.75
Short-term leasing expense (applicable to simplified treatment)	Operating costs, period expenses	8,629,253.86

Note: "Short-term lease expenses" in the above table exclude lease-related expenses with a lease period of less than one month; "low-value asset lease expenses" exclude short-term lease expenses of low-value assets in "short-term lease expenses".

Cash outflow related to leasing

Items	Cash Flow Category	Amount this year
Cash paid to repay principal and interest on leasing liabilities	Cash outflow from financing activities	37,538,717.34
Payment of lease security deposit	Cash outflow from financing activities	1,625,562.25
Payment made for short-term lease and low-value assets (for simplified processing)	Cash outflow from operating activities	8,629,253.86
Total	—	47,793,533.45

(2) The company as the lessor

Information concerning operating lease

A. Recorded in this year's profits and losses

Items	Recorded in This Year's Profits and Losses	
	Reporting item	Amount
Rental income	Other business incomes:	26,830,032.46
Total		26,830,032.46

B. Collection status of lease receipts

Period	Undiscounted lease receivables to be received
First year after the balance sheet date	27,230,474.32
2nd year after the balance sheet date	24,632,336.82
3rd year after the balance sheet date	20,292,056.80
4th year after the balance sheet date	20,416,152.04
5th year after the balance sheet date	19,516,977.43
Remaining year	121,247,199.65

Period	Undiscounted lease receivables to be received
Total	233,335,197.06

VIII. R&D expenditure

1. Amount of R&D expenditure incurred in the current period

Items	Current amount	Previous amount
Staff salary	312,319,917.36	288,363,791.43
Direct investment	203,964,686.69	194,751,232.70
Depreciation and amortization	85,409,551.57	119,233,302.47
Other expenses	93,859,236.27	87,910,647.94
Total	695,553,391.89	690,258,974.54
Of which: Expensed R&D expenditure	695,553,391.89	690,258,974.54
Capitalized R&D expenditure	--	--
Total	695,553,391.89	690,258,974.54

IX. Equity in other entities

1. Composition of enterprise group

Name of subsidiaries	Registered capital (ten thousand Yuan)	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
					Direct	Indirect	
Weifu Jinning	34,628.68	Nanjing	Nanjing	Internal combustion engine parts	80.00	--	Enterprise merge under the same control
Weifu Lida	50,259.63	Wuxi	Wuxi	Automotive exhaust converters, mufflers	100.00	--	Enterprise merge under the same control
Weifu Mashan	16,500	Wuxi	Wuxi	Internal combustion engine parts	100.00	--	Establishment by investment
Weifu Chang'an	21,000	Wuxi	Wuxi	Internal combustion engine parts	100.00	--	Establishment by investment
Weifu International Trade	3,000	Wuxi	Wuxi	Trading	100.00	--	Enterprise merge under the same control
Weifu Schmidt	7,600	Wuxi	Wuxi	Internal combustion engine parts	66.00	--	Establishment by investment
Weifu Tianli	11,136	Ningbo	Ningbo	Internal combustion engine parts	98.83	1.17	Business combination not under the same control
Weifu Autocam	USD3,310	Wuxi	Wuxi	Internal combustion engine parts	51.00	--	Business combination not under the same control
Weifu Lida (Wuhan)	300.00	Wuhan	Wuhan	Automotive exhaust converters, mufflers	--	60.00	Establishment by investment
Weifu Lida (Chongqing)	5,000	Chongqing	Chongqing	Automotive exhaust converters, mufflers	--	100.00	Establishment by investment
Weifu Lida (Nanchang)	3,000	Nanchang	Nanchang	Automotive exhaust converters, mufflers	--	100.00	Establishment by investment
Weifu Autosmart	16,500	Wuxi	Wuxi	Intelligent vehicle devices	--	66.00	Establishment by investment
Weifu Lianhua	2,000	Fuzhou	Fuzhou	Intelligent vehicle devices	--	40.00	Establishment by investment

Name of subsidiaries	Registered capital (ten thousand Yuan)	Main business place	Registered place	Business nature	Shareholding ratio (%)		Acquisition mode
					Direct	Indirect	
Weifu Electric Drive	USD2,000	Wuxi	Wuxi	Wheel hub motors	80.00	--	Business combination not under the same control
Weifu Qinglong	50,000	Wuxi	Wuxi	Fuel cell parts	45.00	30.00	Establishment by investment
Yiwo Automotive	13,400	Wuxi	Wuxi	Vacuum and hydraulic pumps	100.00	--	Business combination not under the same control
Weifu Zhigan	35,000	Wuxi	Wuxi	Intelligent vehicle devices	61.43	--	Establishment by investment
Weifu Yite	EUR1,213.60	Wuxi	Wuxi	Fuel cell parts	51.00	--	Establishment by investment
Weifu Baolong	40,000	Nanjing	Nanjing	Internal combustion engine parts	--	55.00	Establishment by investment
SPV	DKK13,009	Denmark	Denmark	Investment	100.00	--	Establishment by investment
IRD	DKK12,732	Denmark	Denmark	Fuel cell parts	--	100.00	Business combination not under the same control
IRD USA	USD1,543	USA	USA	Fuel cell parts	--	100.00	Business combination not under the same control
Borit	EUR1,183	Belgium	Belgium	Fuel cell parts	--	100.00	Business combination not under the same control
Borit USA	USD5	USA	USA	Fuel cell parts	--	100.00	Business combination not under the same control
VHIO	EUR500	Italy	Italy	Vacuum and hydraulic pumps	--	100.00	Business combination not under the same control

2. Changes in consolidation scope for other reasons

(1) In February 2025, the company and the associated enterprise Voith HySTech GmbH jointly invested to establish Weifu Yite Hydrogen Energy Technology (Wuxi) Co., Ltd. The registered capital of Weifu Yite at its establishment was EUR 12,136,000, of which the company subscribed capital of EUR 6,189,360, with a shareholding ratio of 51%; Voith HySTech GmbH subscribed capital of EUR 5,946,640, with a shareholding ratio of 49%. According to the articles of association of Weifu Yite and relevant investment agreements, the company can exercise control over Weifu Yite. Since February 2025, the company has included it in the consolidation scope of the consolidated financial statements.

(2) In July 2025, the subsidiary Weifu Jinning and Shanghai Baolong Automobile Technology (Anhui) Co., Ltd. jointly invested to establish Weifu Baolong (Nanjing) Technology Co., Ltd., the registered capital of Weifu Baolong at its establishment was RMB 400.00 million, and the company subscribed capital of RMB 220 million, with a shareholding ratio of 55%; Shanghai Baolong Automobile Technology (Anhui) Co., Ltd. subscribed capital of RMB 180.00 million, with a shareholding ratio of 45%. According to the articles of association of Weifu Baolong and relevant investment agreements, the company can exercise control over Weifu Baolong. Since July 2025, the company has included it in the consolidation scope of the consolidated financial statements.

3. Equity held by subsidiary's minority shareholders

(1) Important non-wholly owned subsidiaries

Name of subsidiaries	Minority shareholders' shareholding ratio	Current profit and loss attributable to minority shareholders	Dividends distributed to minority shareholders in the current period	Balance of minority shareholder's equity at the end of period
Weifu Jinning	20.00%	9,293,325.88	7,312,597.73	414,553,309.44

(2) Important financial information of important subsidiaries

Name of subsidiaries	Closing balance					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liabilities	Total liabilities
Weifu Jinning	1,338,912,784.54	441,611,115.66	1,780,523,900.20	354,865,886.53	23,106,628.07	377,972,514.60

(Continued)

Name of subsidiaries	Balance at the end of last year					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liabilities	Total liabilities
Weifu Jinning	1,338,912,784.54	441,611,115.66	1,780,523,900.20	354,865,886.53	23,106,628.07	377,972,514.60

(Continued)

Name of subsidiaries	Amount this year			
	Operating revenue	Net profits	Total comprehensive incomes	Cash flow from operating activities
Weifu Jinning	633,360,460.18	95,576,153.00	95,576,153.00	41,629,636.59

(Continued)

Name of subsidiaries	Amount last year			
	Operating revenue	Net profits	Total comprehensive incomes	Cash flow from operating activities
Weifu Jinning	641,568,618.84	121,876,628.75	121,876,628.75	103,197,928.04

Descriptions: Main financial data of subsidiary Weifu Jinning includes the financial data after its consolidation of controlling subsidiary Weifu Baolong.

