



WEIFU HIGH-TECHNOLOGY GROUP CO., LTD.

ANNUAL REPORT 2024

April 2025

Section I. Important Notice, Contents and Interpretation

Board of Directors, Board of Supervisory, all directors, supervisors 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 Wu Junfei, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of 2024 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 971,986,293, distributed 9.00 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 aaccounting firm and ssignature 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 2024 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. Societ à 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.
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, 2024 to December 31, 2024

Section II Company Profile and Main Financial Indexes

I. Company information

Short form of the stock	WFHT, Su Weifu-B	Stock code	000581, 200581
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, 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)”		
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

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

	2024	2023	Year-on-year increase (+)/decrease (-)	2022
Operation income (RMB)	11,167,263,155.85	11,093,141,950.98	0.67%	12,729,634,917.03
Net profit attributable to shareholders of the listed company (RMB)	1,659,533,740.63	1,837,291,259.68	-9.67%	118,819,836.30
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses (RMB)	1,579,109,476.17	1,597,321,239.86	-1.14%	119,966,549.62
Net cash flows arising from operating activities (RMB)	1,582,332,648.74	1,626,249,911.90	-2.70%	-2,575,742,649.43
Basic earnings per share (RMB/Share)	1.71	1.88	-9.04%	0.09
Diluted earnings per share (RMB/Share)	1.71	1.88	-9.04%	0.09
Weighted average ROE	8.47%	9.92%	-1.45%	0.64%
	Year-end of 2024	Year-end of 2023	Year-on-year increase (+)/decrease (-)	Year-end of 2022
Total assets (RMB)	28,404,900,411.22	28,081,087,791.81	1.15%	28,528,913,065.01
Net assets attributable to shareholder of listed company (RMB)	19,840,528,176.64	19,399,892,671.78	2.27%	17,696,679,170.72

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	2,903,412,685.96	2,790,820,866.76	2,523,164,569.51	2,949,865,033.62
Net profit attributable to shareholders of the listed company	549,126,314.07	405,214,955.83	323,058,151.63	382,134,319.10
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses	548,772,219.33	426,304,613.01	260,525,780.83	343,506,863.00
Net cash flows arising from operating activities	4,587,238.96	883,305,078.41	180,786,527.26	513,653,804.11

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	2024	2023	2022	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	9,510,530.25	126,538,939.67	-148,566.90	
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)	48,616,030.83	31,251,345.14	111,917,334.77	

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	-4,243,156.82	23,096,322.48	-145,070,562.29	
Gains/losses of assets delegation on others' investment or management	43,932,736.08	94,647,509.98	1,236,142.58	
Reversal of provision of impairment of accounts receivable which are treated with separate depreciation test	4,270,595.02	5,862,949.67	1,265,113.45	
Gains/losses from debt reorganization	-599,671.45	-323,525.00		
Other non-operating income and expenditure except for the aforementioned items	10,738,857.90	22,253,986.90	39,799,099.77	
Other gains/losses items that meet the definition of non-recurring profit and loss	-10,418.17			
The write-off of previous years recovered in current period		63,149.93		
Less: impact on income tax	30,485,887.28	40,956,611.82	1,952,583.99	
Impact on minority shareholders' equity (after-tax)	1,305,351.90	22,464,047.13	8,192,690.71	
Total	80,424,264.46	239,970,019.82	-1,146,713.32	--

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.

The company belongs to the industry of auto parts manufacturing. 2024 was a crucial year to realize the objectives and tasks of the 14th Five-Year Plan. Although the automobile industry fluctuated obviously at the beginning of the year due to price wars, low base and Spring Festival holidays, under the strong leadership of the CPC Central Committee and the State Council, government departments at all levels actively implemented policies and timely introduced the "Two New" policies. With the joint efforts of the whole industry, production and sales achieved steady progress throughout the year, showing strong development resilience and vitality and becoming an important engine to stimulate economic growth. In 2024, the automobile production and sales in China were 31.282 million and 31.436 million respectively, with year-on-year increases of 3.7% and 4.5%, and the production and sales maintained over 30 million, hitting a new top again.