4. Significant restrictions on use of assets and debt repayment

No.

5. Equity in joint ventures or associated enterprises

(1) Associated enterprises

Name of affiliates	Main business place	Registered place	Business nature	Shareholding ratio (%)		Accounting method for investment of joint ventures or associated enterprises
				Direct	Indirect	
Wuxi Weifu Environmental Protection Catalyst Co., Ltd.	Wuxi	Wuxi	Catalyst	--	49.00	Equity method
Bosch Powertrain Co., Ltd.	Wuxi	Wuxi	Internal combustion engine accessories	32.50	1.50	Equity method
Zhonglian Automotive Electronics Co., Ltd.	Shanghai	Shanghai	Internal combustion engine accessories	20.00	--	Equity method

Name of affiliates	Main business	Registered place	Business nature	Shareholding ratio (%)		Accounting method for
Wuxi Weifu Precision Machinery Manufacturing Co., Ltd.	Wuxi	Wuxi	Internal combustion engine accessories	20.00	--	Equity method
Changchun Xuyang Weifu Automotive Parts Technology Co., Ltd.	Changchun	Changchun	Auto parts	--	34.00	Equity method
Precors GmbH	Germany	Germany	Fuel cell parts	--	43.39	Equity method
Lezhuo Bawei Hydraulic Technology (Shanghai) Co., Ltd.	Shanghai	Shanghai	Auto parts	50.00	--	Equity method
Wuxi Zhuowei Times High-tech Co., Ltd.	Wuxi	Wuxi	Professional technical service	--	39.00	Equity method
Voith HySTech GmbH	Germany	Germany	Hydrogen storage system technology R&D	--	40.00	Equity method

Note: Description of the shareholding ratio in joint ventures or associated enterprises different from voting right ratio: No.

(2) Main financial information of important associated enterprises

Items	Year-end balance/current amount		
	Weifu Environmental Protection	Bosch Powertrain	Zhonglian Automotive
Current assets	3,492,136,152.91	13,357,799,513.32	1,442,357,420.24
Non-current assets	472,000,993.97	3,641,992,480.33	8,992,710,110.46
Total assets	3,964,137,146.88	16,999,791,993.65	10,435,067,530.70
Current liability	1,531,666,962.93	6,019,430,062.79	3,444,430.21
Non-current liabilities	184,323,838.72	203,083,647.18	9,252,984.32
Total liabilities	1,715,990,801.65	6,222,513,709.97	12,697,414.53
Net assets	2,248,146,345.23	10,777,278,283.68	10,422,370,116.17
Minority shareholder's equity	--	--	--
Attributed to the shareholders' equity of the parent company	2,248,146,345.23	10,777,278,283.68	10,422,370,116.17
Portion of net assets calculated as per shareholding ratio	1,101,591,709.17	3,664,274,616.45	2,084,474,023.24
Adjustment matters:			
- Goodwill	--	267,788,761.35	1,407,265.96
- Unrealized profits of internal transaction	--	-7,431,401.01	--
- Other	--	-0.28	--
Book value of equity investment in associated enterprises	1,101,591,709.17	3,924,631,976.51	2,085,881,289.20
Fair value of equity investment of associated enterprise with publicly quoted price exists	--	--	--
Operating revenue	4,056,231,656.75	10,142,531,993.13	29,696,317.62
Net profits	422,874,583.03	1,769,213,245.05	2,570,452,359.73
Net profits from discontinued operation	--	--	--
Other comprehensive incomes	--	--	--
Total comprehensive incomes	422,874,583.03	1,769,213,245.05	2,570,452,359.73
Dividends received from associated enterprises in the current period	117,600,000.00	214,397,603.56	300,000,000.00

(Continued)

Items	Year-beginning balance/last-year amount		
	Weifu Environmental Protection	Bosch Powertrain	Zhonglian Automotive
Current assets	3,041,695,695.74	12,910,623,291.25	119,577,141.22
Non-current assets	472,221,845.21	3,547,389,964.65	9,254,084,391.23

Items	Year-beginning balance/last-year amount		
	Weifu Environmental Protection	Bosch Powertrain	Zhonglian Automotive
Total assets	3,513,917,540.95	16,458,013,255.90	9,373,661,532.45
Current liability	1,270,209,456.66	7,011,624,627.65	14,640,927.97
Non-current liabilities	182,387,083.75	169,080,572.93	7,102,848.04
Total liabilities	1,452,596,540.41	7,180,705,200.58	21,743,776.01
Net assets	2,061,321,000.54	9,277,308,055.32	9,351,917,756.44
Minority shareholder's equity	--	--	--
Attributed to the shareholders' equity of the parent company	2,061,321,000.54	9,277,308,055.32	9,351,917,756.44
Portion of net assets calculated as per shareholding ratio	1,010,047,290.27	3,154,284,738.81	1,870,383,551.29
Adjustment matters:			
- Goodwill	--	267,788,761.35	1,407,265.96
- Unrealized profits of internal transaction	--	-8,111,869.63	--
- Other	--	-0.28	--
Book value of equity investment in associated enterprises	1,010,047,290.27	3,413,961,630.25	1,871,790,817.25
Fair value of equity investment of associated enterprise with publicly quoted price exists	--	--	--
Operating revenue	3,823,507,561.86	11,262,081,616.84	32,829,998.51
Net profits	439,225,033.08	2,720,732,465.47	2,261,333,602.60
Net profits from discontinued operation	--	--	--
Other comprehensive incomes	--	--	--
Total comprehensive incomes	439,225,033.08	2,720,732,465.47	2,261,333,602.60
Dividends received from associated enterprises in the current period	122,500,000.00	527,829,600.44	266,000,000.00

Other descriptions: Others of adjustment events "RMB -0.28": Tail difference.

(3) Financial information summary of unimportant joint ventures and associated enterprises

Items	Closing balance/current period amount	Balance at the end of last year/amount in last period
Associated enterprises:		
Total investment book value	187,265,056.88	739,299,140.82
Total of the following items calculated as per shareholding ratio		
- Net profits	-320,025,021.56	-113,113,361.13
- Other comprehensive incomes	--	--
- Total comprehensive incomes	-320,025,021.56	-113,113,361.13

(4) Description of significant restrictions on the ability of joint ventures or associated enterprises to transfer funds to the Company

No.

(5) Unrecognized excess losses incurred by joint ventures or associated enterprises

No.

(6) Unconfirmed commitment regarding joint venture investment:

No.

(7) Contingent liabilities related to joint venture or associated enterprise investments:

No.

6. Important joint management

No.

X. Government subsidies

1. Government subsidy recognized by receivables at the end of the reporting period

No.

2. Liability items related to government grants

Account	Opening balance	Amount of subsidies added in current period	Amount recognized as non-operating income in the current period	Amount recorded in other incomes in current period	Other changes during the current period	Closing balance	Related to assets / incomes
Deferred incomes	73,326,831.65	20,039,612.90	--	28,739,370.56	195,158.83	64,822,232.82	Assets concerned
Deferred incomes	2,708,708.63	580,600.00	--	2,205,154.12	--	1,084,154.51	Related to assets / incomes
Deferred incomes	75,383,795.46	1,693,851.67	--	14,171,496.98	129,483.66	63,035,633.81	Revenue concerned
Long-term accounts payable	8,740,000.00	--	--	960,000.00	--	7,780,000.00	Revenue concerned
Total	160,159,335.74	22,314,064.57	--	46,076,021.66	324,642.49	136,722,021.14	—

3. Government grants recognized in current profit or loss

Account	Current amount	Previous amount
Other revenues	64,332,685.51	84,356,626.01
Total	64,332,685.51	84,356,626.01

XI. Risks associated with financial instruments

1. Various risks arising from financial instruments

Main corporate financial instruments include monetary funds, structured deposits, receivables, equity instrument investments, wealth management products, borrowings, payables, etc. Refer to relevant items of Note V for details of financial instruments. Risks associated with these financial instruments and risk management policies adopted by the company to reduce these risks are described below.

The company is engaged in risk management for the purpose of seeking balance between risk and return, minimizing the negative impact of risk on corporate business performance, and maximizing the interests of shareholders and other investors. Based on this risk management target, the basic strategy of corporate risk management is to determine and analyze various risks confronted by the company, establish proper risk tolerance bottom line, implement risk management, promptly and reliably supervise various risks, and control risks within a

limited range.

During operation, the company is mainly exposed to relevant risks of financial instruments including credit risk, market risk and liquidity risk. The company board of directors is fully responsible for determining risk management target and policy, and holds ultimate responsibility for risk management objectives and policies. Compliance department and finance department manage and monitor these risk exposures, ensuring the above risks controlled within a limited range.

(1) Credit risk.

Credit risk refers to the risk that one party of financial instrument fails to perform obligations, causing financial losses of the other party. Company credit risk is mainly derived from monetary funds, structured deposits, notes receivable, accounts receivable, other receivables, etc. The management level has formulated appropriate credit policies and continuously monitored the credit risk exposures.

The monetary funds and structured deposit held by the company are mainly deposited in financial institutions such as commercial banks, and the management level believes these commercial banks have high reputation and asset status, with low credit risks. The company adopts quota policy to avoid credit risk of any financial institution.

Regarding accounts receivable, other receivables and notes receivable, the company has established relevant policies to control credit risk exposure. To prevent such risks, the company has formulated new customer credit evaluation system and old customer credit sale balance analysis system. New customer credit evaluation system refers that the company will conduct customer background investigation on new customers according to established procedures, so as to determine whether to grant credit sale limit to these customers, as well as the credit sale limit size and credit period. Accordingly, the company has set credit sale limit and credit period for each customer, and this limit is the maximum limit that does not require extra approval. The old customer's credit sale balance analysis system refers that after receiving purchase order from an old customer, the company will check the order amount against the outstanding balance of this customer's account. If the sum of the two exceeds the customer's credit sale limit, the company can only grant credit sale to it upon extra approval, otherwise it must require paying the corresponding amount in advance. Additionally, in terms of the credit sale occurred, the company shall ensure its overall credit risk within a controllable range by analyzing and reviewing the accounts receivable risk warning monthly report.

The maximum credit risk exposure borne by the company is the book amount of each financial asset in the balance sheet.

(2) Market risk

The market risk of financial instruments refers to the risk of fair value or future cash flow fluctuation of financial instruments due to market price change, mainly including interest rate risk, exchange rate risk and other price risks.

1) Interest rate risk

Interest rate risk refers to the risk of fluctuation in the financial status and cash flow of the company due to market interest rate changes. Corporate interest rate risk is mainly associated with bank loans. To reduce the impact of interest rate risk fluctuation, the company chooses floating or fixed interest rate based on the expected direction of interest rate changes, namely it chooses a fixed exchange rate, if the interest rate is forecast to rise in

the future period; it chooses a floating exchange rate, if the interest rate is forecast to decline in the future period. To reduce the adverse impact caused by forecast inconsistent with reality, the company chooses short-term borrowings for the liquidity capital demand, and specially stipulates on early repayment terms and conditions.

2) Exchange rate risk

Exchange rate risk refers to the risk of losses due to exchange rate fluctuations. The exchange rate risk borne by the company is mainly related to USD, EUR, CHF, JPY, HKD and DKK. Except that the machinery equipment purchasing of parent company and Weifu Autocam, material purchasing of parent company, technical service fee and trademark usage fee payment of parent company, import and export trade of Weifu Guomao, IRD operation, Borit operation and VHIO operation are mainly denominated in USD, EUR, CHF, JPY, HKD and DKK, all other major business activities of the company are priced and settled in CNY. Because foreign currency financial assets and liabilities account for a small proportion in total assets, the corporate management believes that the exchange rate risk of financial instruments is quite low.

As of 31 December 2025, except that the assets or liabilities in the table below are denominated in foreign currency, the corporate assets and liabilities were all CNY balances.

As of 31 December 2025, the breakdown of corporate foreign currency assets was as follows:

Items	Foreign currency balance at the end of period	Conversion rate	Converted RMB balance at the end of period	Proportion to assets (%)
Monetary fund				
Of which: USD	34,352,686.29	7.0288	241,458,161.40	0.81
EUR	17,933,318.52	8.2355	147,689,844.67	0.50
HKD	2,050,478.93	0.90322	1,852,033.58	0.01
JPY	16,498,011.00	0.044797	739,061.40	0.002
DKK	18,554,907.04	1.1018	20,443,796.58	0.07
Accounts receivable				
Of which: USD	2,624,634.10	7.0288	18,448,028.16	0.06
EUR	27,711,568.15	8.2355	228,218,619.50	0.77
DKK	5,669,161.87	1.1018	6,246,282.55	0.02
Other receivables				
Of which: EUR	175,606.54	8.2355	1,446,207.66	0.005
DKK	633,735.90	1.1018	698,250.21	0.002
Total proportion to assets				2.25

As of 31 December 2025, the breakdown of corporate foreign currency liabilities was as follows:

Items	Foreign currency balance at the end of period	Conversion rate	Converted RMB balance at the end of period	Proportion to liabilities (%)
Accounts payable				
Of which: USD	1,016,854.40	7.0288	7,147,266.21	0.08
EUR	22,837,801.56	8.2355	188,080,714.75	2.14
JPY	10,304,463.00	0.044797	461,609.03	0.01
DKK	12,392,867.24	1.1018	13,654,461.13	0.16
CHF	124,612.57	8.8510	1,102,945.86	0.01
Other payables				
Of which: USD	356,753.39	7.0288	2,507,548.23	0.03
EUR	13,068.91	8.2355	107,629.01	0.001
DKK	896,112.34	1.1018	987,336.58	0.01
Non-current liabilities due within 1 year				

Items	Foreign currency balance at the end of period	Conversion rate	Converted RMB balance at the end of period	Proportion to liabilities (%)
Of which: USD	57,248.88	7.0288	402,390.93	0.005
EUR	801,133.65	8.2355	6,597,736.17	0.07
DKK	2,757,142.29	1.1018	3,037,819.38	0.03
Lease liabilities				
Of which: EUR	2,221,467.63	8.2355	18,294,896.67	0.21
DKK	16,049,095.45	1.1018	17,682,893.37	0.20
Total proportion to liabilities	—	—	—	2.95

3) Other price risks

The equity instrument investments held by the company, classified as trading financial assets and other non-current financial assets, are measured at fair value on the balance sheet date. The expected price fluctuation of this part of investment will accordingly affect the fair value change profits and losses of the company.

Furthermore, upon the review and adoption at the 8th meeting of the 10th board of directors, the company has entrusted its own idle funds for wealth management, and therefore the company bears the risk of defaulting on the wealth management products at maturity and unable to recover the principal. To cope with this risk, the company has set forth the Fund Wealth Management System, stipulating on the entrusted wealth management authority, review process, reporting system, entrusted party selection, daily monitoring and verification, accountability and other aspects in details, in order to effectively prevent investment risks and ensure fund security. To reduce the adverse impact of unforeseeable factors, it has conducted short and mid-term allocation in the investment period, and in principle, the investment product period shall not exceed 5 years to the maximum; in terms of investment varieties, they include bank wealth management products, trust plans of trust companies, asset management plans of asset management companies, various products issued by securities companies, fund companies and insurance companies.

(3) Liquidity risk

Liquidity risk refers to the risk of fund shortage that occurs when the company fulfills the obligation of settlement by cash payment or other financial assets. The corporate target is to ensure sufficient cash to repay maturing debts, and in this regard, the company has set a financial control department to centrally control this risk. On one hand, the financial control department ensures that the company has sufficient funds to repay debts under all reasonable forecasts by monitoring cash balances, negotiable securities realizable at any time and rolling forecast of cash flow for the next 12 months; on the other hand, by establishing a perfect bank-enterprise relationship, credit limits, credit varieties and credit terms are designed rationally, so as to ensure sufficient bank credit limit and meet various short-term financing needs of the company.