1. Commercial vehicle market situation

In 2024, due to weak domestic real estate, infrastructure market and economic growth, the performance of commercial vehicles was lower than intended; however, the performance of new energy commercial vehicles, gas vehicles and export markets remained strong, which was an important support for structural growth. In 2024, the production and sales of commercial vehicles were 3.805 million and 3.873 million, respectively, with year-on-year decreases of 5.8% and 3.9%, of which the annual export was 904,000, with a year-on-year increase of 17.5%.

In terms of production and sales of different models, in 2024, the production and sales of trucks were 3.297 million and 3.362 million respectively, with year-on-year decreases of 6.8% and 5.0%, and the production and sales of passenger cars were 508,000 and 511,000 respectively, with year-on-year increases of 2.0% and 3.9%.

In terms of segment models, among the varieties of truck, medium trucks increased obviously, and mini trucks decreased by over 30%. The sales of heavy trucks were 902,000, with a year-on-year decrease of 1.0%; the sales of medium trucks were 128,000, with a year-on-year increase of 19.0%; the sales of light trucks were 1.9 million, with a year-on-year increase of 0.3%; the sales of mini trucks were 433,000, with a year-on-year decrease of 30.9%. Among the varieties of passenger car, the sales of large and medium passenger cars increased rapidly, while the sales of light passenger cars decreased slightly. Among them, the sales of large passenger cars were 66,000, with a year-on-year increase of 23.0%; the sales of medium passenger cars were 53,000 vehicles, with a year-on-year increase of 38.8%; the sales of light passenger cars were 392,000, with a year-on-year decrease of 1.9%.

In 2024, the commercial vehicle market was still dominated by traditional fuels, with diesel vehicles and gasoline vehicles accounting for 52.3% and 26.8% of the annual commercial vehicle market, respectively; new energy vehicles (pure electric, plug-in hybrid, fuel cell) accounted for about 15.1%, of which pure electric vehicles accounted for the highest, which was 14.2%; other alternative fuels accounted for only 0.07%; gas vehicles accounted for 5.7%, under the support of the increase in oil and gas price difference and the prominent advantage of operating cost.

2. Passenger car market situation

In 2024, driven by the trade-in policy and supported by new energy passenger cars and exports, the production and sales of passenger cars continued to grow, playing a positive role in stabilizing the basic development of automobile consumption. The production and sales of passenger cars were 27.477 million and 27.563 million respectively, with year-on-year increases of 5.2% and 5.8%. The overseas exports were 4.955 million, with a year-on-year increase of 19.7%. Supported by continuous improvement of product competitiveness, new energy penetration and rapid growth of exports, the annual market share of independent brands reached 65.2%.

3. New energy vehicle market situation

Under the combined effect of favorable policies, abundant supply, lower prices and continuous improvement of infrastructure, new energy vehicles continued to maintain rapid growth. In 2024, the production and sales were 12.888 million and 12.866 million respectively, with year-on-year increases of 34.4% and 35.5%, and the sales of new energy vehicles reached 40.9% of the total sales of new vehicles. Among them, the sales of pure electric vehicles was 7.719 million, with a year-on-year increase of 15.5%; the sales of plug-in hybrid vehicles was 5.141 million, with a year-on-year increase of 83.3%; the sales of fuel cell vehicles was 5,000 vehicles, with a year-on-year decrease of 12.6%.

4. Off-road vehicle market situation

In 2024, the market demand of construction machinery mainly depended on domestic upgrading and export support. Because the macroeconomic recovery was slow, and the demand sides of real estate and infrastructure did not improve significantly, the construction machinery industry declined; agricultural machinery was in a downward trend due to multiple factors such as sluggish consumption, stock saturation and market overdraft. In 2024, the sales of diesel internal combustion engines for construction machinery was 844,000, with a year-on-year decrease of 5.5%; the sales of diesel internal combustion engines for agricultural machinery was 1.488 million, with a year-on-year decrease of 4.4%.

(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 2024, the operating conditions of the company basically matched the development of the industry. Affected by the macroeconomic environment, intensifying competition in the automobile industry, relatively weak performance in the commercial vehicle market, the company achieved operating income of 11.167 billion yuan during the reporting period, with a year-on-year increase of 0.67%. The net profit attributable to shareholders of listed companies was 1.66 billion yuan, with a year-on-year decrease of 9.67%.