2. Hedging

No.

3. Financial assets

(1) Transfer method classification

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	De-recognition	Basis for judging de-recognition
Bill endorsement	Bank acceptance bills not matured in receivables financing	749,479,357.46	De-recognition	Almost all of its risks and rewards have been transferred
Bill endorsement	Undue commercial acceptance bills in the notes receivable	6,228,142.15	Non-derecognized	Almost all risks and rewards not transferred
Discounting of bill	Bank acceptance bills not matured in receivables financing	746,484,910.79	De-recognition	Almost all of its risks and rewards have been transferred
Total		1,502,192,410.40		

(2) Financial assets de-recognized due to transfer

Items	Financial asset transfer approach	Amount of de-recognized financial assets	Losses concerning de-recognition
Receivables financing	Bill endorsement	749,479,357.46	--
Receivables financing	Discounting of bill	746,484,910.79	2,300,079.55
Total	—	1,495,964,268.25	2,300,079.55

(3) Continuous involvement in the transferred financial assets

No.

XII. Fair value disclosure

1. Fair value at the end of period of assets and liabilities measured at fair value

Items	Ending fair value			
	Tier 1 fair value measurement	Tier 2 fair value measurement	Tier 3 fair value measurement	Total
XLIX. Continuous fair value measurement	888,391.56		5,996,085,876.22	5,996,974,267.78
(2) Trading financial assets				
1. Financial assets at fair value and through current profit or loss	888,391.56	--	2,333,769,763.80	2,334,658,155.36
(1) Equity instrument investment	888,391.56	--	--	888,391.56
(2) Other debt instrument and equity instrument investments	--	--	2,333,769,763.80	2,333,769,763.80
(II) Other non-current financial assets				
1. Financial assets at fair value and through current profit or loss	--	--	751,258,396.69	751,258,396.69
(1) Equity instrument investment	--	--	751,258,396.69	751,258,396.69
(III) Receivables financing				
1. Financial assets measured at fair value with changes included in other comprehensive incomes	--	--	1,861,919,025.73	1,861,919,025.73
(IV) Other equity instrument investments				
1. Financial assets at fair value and through current profit or loss	--	--	1,049,138,690.00	1,049,138,690.00
Total assets continuously measured at fair value	888,391.56	--	5,996,085,876.22	5,996,974,267.78
Total liabilities continuously measured at fair value	--	--	--	--

Items	Ending fair value			
	Tier 1 fair value measurement	Tier 2 fair value measurement	Tier 3 fair value measurement	Total
L. Non-continuous fair value measurement	--	--	--	--
Total assets measured at fair value on a non-recurring basis	--	--	--	--
Total liabilities measured at fair value on a non-recurring basis	--	--	--	--

2. Basis for determining market price of continuous and non-continuous first-level fair value measurement projects

On 31 December 2025, company transactional financial assets, equity instrument investment were the held CAMC stock (stock code: 600375), and the basis for determining the closing fair value was the closing price on 31 December 2025.

3. Qualitative and quantitative information of valuation techniques and important parameters adopted for continuous and non-continuous third-level fair value measurement projects

(1) Receivables financing

Regarding this part of financial assets, the company determined their fair value by discounted cash flow valuation technique. Among them, important unobservable input values mainly included discount rate, contract cash flow maturity period, etc. Cash flows with a contract expiration period of less than 12 months (included) were not discounted, with the cost as their fair value.

(2) Other equity instrument investments

For this part of financial assets, due to the lack of market liquidity, the company determined their fair value by replacement cost method. Among them, important unobservable input values mainly included financial data of the investee company, etc.

(3) Other debt instrument and equity instrument investments

For this part of financial assets, the company determined by discounted cash flow valuation technique. Among them, important unobservable input values mainly included expected annualized yield, risk coefficient, etc.

XIII. Associated parties and associated transactions

1. Parent company of the company

Name of parent company	Registered place	Business nature	Registered capital (RMB ten thousand)	Shareholding ratio of parent company to the company (%)	Voting right ratio of parent company to the company (%)
Wuxi Industrial Group	Wuxi	State-owned asset operation	600,853.10	22.05	22.05

Descriptions on the parent company's shareholding ratio of the company: As of 31 December 2025, Wuxi Industry Group had held 22.05% shares in the company.

Description on the parent company of the company: Wuxi Industrial Group is an enterprise controlled by the

State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government, with business scope: foreign investment using own assets; housing lease service; self-operation and agent for import and export business of various commodities and technologies (except the commodities and technologies restricted or prohibited for enterprise import and export by the state), domestic trade (excluding projects restricted or prohibited by the state). (For the projects subject to the approval according to law, the business activities must not be carried out without the approval the relevant department).

The ultimate controller of the company is Wuxi State-owned Assets Supervision and Administration Commission.

2. Subsidiaries of the company

Refer to Note VII, 1, Composition of enterprise group for details.

3. Joint ventures and associated enterprises of the company

Refer to the Note VII, 5 Equity in joint ventures or associated enterprises for joint ventures and associated enterprises of the company.

4. Other associated parties

Name of other associated parties	Relationships between other associated parties with the company
German Bosch	The second largest shareholder of the company
Wuxi Sunan Urban Public Distribution Co., Ltd. (hereinafter referred to as Urban Public Distribution)	Enterprises formerly controlled by parent company
Falcon Tech Co., Ltd. (hereinafter referred to as Falcon)	Enterprises controlled by parent company
Wuxi IoT Innovation Center Co., Ltd. (hereinafter referred to as Wuxi IoT)	Enterprises controlled by parent company
Jiangsu Wuxi National Grain Reserve Co., Ltd. (hereinafter referred to as Wuxi Grain Reserve)	Enterprises controlled by parent company
Wuxi Grain Group Co., Ltd. (hereinafter referred to as Grain Group)	Enterprises controlled by parent company
Wuxi Security Service Co., Ltd. (hereinafter referred to as Wuxi Security)	Enterprises controlled by parent company
The IT Electronics Eleventh Design & Research Institute Scientific and Technological Engineering Co., Ltd. (hereinafter referred to as Eleventh Technology)	Enterprise directly or indirectly controlled by Taiji Industrial, with company-related personnel serving as the director
Wuxi Autolink Intelligent Manufacturing Co., Ltd. (hereinafter referred to as Autolink Intelligent)	Subsidiary of Autolink, associated enterprise of the company
Wuxi Junhai Xichan Investment Management Co., Ltd. (hereinafter referred to as Junhai Xichan)	Enterprises controlled by parent company
Shenzhen Deqi Consulting Co., Ltd. (hereinafter referred to as Shenzhen Deqi)	Enterprise controlled by company-affiliated natural person
Key management personnel	Company director and senior management personnel

5. Conditions of related party transactions

(1) Associated transaction of purchasing and selling commodities, providing and accepting labor service

Purchase of goods/acceptance of labor service

Associated party	Affiliated transaction content	Current amount	Previous amount
Weifu Environmental Protection	Goods and labor services	731,999,572.63	800,690,587.70

Associated party	Affiliated transaction content	Current amount	Previous amount
Bosch Powertrain	Goods and labor services	302,613,516.59	254,181,294.44
German Bosch	Goods and labor services	215,979,450.95	245,990,950.13
Weifu Precision Machinery	Goods and labor services	20,135,744.69	33,594,562.90
Falcon	Goods and labor services	200,756.74	77,747.81
Eleventh Technology	Goods and labor services	738,113.21	71,698.12
Wuxi Security	Goods and labor services	--	3,362.26
Wuxi Grain Group	Goods and labor services	2,066,263.60	--
Voith HySTech GmbH	Goods and labor services	1,796,407.29	--
Lezhuo Bowei	Goods and labor services	6,860.00	--
Changchun Xuyang	Goods and labor services	5,287.00	--

Sales of goods/service provision

Associated party	Affiliated transaction content	Current amount	Previous amount
German Bosch	Goods and labor services	2,259,396,102.93	2,078,120,537.08
Bosch Powertrain	Goods and labor services	1,379,122,013.36	1,352,740,802.27
Lezhuo Bowei	Goods and labor services	9,412,044.98	10,940,310.56
Changchun Xuyang	Goods and labor services	23,694,038.83	5,761,578.80
Weifu Precision Machinery	Goods and labor services	1,287,009.00	1,201,055.62
Weifu Environmental Protection	Goods and labor services	4,221,805.33	550,946.52
Zhuowei High-tech	Goods and labor services	379,314.47	113,776.50
Wuxi Grain Reserve	Goods and labor services	309,752.83	214,601.77

(2) Related entrusted management/entrusting management

No.