II. Major Business of the Company within the reporting period

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

(I) Main business engaged by the Company

The main business of the Company is the research and development, production and sales of core automotive parts, and currently has four business segments, including energy conservation and emission reduction, green hydrogen energy, intelligent electric, industrial and other. During the reporting period, the main products sold were diesel fuel injection system, exhaust post-treatment system, intake system, core parts of hydrogen energy and fuel cells, core parts of thermal management system, cabin core parts, core parts of brake system, core parts of situation awareness, core parts of hydraulic system, etc.

1. Fuel injection system, including high pressure oil pump, high pressure oil rail, injector, filter and other products, widely used in diesel engines of all levels of power, supporting various trucks, buses, construction machinery, marine, agricultural machinery, generator sets, and can meet the National Emission Standards VI, off-road stage IV emission regulations, leading in the product variety, production scale, market share. While doing a good job in supporting domestic engines, some products are exported to the Americas, Southeast Asia, the Middle East and other regions.

2. Exhaust post-treatment system, including diesel purifier, gasoline purifier, natural gas purifier, muffler, catalyst and other products, can meet the National Emission Standards VI, off-road stage IV emission regulations, with leading technical level, market

scale and production capacity in China, widely used in traditional power & plug-in hybrid passenger vehicles, commercial vehicles, off-road machinery and other fields, and can provide strong support for product upgrading and renewal of OEMs.

3. Intake system, including diesel turbocharger, gasoline turbocharger, natural gas turbocharger and other products, can meet the National Emission Standards VI, off-road stage IV emission regulations, with the scope of application covering commercial vehicles, traditional power & plug-in hybrid passenger vehicles, construction machinery, agricultural machinery, generator sets and other fields, and can support the major domestic OEMs and automobile manufacturers.

4. Core parts of hydrogen energy and fuel cells, including membrane electrode, bipolar plate (graphite, metal), catalyst and BOP critical parts (such as valves, pumps, air compressor critical parts), hydrogen storage bottles and other products, mainly support domestic and foreign hydrogen fuel cell stack and system manufacturers and energy storage enterprises.

5. Core parts of electric drive systems, including motor shaft, end cover, water jacket and other products, mainly support domestic and foreign new energy passenger car enterprises or electric drive system manufacturers.

6. Core parts of thermal management systems, including electronic oil pump, electronic water pump, thermostat, water cooling plate and other products, mainly support domestic and foreign new energy passenger vehicles, commercial vehicle enterprises.

7. Cabin core parts, including car seat assembly, seat skeleton, electric long slide, shock absorber and other products, mainly support domestic mainstream commercial vehicles, passenger car enterprises.

8. Core parts of brake systems, including mechanical vacuum pump and other products, mainly support domestic and foreign mainstream passenger car enterprises.

9. Core parts of situation awareness: including 4D imaging radar, forward radar, angle radar, cabin radar, road brake radar and other products, mainly used in intelligent driving, intelligent cockpit, intelligent parking, vehicle-road coordination and other fields.

10. Core parts of hydraulic system: including forklift hydraulic system, motor pump, internal gear pump, motor controller, piston parts and other products, mainly support major domestic hydraulic enterprises.

(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

	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	174.87	202.55	-13.67%	177.44	199.35	-10.99%

Fuel management system- fuel injector	213.54	242.71	-12.02%	239.30	217.50	10.02%
After-treatment system - diesel purifier	37.71	46.76	-19.35%	36.80	43.90	-16.17%
After-treatment system - gasoline purifier	473.52	366.81	29.09%	439.70	342.79	28.27%
Air management system -turbocharger	136.40	97.81	39.45%	128.27	90.36	41.95%
Brake system - vacuum pump	739.99	737.68	0.31%	724.72	734.32	-1.31%
By vehicle facilities						
By after-service market						
Fuel management system- multi-cylinder pumps	0.22	0.28	-21.43%	0.24	0.29	-17.24%
Fuel management system- fuel injector	0.32	0.29	10.34%	0.10	0.08	25.00%
Air management system -turbocharger	1.40	1.12	25.00%	1.29	1.16	11.21%
Other classification						
By domestic area						
Fuel management system- multi-cylinder pumps	175.09	202.83	-13.68%	177.68	199.63	-11.00%
Fuel management system- fuel injector	213.86	243.00	-11.99%	239.40	217.58	10.03%
After-treatment system - purifier	511.23	413.57	23.61%	476.50	386.69	23.23%
Air management system -turbocharger	137.80	98.93	39.29%	129.56	91.52	41.56%
Brake system - vacuum pump	251.00	249.34	0.67%	241.70	248.00	-2.54%
By oversea area						
Brake system - vacuum pump	488.99	488.34	0.13%	483.02	486.32	-0.68%

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

Applicable Not applicable

Increase in output and sales volume of purifiers and turbocharger is mainly due to the company seizing the growth opportunity in the hybrid passenger car market and the increase in customer orders during the reporting period.

Sales model of spare parts

The Company adheres to the customer-centric approach and applies flexible marketing strategies and standardized development procedures to satisfy the demands of different types of customers, ensure the smooth implementation of customer development plans, and strive for more customers and a larger market share. The Company has established a mechanism for strategic customer visits, with senior management visiting customers or receiving visits from customers on a regular basis, holding high-level strategic meetings, special cooperation exchanges and other activities. The Company implements special management for strategic customers and establishes a four-in-one collaborative organization consisting of the responsible leaders, key account managers, marketing department and business divisions to do a good job of customer demand analysis and management, customer satisfaction survey and analysis, etc. Meanwhile, the Company optimizes business processes by means of information technology to enhance the speed of response to customer demands, and assists customer relationship management through modern technological tools such as call centers, customer data warehouses, business intelligence, mobile devices and web conferencing. The Company promotes collaborative marketing of existing businesses and new businesses, strengthens communication and cooperation with existing business customers in new businesses, and actively expands new customers and develops potential customers.

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

In RMB

Category	Capacity	Output	Sales volume	Sales revenue
Core components for hydrogen fuel cells	1,500,000 pieces	609,500 pieces	767,900 pieces	120,062,335.73

Core parts for E-drive	3,820,000 pieces	2,738,600 pieces	2,760,500 pieces	395,983,844.96
Exhaust (PEHV) cleaner	2,080,000 pieces	490,000 pieces	499,000 pieces	490,228,800.00
Intake (PHEV) supercharger	700,000 units	465,000 units	442,000 units	341,878,040.30

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 existing core auto parts products such as automotive fuel injection system, exhaust gas after-treatment system, air intake system and core parts of hydrogen fuel cell have strong market competitiveness and high market shares. The Company is a leading enterprise in the internal combustion engine industry of China and ranked 39th on the 2024 Top 100 Chinese Automotive Parts Enterprises.

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, which mainly focus on fuel injection system for vehicles, exhaust gas after-treatment system, air intake system, braking system and core components of hydrogen and fuel cells, intelligent electric vehicles and other businesses for technological innovation and product development. The Company has acquired a number of key core technologies, with the technical indicators of its main products at the leading level in the industry. In recent years, the Company has made key strategic layout in the fields of green hydrogen energy and intelligent electric vehicle, and formed product technology research and development capabilities in hydrogen fuel cell core components, renewable energy hydrogen production, core parts of E-drive, thermal management system components, intelligent perception modules, and other product technologies.

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, the Company has continued to build a smart factory with Weifu characteristics and promote the application of AI, cloud computing and IOT, which can strongly support the future business development of the Company.

4. Marketing and service advantages. The Company features a stable, professional and experienced marketing team, which can provide targeted support and services based on customer demands, as well as cordial customer relationships. With regard to long-term strategic customers, the Company has established a four-in-one marketing coordination group consisting of responsible leaders, key account managers, marketing departments and business divisions, and regular visits among the management of the companies to promote communication and cooperation. The Company has a relatively complete after-sales service system, and has built an after-sales service network, intelligent service platform, and set up special maintenance technical service stations nationwide to regularly train end-users in the use of maintenance and fault analysis and judgment, so as to provide customers with fast, timely and professional all-round after-sales services.