(3) Related contracting

No.

(4) Associated lease

The company as the lessor

Name of lessee	Type of leased assets	Rental income recognized in the current period	Rental income recognized in the last period
Weifu Environmental Protection	House	2,008,904.38	2,006,634.05
Lezhuo Bowei	House and equipment	3,200,028.00	3,148,672.50
Bosch Powertrain	Parking lot	530,400.00	499,200.00
Junhai Xichan	Office location	18,348.64	--
German Bosch	Equipment	--	38,532.00

Description of related lease:

1) Subsidiary Weifu Lida and associated enterprise Weifu Environmental Protection signed a house lease contract on Weifu Environmental Protection leasing Weifu Lida's plant houses located at No.9 Lingjiang Road, Xinwu District, Wuxi. In 2025, Weifu Lida recognized rental income of RMB 2,008,904.38.

2) Subsidiary Weifu Jinning signed a house lease contract with associated enterprise Le-HydrauliX, and Le-HydrauliX leased partial factory buildings of Weifu Jinning located at No.12 North Liuzhou Road, Pukou District, Nanjing, with a lease period from 1 January 2025 to 31 December 2025. Weifu Jinning recognized factory building lease income of RMB 3,200,028.00 in 2025.

The company as the lessee

Name of lessor	Type of leased assets	Rental fee recognized in the current period	Rental fee recognized in the last period
Autolink Intelligent	House and equipment	4,047,300.00	2,698,200.00

Description on related lease: Subsidiary Weifu Zhigan signed a lease contract with Autolink Intelligent on Autolink Intelligent renting its property located at No.8 Huayun Road, Wuxi (including factory buildings, parking lots and ancillary office furniture, facilities, equipment, etc.) as a whole to Weifu Zhigan, with a lease period from 1 June 2024 to 31 May 2026. Weifu Intelligent Sensor recognized property lease expense of RMB 4,047,300.00 for the year 2025.

(5) Details of related guarantees

The company as the guarantor

Guaranteed party	Amount guaranteed (RMB ten thousand)	Guarantee start date	Guarantee due date	Whether the guarantee has been fulfilled
Yiwo Automotive	1,000.00	2022.12.12	--	No
VHIO	7,784.00	18.7.2023	2027.7.31	No
VHIO	5,309.00	18.7.2023	2028.2.15	No
VHIO	30,706.00	2024.4.9	--	No
IRD	2,490.00	2025.9.15	2026.9.15	No

Description of related security:

The company bore a guarantee liability security with the total amount of no more than RMB 10,000,000 for all debts (including principal creditor's right and interest, liquidated damages, damage awards and expenses for realizing creditor's right) in the sales contract signed between subsidiary Yiwo Automotive and Shenzhen BYD Supply Chain Management Co., Ltd., with the security period of two years from the master contract signing date to the expiration of debt performance period under the master contract or till 30 December 2026 (inclusive) (whichever is earlier).

The company provided three business performance guarantees to the wholly-owned subsidiary VHIO, including letters of guarantee and more, detailing: a guarantee amount of RMB 77,840,000 occurred on 18 July 2023, with a guarantee period of three years since the date when Italian tax authority received the letter of guarantee; a guarantee amount of RMB 53,090,000 occurred on 16 November 2023, with a guarantee period: six months since the date when each guarantee debt was due, but no later than 30 June 2028; a guarantee amount of RMB 307,060,000 occurred on 9 April 2024, with a guarantee period of two years since the date when VHIO completed performance of all supplier obligations or meeting the indicator requirements stipulated in the letter of guarantee.

The company provided loan guarantee with the guarantee amount of RMB 24,900,000 to the wholly-owned subsidiary IRD, and this contract took the security deposit account of the company opened at China CITIC Bank Wuxi Branch and the monetary funds in the account as the pledged property, providing pledge guarantee for IRD debts.

(6) Associated party fund borrowing

No.

(7) Associated party asset transfer and debt restructuring

No.

(8) Key management personnel remuneration

Items	Current amount (RMB ten thousand)	Last period amount (RMB ten thousand)
Key management personnel remuneration	798.00	1,079.00

(9) Related party commitment

No.

(10) Other associated transactions

Associated party	Name of projects	Current amount	Previous amount
Bosch Powertrain	Paid technical commission fee, etc.	3,029,904.54	--
German Bosch	Technical service fee payable, etc.	2,056,330.99	193,000.00
German Bosch	Paid technical commission fee, etc.	4,272,142.00	2,724,741.59
German Bosch	Purchase of fixed assets	13,335,398.23	9,212,449.26
German Bosch	Selling fixed assets	--	2,774,443.00
German Bosch	Provided technical service, etc.	6,007,355.00	--
Urban public distribution	Purchased canteen food ingredients, etc.	3,850,806.65	2,470,675.30
Wuxi Grain Group	Purchased canteen food ingredients, etc.	696,883.30	--
Wuxi Industrial Group	Provided technical service, etc.	365,094.34	752,122.64
Weifu Environmental Protection	Technical service fee payable, etc.	275,283.02	589,056.60
Weifu Environmental Protection	Kinetic energy fee payable	1,052,652.89	1,125,244.70
Weifu Environmental Protection	Provided technical service, etc.	--	641,320.75
Eleventh Technology	Technical service fee payable, etc.	--	25,471.70
Lezhuo Bowei	Provided technical service, etc.	--	82,722.27
Lezhuo Bowei	Technical service fee payable, etc.	8,761.06	--
Wuxi IoT	Purchase of fixed assets	--	68,867.93
Weifu Precision Machinery	Purchase of fixed assets	--	3,000.00
Autolink Intelligent	Kinetic energy fee payable	683,489.99	--
Shenzhen Deqi	Receiving consulting services	237,623.76	--

6. Receivables and payables of related parties**(1) Receivables**

Name of projects	Associated party	Closing balance		Balance at the end of last year	
		Book balance	Bad debt reserve	Book balance	Bad debt reserve
Accounts receivable	Weifu Precision Machinery	778,983.46	131,537.33	253,087.10	--
Accounts receivable	Bosch Powertrain	837,818,105.83	5,540,525.12	807,220,878.29	3,096,153.84
Accounts receivable	German Bosch	719,908,284.79	1,160,786.70	638,685,114.08	1,347,705.10
Accounts receivable	Lezhuo Bowei	3,333,359.57	1,382.13	5,234,363.76	0.03
Accounts receivable	Weifu Environmental Protection	3,484,406.91	17,030.00	2,599,809.56	--
Accounts receivable	Changchun Xuyang	28,140,261.21	--	9,644,850.41	--
Accounts receivable	Wuxi Grain Reserve	290,447.45	740.95	242,500.00	--

Name of projects	Associated party	Closing balance		Balance at the end of last year	
		Book balance	Bad debt reserve	Book balance	Bad debt reserve
Dividends receivable	Weifu Precision Machinery	5,357,758.49	--	5,357,758.49	--
Advance payment	German Bosch	13,992,553.66	--	10,933,876.91	--
Other receivables	German Bosch	--	--	2,885,068.34	225,599.82
Other receivables	Autolink Intelligent	449,700.00	89,940.00	449,700.00	--
Other non-current assets	German Bosch	7,713,000.00	--	7,513,200.00	--
Other non-current assets	Wuxi Industrial Group	5,452,800.00	--	5,452,800.00	--
Total		1,626,719,661.37	6,941,942.23	1,496,473,006.94	4,669,458.79