5. Talent team advantages. The management team of the Company has extensive experience in the auto parts industry with excellent industry reputation. The Company attaches importance to the growth of employees as well as the development of core talents. With years of accumulation, the Company has deposited a group of professional and high-quality management and technical talents and established a reasonable talent echelon, which provides a strong guarantee of human resources for the long-term and stable development of the Company. The human resource management system of the Company is relatively comprehensive, and the continuously optimized human resource management system has provided a fair platform for career development of employees to realize their values. The Company attaches importance to the service and care for employees, and aims to enhance the service experience of employees through the construction of employee self-help platform to create a working environment with warmth and a sense of belonging.

6. International cooperation advantages. The Company is committed to the core automotive parts industry and has long been cooperating with strategic partners at home and abroad in depth. The Company has been cooperating with industry giant Robert Bosch Company since 1984, and has established a long-term and stable cooperation relationship with Bosch and continuously expanded cooperation in new business areas, and the cooperation model between the two sides has become an industry model. Meanwhile, the Company has built joint ventures with Autocam in the United States and Voith in Germany, and cooperates closely in the field of high-end precision manufacturing. By long-term cooperation with renowned enterprises in Europe and the United States, the Company has cultivated a group of middle and senior executives and technical personnel with international communication abilities, international visions and familiarity with international standards, and has mastered R&D process design, quality control and production management capabilities with international advanced levels, which has promoted favorable development of the business of the Company as well as international business and market development.

7. Excellent corporate culture with the mission of “Better Life Powered by Quality and Intelligence” and the vision of “to grow into a top global manufacturer of industrial components”, the Company has practiced the core values of “Focus, Innovation, Commitment and Integration” while adopting the enterprise spirit of “Being Practical, Being Courageous, Being Cooperative and Being Pioneering”. The Company has been building a culture system of “Quality and Intelligence”, with “Quality” and “Intelligence” as the twin engines of the corporate culture, which reflect the adherence to the original intention and the pursuit of the future. The excellent corporate culture has provided strong support for the continued operational excellence of the Company and its growth into a trustworthy and respected industrial expert, thereby playing an active role in the achievement of the strategic goals of the Company.

IV. Analysis of Main Businesses

1. Overview

2024 was a crucial year for the in-depth implementation of the “14th Five-Year Plan”. Faced with many difficulties such as the serious competition in the automobile industry and the fluctuation in raw material prices, the company took “Exploring the Market for Survival, Implementing Lean Management for Benefit and Laying out New Industries for Development” as its business policy, and all employees made concerted efforts to continuously improve the operation quality and ensure the smooth operation of the company. During the reporting period, the company realized an operating income of 11.167 billion yuan, with a year-on-year increase of 0.67%; the net profit attributable to shareholders of listed companies was 1.66 billion yuan, with a year-on-year decrease of 9.67%; the total assets were 28.405 billion yuan, with a year-on-year increase of 1.15%; the net assets attributable to shareholders of listed companies were 19.841 billion yuan, with a year-on-year increase of 2.27%.

Main work carried out by the company during the reporting period:

1. Made concerted efforts for all business segments, and accelerated the implementation of new businesses

Energy saving and emission reduction business segment: In the fuel injection system products, and the annual sales of common-rail pumps was 1.28 million; the annual sales of VE distribution pumps was nearly 340,000; the annual sales of mechanical pumps

was over 150,000. In the post-treatment system products, the gasoline purifiers had outstanding performance in the hybrid passenger car market, with annual sales of nearly 3.43 million and a year-on-year increase of 24%; the annual sales of diesel purifiers was nearly 210,000, and the market share and competitiveness of passenger cars and commercial vehicles steadily increased; the annual sales of natural gas purifiers was 75,000, with a year-on-year increase of 21%. In the intake system products, the annual sales of four-cylinder diesel turbochargers were 583,000, continuously maintaining the Top 1 market share in the domestic market; the gasoline turbochargers had an outstanding performance in the hybrid passenger car market, with annual sales of 626,000 and a year-on-year increase of 137%, reaching a record high; the annual sales of six-cylinder turbochargers was 87,000, with a year-on-year increase of 18%.

Green hydrogen energy, intelligent electric business and other business segments: The development and batch production of ultra-high power metal bipolar plates, high performance single batteries and membrane electrodes for key customers of fuel cell products were completed; the vehicle verification of hydrogen supply parts for key customers was completed; multiple projects of electronic thermostats, hydrogen ejectors, electronic water pumps, ejectors were obtained; the delivery of the first external 5kW equipment for hydrogen production from electrolyzed water was completed; the equipment development and trial operation of the demonstration project of hydrogen production from electrolyzed water was completed. The core parts of electric drive system were approved for mass production for new projects of several head customers, and the annual sales of motor shafts was 1.725 million, with a year-on-year increase of 24%; the electronic oil pump products realized large-scale mass production for domestic head customers, and some new projects of several key customers were obtained; the 3D corner radar project of a strategic customer was obtained; the small batch delivery of mine radar and road brake radar was realized; the Fuzhou base of automobile seats was completed and put into production; the mass production of passenger car customer projects was realized.

2. Deeply cultivated traditional business technologies and accelerated the research and development of new businesses

Energy saving and emission reduction business segment: In the fuel injection system products, complete the development and batch supply of CB6-25 single cylinder high-pressure pump; complete the reliability and engine verification of customer B's sample of ultra-high pressure GP project was completed; the performance and partial reliability test of natural gas dual-fuel direct injection 14L engine was completed; the ignition of methanol single fuel direct injection 9L engine for top customers was completed; the engine ignition test of direct injection injector of hydrogen internal combustion engine was completed; In post-treatment system products, the application development was extended in the extended-range and hybrid passenger car market, the development, batch production and supply of diesel, natural gas, methanol products and off-road products of commercial vehicles were completed; the technical cost reduction of a number of key products of passenger cars and commercial vehicles was completed. In the intake system products, the development of hybrid high-efficiency gasoline turbocharger platform was completed, the batch production of variable nozzle turbocharger for passenger cars was realized; the development of 2.5L high-performance diesel turbocharger platform was completed; the on-board installation and small batch supply of new generation of high-efficiency engines for key customers were completed; the pre-research and development of alternative fuel turbocharger products started; the expansion of methanol turbocharger products in key customers and batch production and supply were realized; the demonstration operation of hydrogen engine for passenger cars started.

Green hydrogen energy, intelligent electric and other business segments: in the core parts of hydrogen fuel cells, the stable batch production of membrane electrodes was realized in China; the sample development and small batch supply of exhaust valve, electronic thermostat and electronic water pump D sample were completed; the sample development of hydrogen pressure reducing valve and hydrogen circulating pump B sample was completed. In the hydrogen production from renewable energy, the product development and integration of 100kW PEM hydrogen production from electrolyzed water system platform was realized, the industrial demonstration operation project of hydrogen production equipment was approved, and the A sample development of 100kW electrolyzer was completed. In the thermal management system/core parts, the sample development of electronic oil pump

multi platforms was completed, and several projects of key customers were obtained. In the intelligent sensing core modules, the system integration and debugging of the cost reduction scheme for 4D imaging radar products were completed; the 4D angle radar project of the strategic customer was successfully promoted; the sample development of forklift motor controller B sample was completed; started the development of suspension motor pump products and gained projects of key clients.

3. Strengthened strategic and investment cooperation, made overall plans and promoted coordinated development

In terms of strategic planning, the implementation of the mid-term review and improvement plan of the 14th Five-Year Plan was promoted; the annual review of strategic planning was completed; specially the in-depth planning of VH business and review and refreshing of the strategic planning of global fuel cell business; the planning and implementation of hydrogen bottle localization construction projects was promoted continuously; the strategic research on seats, hydrogen energy, air suspension and humanoid robots was completed; the government cooperation projects such as radar and hydrogen storage were actively promoted.