(2) Payables

Name of projects	Associated party	Closing balance	Balance at the end of last year
Accounts payable	Weifu Precision Machinery	11,557,314.95	7,803,153.23
Accounts payable	Weifu Environmental Protection	821,788,108.10	581,475,733.94
Accounts payable	Bosch Powertrain	106,344,798.47	67,673,428.74
Accounts payable	German Bosch	49,807,318.10	28,113,764.28
Accounts payable	Autolink Intelligent	50,000.00	1,478,079.00
Accounts payable	Urban public distribution	159,977.13	--
Accounts payable	Wuxi Grain Group	70,557.01	--
Accounts payable	Lezhuo Bowei	7,751.80	--
Accounts payable	Voith HySTech GmbH	1,607,709.29	--
Accounts payable	Changchun Xuyang	162,773.76	--
Accounts payable	Eleventh Technology	--	46,000.00
Advance receipt	German Bosch	--	41,380.29
Other payables	Junhai Xichan	1,666.67	--
Other payables	Weifu Precision Machinery	--	29,000.00
Contract liabilities	Weifu Precision Machinery	195,643.85	203,031.12
Contract liabilities	Bosch Powertrain	0.36	0.36
Contract liabilities	German Bosch	999,124.21	325,299.33
Contract liabilities	Weifu Environmental Protection	--	75,840.73
Other current liabilities	Bosch Powertrain	0.05	0.05
Other current liabilities	Weifu Environmental Protection	--	9,859.30
Other current liabilities	Weifu Precision Machinery	25,433.70	26,394.04
Other current liabilities	German Bosch	2,535.00	--
Lease liabilities	Autolink Intelligent	2,678,104.32	2,228,404.32
Total		9,954,58,816.77	689,529,368.73

XIV. Share-based payment

1. Overall share-based payment

No.

2. Equity-settled share-based payment

No.

3. Cash-settled share-based payment

No.

4. Total amount of share-based payment expenses in the current period

No.

5. Share-based payment modification and termination

No.

XV. Commitments and contingencies**1. Major commitments**

The company does not have any significant commitments which need to be disclosed.

2. Contingencies

Contingent liabilities formed by provision of debt guarantee for other organizations and its financial impact Security to subsidiaries: As of 31 December 2025, the company provided security for all debts incurred by the contract performance of subsidiary Yiwo Automotive and Shenzhen BYD Supply Chain Management Co., Ltd., with a security amount of RMB 10,000,000;

As of 31 December 2025, the company has provided a guarantee facility of RMB 562,730,000 to its subsidiary VHIO. The scope of the guarantee includes, but is not limited to, financing-related guarantees arising from financing activities (including loans, bank acceptance bills, foreign exchange derivatives transactions, letters of credit, and guarantees), as well as performance guarantees arising from daily operations. In addition, the company has provided a pledged loan guarantee for its subsidiary IRD by pledging the margin account opened with China CITIC Bank Wuxi Branch and the funds therein (time deposits of RMB 24,900,000) as collateral to secure IRD's obligations.

Other contingent liabilities and the financial impact

There aren't other significant contingencies that needed to be disclosed.

XVI. Events after the balance sheet date**1. Significant non-adjusting events**

No.

2. Profit distribution

Company 2025 profit distribution plan: distributing cash dividend of RMB 7 (including tax) per 10 shares, based on the latest company total share capital (996,785,693 shares), without giving bonus shares or increasing

share capital by provident fund. The remaining undistributed profits shall be carried forward to the next year. The total cash dividend intended to be distributed this time is RMB 676,749,985.10 (including tax). When implementing this profit distribution plan, if the total amount of shares entitled to profit distribution changes, the total distribution amount shall be adjusted according to the principle of unchanged distribution ratio, based on the total shares entitled to profit distribution on the date of equity registration when implementing the distribution plan.

3. Sales return

No.

4. Other significant non-adjusting events after the balance sheet date

No.

XVII. Other important matters

1. Correction of previous-period accounting errors

No.

2. Debt restructuring

No.

3. Replacement of assets

No.

4. Annuity plan

The 8th meeting of the 7th board of directors of the company reviewed and adopted Enterprise Annuity Plan of Wuxi Weifu High-Tech Technology Group Co., Ltd.: In order to mobilize the enthusiasm and creativity of employees, establish a long-term talent incentive mechanism, strengthen cohesion and competitiveness of enterprise, the company will implement the above annuity plan from the date of receiving the plan reporting reply letter from the labor security administrative department. The annuity plan content is as follows: The enterprise annuity fund is jointly paid by the enterprise and individual employees; the annual payment of enterprise shall not exceed 8% of the total wages of its employees, and the total payment of the enterprise and individual employees shall not exceed 12% of the total wages of its employees. It is subject to adjustments as appropriate according to the national enterprise annuity policy and corporate economic benefits, and in the principle of adapting to corporate economic strength, enterprise payment in the current year is controlled at 8% of last year's total wages. The maximum annual distribution quota of employees shall not exceed 5 times average distribution quota of employees, and the excess part is excluded from the distribution quota. Personal payment is controlled at 1% of the individual's total salary last year. In the future, the specific annual payment ratio shall be adjusted by the

enterprise according to operation of the company.

In December 2012, the company received the Reply on the Filing of the Enterprise Annuity Plan of Wuxi Weifu High-Technology Group Co., Ltd. from the labor security administrative department, and then signed the Entrusted Management Contract of the Enterprise Annuity Plan of Wuxi Weifu High-Technology Group Co., Ltd. with China Life Pension Insurance Co., Ltd.

5. Discontinued operations

Inapplicable.

6. Division information

(1) Basis for determining reporting divisions and accounting policy

The company determines its operation segments based on the internal organizational structure, management requirements, and internal reporting system. The corporate operating divisions refer to the components that simultaneously meet the following conditions:

Such components can generate income and incur expense in daily activities;

The corporate management can regularly evaluate the operating results of such components to determine the allocation of resources and evaluate of the performance;

The company can obtain relevant accounting information such as financial status, operating results and cash flow of this component through analysis.

If two or more business divisions have similar economic characteristics and meet certain conditions, they may be merged into one.

The company considers the principle of importance, and determines the reporting divisions based on the operating divisions. Corporate reporting divisions are business units that provide different products or services, or operate in different regions. Due to different technological and market strategies required by various businesses or regions, the company manages the production and operation activities of reporting divisions independently, evaluates their operating results respectively, and decides to allocate resources to them and evaluate their performance. The company mainly produces automotive internal combustion engine fuel system and fuel cell parts products, automotive parts, mufflers, converters, vacuum and hydraulic pumps and other relevant products. The company determines the reporting divisions by product or service content, but due to mixed operation of relevant businesses, the total assets, total liabilities and period expenses have not been allocated.

(2) Financial information of reporting divisions

Items	Energy conservation and emission reduction: Automotive Fuel Injection System Product Division	Energy conservation and emission reduction: Automotive After-treatment System Product Division	Energy conservation and emission reduction: Automotive Intake System Product Division
Operating revenue	5,013,419,229.92	3,702,606,441.37	1,070,567,590.34
Operating cost	3,940,599,327.45	3,161,500,934.27	845,024,441.74

(Continued)

Items	Intelligent Electric Product Division	Green Hydrogen Energy Product Division	Total
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Items	Intelligent Electric Product Division	Green Hydrogen Energy Product Division	Total
Operating revenue	2,151,703,630.20	85,582,166.44	12,023,879,058.27
Operating cost	1,863,927,414.14	128,786,031.14	9,939,838,148.74

7. Other important matters affecting investor decision-making

In March 2023, the company reported case to the Xinwu Branch of Wuxi Public Security Bureau regarding subsidiary Weifu International Trade suffering contract fraud. The Bureau issued Case Filing Notice on 12 April 2023, and initiated criminal case investigation (refer to the 2023-007 information disclosure announcement of the company on 13 April 2023). On 11 April 2025, Wuxi Intermediate People's Court made the first-instance judgment ((2024) Su 02 Criminal First No.22), sentencing that defendant Liu committed the crime of contract fraud, and the seized, sealed and frozen case-related properties and more shall be handled by the public security organ according to law. Defendant Liu appealed, and the final criminal judgment ((2024) Su 02 Criminal No.22) entered into effect on 8 July 2025. As of the end of 2025, the company had received a part of the case-related properties returned by the public security organ and executed by the court, including monetary funds of RMB 460,416,300, as well as small home appliances totaling RMB 43,591,200.

After the case occurred in 2023, the company conducted accounting treatment based on the receipt and payment of funds, according to the principle of substance over form, prudently identified the purchasing payments actually made to "suppliers" and the sales amount received from "customers" as credits and debts, and presented them in other receivables as per net amounts by means of "platform trade" business portfolio. As of 31 December 2025, the balance of credits receivable for "platform trade" event was RMB 2,038,255,800, the company prudently judged the recoverable amount according to the case execution situation, and the cumulative provision for expected credit losses was RMB 1,979,160,400.

XVIII. Main item notes of company financial statements

1. Accounts receivable

(1) Disclosure by age

Aging	Closing balance	Balance at the end of last year
Within a year	1,671,151,997.55	1,482,006,067.41
Of which: Within six months	1,645,841,412.82	1,460,455,344.98
Six months to one year	25,310,584.73	21,550,722.43
One to two years	8,116,785.90	6,409,424.43
Two to three years	1,181,729.54	8,408,261.89
More than three years	5,657,755.38	1,242,046.26
Subtotal	1,686,108,268.37	1,498,065,799.99
Less: Bad debt provision	10,933,135.26	8,130,109.94
Total	1,675,175,133.11	1,489,935,690.05

(2) Classified and presented by bad debt provision method

Category	Closing balance				Book value
	Book balance		Bad debt reserve		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	

Category	Closing balance				Book value
	Book balance		Bad debt reserve		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable with single provision for bad debt reserve	1,331,421.03	0.08	1,311,786.99	98.53	19,634.04
Accounts receivable for which bad debt provision has been assessed by portfolios	1,684,776,847.34	99.92	9,621,348.27	0.57	1,675,155,499.07
Of which: receivables from customers	1,467,954,762.11	87.06	9,621,348.27	0.66	1,458,333,413.84
Receivables from internal related parties	216,822,085.23	12.86	--	--	216,822,085.23
Total	1,686,108,268.37	100.00	10,933,135.26	0.65	1,675,175,133.11

(Continued)

Category	Balance at the end of last year				Book value
	Book balance		Bad debt reserve		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable with single provision for bad debt reserve	1,439,571.54	0.10	1,439,571.54	100.00	--
Accounts receivable for which bad debt provision has been assessed by portfolios	1,496,626,228.45	99.90	6,690,538.40	0.45	1,489,935,690.05
Of which: receivables from customers	1,331,265,647.15	88.87	6,690,538.40	0.50	1,324,575,108.75
Receivables from internal related parties	165,360,581.30	11.04	--	--	165,360,581.30
Total	1,498,065,799.99	100.00	8,130,109.94	—	1,489,935,690.05

i. Accounts receivable with single provision for bad debt reserve at the end of period

Accounts receivable (by entity)	Closing balance			
	Book balance	Bad debt reserve	Accrual ratio	Accrual basis
SAIC Hongyan Automobile Co., Ltd.	827,475.79	807,841.75	97.63	Forecast as difficult to recover
Lovol Tianjin Engines Co., Ltd.	503,945.24	503,945.24	100.00	Forecast as difficult to recover
Total	1,331,421.03	1,311,786.99	—	—

Continued

Accounts receivable (by entity)	Balance at the end of last year			
	Book balance	Bad debt reserve	Accrual ratio	Accrual basis
SAIC Hongyan Automobile Co., Ltd.	935,626.30	935,626.30	100.00	Forecast as difficult to recover
Lovol Tianjin Engines Co., Ltd.	503,945.24	503,945.24	100.00	Forecast as difficult to recover
Total	1,439,571.54	1,439,571.54	—	—

ii. Provision for bad debt reserve by portfolio:

Items	Closing balance		
	Book balance	Bad debt reserve	Accrual ratio (%)
Within six months	1,645,821,317.46	--	--
Six months to one year	25,291,517.36	2,529,151.74	10.00
One to two years	7,328,472.84	1,465,694.58	20.00
Two to three years	1,181,729.54	472,691.82	40.00
More than three years	5,153,810.14	5,153,810.13	100.00
Total	1,684,776,847.34	9,621,348.27	0.57

iii. In the portfolio, the receivables from internal related parties:

Items	Closing balance	
	Book balance	Accrual ratio (%)
Weifu Autosmart	1,365,012.34	--
Weifu Yite	2,860,205.13	--
Weifu Lida	5,923,814.10	--
Weifu Qinglong	1,853,247.57	--
Weifu Schmidt	48,922,909.34	--
Weifu Zhigan	28,242,469.27	--
Weifu International Trade	101,243,271.74	--
Weifu Tianli	6,210,211.72	--
Yiwo Automotive	20,200,944.02	--
Total	216,822,085.23	--

(3) Bad debt reserve status

Category	Balance at the end of last year	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Single provision	1,439,571.54	3,205.61	--	130,990.16	1,311,786.99
Portfolio provision	6,690,538.40	2,931,521.76	--	711.89	9,621,348.27
Total	8,130,109.94	2,934,727.37	--	131,702.05	10,933,135.26

(4) Accounts receivable of the Top 5 closing balance classified by the overdue party

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of allowance for bad debts
Bosch Powertrain	837,818,105.83	49.69	5,540,525.12
German Bosch	196,859,610.74	11.68	562,623.77
Customer 4	132,683,984.57	7.87	14,567.37
Weifu International Trade	101,243,271.74	6.00	--
Customer 5	60,596,569.26	3.59	--
Total	1,329,201,542.14	78.83	6,117,716.26

2. Other receivables

Items	Closing balance	Balance at the end of last year
Interests receivable	117,347.22	6,702,396.94
Dividends receivable	5,357,758.49	5,357,758.49
Other receivables	483,559,405.62	1,417,306,880.03
Total	489,034,511.33	1,429,367,035.46

(1) Interests receivable

Items	Closing balance	Balance at the end of last year
Interests receivable from subsidiaries	117,347.22	6,702,396.94
Total	117,347.22	6,702,396.94

(2) Dividends receivable

Invested entity	Closing balance	Balance at the end of last year
Weifu Precision Machinery	5,357,758.49	5,357,758.49

(3) Other receivables**i. Disclosure by age**

Aging	Closing balance	Balance at the end of last year
Within a year	189,367,609.76	216,098,598.61
One to two years	125,219.45	279,688,422.50
Two to three years	--	2,566,161,181.33
More than three years	2,276,254,327.54	1,753,896.21
Subtotal	2,465,747,156.75	3,063,702,098.65
Less: Bad debt provision	1,982,187,751.13	1,646,395,218.62
Total	483,559,405.62	1,417,306,880.03

ii. Classification by fund nature

Nature of funds	Period-end book balance	Book balance at the end of last year
Employee borrowings and reserve funds	140,080.00	330,080.00
Balance of related parties within the consolidation scope	2,456,258,778.73	3,051,023,208.99
Cash pledge and guarantee deposit	3,046,966.99	3,097,870.78
Social security and housing provident fund paid on behalf	6,268,831.03	6,199,417.67
Others	32,500.00	3,051,521.21
Subtotal	2,465,747,156.75	3,063,702,098.65
Less: Bad debt provision	1,982,187,751.13	1,646,395,218.62
Total	483,559,405.62	1,417,306,880.03

iii. Provision for bad debt reserve

Bad debt reserve	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Balance at the end of last year	2,326,890.69	--	1,644,068,327.93	1,646,395,218.62
Book balance of other receivables at the end of last year is in the current period:	--	--	--	--
——Transfer in Phase II	--	--	--	--
——Transfer in Phase III	--	--	--	--
——Transfer back to Phase II	--	--	--	--
——Transfer back to Phase I	--	--	--	--
Provision in the current period	700,480.74	--	335,092,051.77	335,792,532.51
Reversal in the current period	--	--	--	--
Write-off in current period	--	--	--	--
Write-off in the current period	--	--	--	--
Other changes	--	--	--	--
Closing balance	3,027,371.43	--	1,979,160,379.70	1,982,187,751.13

iv. Bad debt reserve status

Category	Balance at the end of last year	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Bad debt reserve	1,646,395,218.62	335,792,532.51	--	--	1,982,187,751.13
Total	1,646,395,218.62	335,792,532.51	--	--	1,982,187,751.13

v. Other receivables of Top 5 closing balance classified by debtors

Name of company	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Bad debt reserve Closing balance
Weifu International Trade	Balance of related parties within the consolidation scope	2,273,260,000.00	More than three years	92.19	1,979,160,379.70
Weifu Chang'an	Balance of related parties within the consolidation scope	153,857,900.00	Within a year	6.24	--
Weifu Autosmart	Balance of related parties within the consolidation scope	25,000,000.00	Within a year	1.01	--
Weifu Autocam	Balance of related parties within the consolidation scope	3,069,263.11	Within a year	0.12	--
Weifu Schmidt	Balance of related parties within the consolidation scope	1,071,615.62	Within a year	0.04	--
Total	—	2,456,258,778.73	—	99.60	1,979,160,379.70

3. Long-term equity investment

(1) Classification of long-term equity investment

Items	Closing balance			Balance at the end of last year		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Investment in subsidiaries	4,274,257,102.63	--	4,274,257,102.63	3,846,281,133.43	--	3,846,281,133.43
Investment in associated enterprises and joint ventures	5,989,123,912.54	--	5,989,123,912.54	5,533,108,674.14	--	5,533,108,674.14
Total	10,263,381,015.17	--	10,263,381,015.17	9,379,389,807.57	--	9,379,389,807.57

(2) Investment in subsidiaries

Invested entity	Balance at the end of last year	Increase in current period	Decrease in current period	Closing balance	Provision for impairment in the current period	Closing balance of provision for impairment
Weifu Jinning	185,704,551.82	--	--	185,704,551.82	--	--
Weifu Lida	658,974,651.80	--	--	658,974,651.80	--	--
Weifu Mashan	170,986,195.35	--	--	170,986,195.35	--	--
Weifu Chang'an	222,664,737.01	130,000,000.00	--	352,664,737.01	--	--
Weifu International Trade	33,726,511.51	--	--	33,726,511.51	--	--
Weifu Schmidt	51,116,685.47	--	--	51,116,685.47	--	--
Weifu Tianli	238,063,380.00	--	--	238,063,380.00	--	--
Weifu Autocam	82,454,467.99	--	--	82,454,467.99	--	--
Weifu Electric Drive	54,012,820.23	--	--	54,012,820.23	--	--
SPV	1,564,188,899.46	273,914,271.20	--	1,838,103,170.66	--	--
Weifu Lida (Chongqing)	191,160.00	--	--	191,160.00	--	--
Weifu Autosmart	631,890.00	--	--	631,890.00	--	--
Weifu Qinglong	225,000,000.00	--	--	225,000,000.00	--	--
Yiwo Automotive	143,559,879.99	--	--	143,559,879.99	--	--

Invested entity	Balance at the end of last year	Increase in current period	Decrease in current period	Closing balance	Provision for impairment in the current period	Closing balance of provision for impairment
Weifu Zhigan	215,005,302.80	--	--	215,005,302.80	--	--
Weifu Yite	--	24,061,698.00	--	24,061,698.00	--	--
Total	3,846,281,133.43	427,975,969.20	--	4,274,257,102.63	--	--

(3) Investment in associated enterprises and joint ventures

Invested entity	Balance at the end of last year	Increases and decreases in current period				
		Additional investment	Investment reduction	Investment gains and losses recognized under equity method	Adjustment of other comprehensive revenues	Other equity change
Associated enterprises:						
Bosch Powertrain	3,273,396,963.14	--	--	691,806,062.80	--	--
Zhonglian Automotive	1,871,790,817.25	--	--	514,090,471.95	--	--
Weifu Precision Machinery	44,293,972.27	--	--	-264,896.61	--	74,644.79
Autolink	210,866,149.89	--	--	-63,616,983.38	--	-5,010,637.63
Lezhuo Bowei	132,760,771.59	--	--	-33,886,008.88	--	--
Total	5,533,108,674.14	--	--	1,108,128,645.88	--	-4,935,992.84

(Continued)

Invested entity	Increases and decreases in current period			Closing balance	Closing balance of provision for impairment
	Declare distribution of cash dividends or profits	Provision for impairment	Others		
Associated enterprises:					
Bosch Powertrain	204,938,885.76	--	--	3,760,264,140.18	--
Zhonglian Automotive	300,000,000.00	--	--	2,085,881,289.20	--
Weifu Precision Machinery	--	--	--	44,103,720.45	--
Autolink	--	--	142,238,528.88	--	--
Lezhuo Bowei	--	--	--	98,874,762.71	--
Total	504,938,885.76	--	142,238,528.88	5,989,123,912.54	--

4. Operating income, operating cost

Items	Current amount		Previous amount	
	Income	Cost	Income	Cost
Main business	3,560,634,505.19	3,075,407,070.88	3,175,428,485.74	2,585,384,392.97
Other businesses	310,688,548.32	244,907,210.29	221,947,252.49	163,133,107.97
Total	3,871,323,053.51	3,320,314,281.17	3,397,375,738.23	2,748,517,500.94

5. Investment incomes (losses marked with "-")

Items	Current amount	Previous amount
Investment returns on subsidiaries	571,101,597.33	139,560,230.16
Investment income in joint ventures and associated enterprises	1,108,128,645.88	1,237,057,888.34
Investment income of financial assets held for trading during the holding period	1,134,540.55	38,210,665.77

Items	Current amount	Previous amount
Investment income from disposing transactional financial assets	33,092,928.80	16,818,201.49
Investment incomes generated by the disposal of long-term equity investments	264,044,480.51	--
Dividend income obtained during the period of holding other equity instrument investment	--	18,590.00
Income of de-recognition of financial assets measured at amortized cost	--	-312,015.98
Debt restructuring revenue	-107,928.63	-133,897.16
Total	1,977,394,264.44	1,431,219,662.62

XIX. Supplementary Information

1. Current non-recurring gains/losses

Applicable Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset	14,328,949.27	
Governmental grants reckoned into current gains/losses (except for those with normal operation business concerned, and conform to the national policies & regulations and are continuously enjoyed at a fixed or quantitative basis according to certain standards)	37,391,293.43	
Except for the effective hedging operations related to normal business operation of the Company, the gains/losses of fair value changes from holding the trading financial assets and trading financial liabilities, and the investment earnings obtained from disposing the trading financial asset, trading financial liability and financial assets available for sale	103,877,478.05	
Reserve for impairment of receivables separately tested for impairment transfer back	476,700.90	
Gains/losses of debt restructuring	5,433,965.62	
Other non-operating income and expenditure except for the aforementioned items	3,498,446.82	
Other gains/losses that meet the definition of non-recurring gains/losses	264,044,480.51	
Accounts receivable charged off in previous years and recovered in current year		
Less: Impact on income tax	23,966,266.80	
Impact on minority shareholders' equity (After tax)	4,756,773.60	
Total	400,328,274.20	

Specific information on other items of gains/losses that qualified the definition of non-recurring gains/losses

Applicable Not applicable

The Company does not have other gains/losses that qualified the definition of non-recurring gains/losses

Information on the definition of non-recurring gains/losses that listed in the *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary (non-recurring) Gain)/Loss* as the recurring gains/losses

Applicable Not applicable

2. ROE and earnings per share

Profits during report period	Weighted average ROE	Earnings per share	
		Basic earnings per share (RMB/Share)	Diluted earnings per share (RMB/Share)
Net profits belong to common stock stockholders of the Company	5.39%	1.10	1.10
Net profits belong to common stock stockholders of the Company after deducting nonrecurring gains and losses	3.37%	0.69	0.69

3. Difference of the accounting data under accounting rules in and out of China

(1) Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

(2) Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

(3) Explanation on data differences under the accounting standards in and out of China; as for the differences adjustment audited by foreign auditing institute, listed name of the institute

Nil

4. Other

BOD of Weifu High-Technology Group Co., Ltd.

Chairman: _____
Yin Zhenyuan
17 April 2026