In terms of investment cooperation, the joint venture with Voith Company of Germany on high-pressure hydrogen storage business was successfully completed; the introduction of radar business was completed, the employee stock ownership was promoted, and an independent market-oriented joint venture company was established; the acquisition of minority stakes of Weifu Lida was completed; the new partners of car seat business were introduced and the signing and landing of the joint venture project of Fuzhou base was completed; the joint venture and cooperation between Wuxi Zhuowei and Lianyungang Zhuowei was completed; the new round of financing of Autolink was involved to further consolidate the business layout of intelligent network connection; the cooperation signing and capital contribution of Boyuan Xingcheng Fund was completed, to expand the cooperation of major shareholders of the company. The construction of post-investment management system was enhanced and the post-investment governance continuously was optimized.

4. Strengthened quality and safety control and continued to promote project construction

The quality level of the company's core businesses and products increased steadily, and the continuous 0km failure of some products was less than 10PPM; the quality manuals were revised and the best scheme of certification was promoted; in terms of preventive quality management, the application of special characteristics screening methods and quality valves in the development projects of the division and subsidiaries was continuously promoted and the full coverage of special characteristics re-identification and re-control in core products was completed. The application of intelligent manufacturing technologies was promoted, and the online and promotion of information systems such as tool management system, equipment management system, spare parts, modules and tooling management system was completed. The compliance management and control of the Group's major security risks was optimized, and the life cycle management of special equipment was strengthened; the hidden dangers of sudden environmental accidents/incidents were systematically investigated, to comprehensively prevent the risk of major EHS accidents. The R&D building, the sixth phase of Plot 103 and other projects were completed; the preliminary planning of hydrogen energy industrial park was promoted in an orderly manner; the review of ISO50001 energy management system was completed. the digital construction of business was continuously promoted and the WFAC digital factory consulting and system implementation project was completed; the VHWX core business system construction project was completed to realize the integration with the headquarters business; the upgrade of container cloud platform cluster deployment architecture and the development of technology research and development framework were completed; the data center operation monitoring and management were completed; the launch of the smart park platform was completed.

5. Continuously improved the management quality, and upgraded the management steady

The refinement of business monitoring and analysis dimensions was promoted, and the monitoring and analysis of loss-making businesses were strengthened; the preparation and implementation of overseas business plan in 2025 were promoted; the launch of the group project management platform was completed. The financial control and management were strengthened, the structure of assets and liabilities was continuously optimized, the implementation of preferential tax policies was promoted, and the construction

of financial statement consolidation and management cockpit system was completed. The construction of a new platform for procurement sharing was promoted, business requirements and the whole process of procurement implementation were further standardized, and the standardization and transparency of procurement processes was realized; the organizational structure of direct material procurement was optimized, the subdivision of procurement categories was focused on, and the procurement professionalism was enhanced. The slow flow risks were paid attention continuously and the special disposal was implemented; a logistics visualization platform was built and put into use. the layout of human resources was continuously optimized, the introduction of key core technology talents and the deployment of new business talents were focused on; the construction of internationalization ability of talents was explored, the competency model of international talent development was established, and the international exchange mechanism system was improved; the platform construction of "San Hang Yi Jiang" was strengthened and various special training activities were organized; the market-oriented incentive mechanism of strategic new business companies was explored; the company's medium and long-term incentive strategies and incentive distribution models such as "High Goals" and "Super Profit Sharing" were continuously optimized; the employee performance management system was further improved.

2. Revenue and cost

(1) Component of operating revenue

In RMB

	2024		2023		Increase/decrease y-o-y (+/-)
	Amount	Ratio in operating revenue	Amount	Ratio in operating revenue	
Total operating revenue	11,167,263,155.85	100%	11,093,141,950.98	100%	0.67%
By industries					
Automotive components	11,010,590,101.39	98.60%	10,926,750,670.90	98.50%	0.77%
Other businesses	156,673,054.46	1.40%	166,391,280.08	1.50%	-5.84%
By products					
Automotive fuel management system	4,644,625,190.85	41.60%	5,077,092,133.74	45.76%	-8.52%
Automotive after- treatment system	3,476,728,220.62	31.13%	3,409,054,236.79	30.73%	1.99%
Air management system	954,079,620.18	8.54%	662,890,661.90	5.98%	43.93%
Other automobile parts	1,935,157,069.74	17.33%	1,777,713,638.47	16.03%	8.86%
Other businesses	156,673,054.46	1.40%	166,391,280.08	1.50%	-5.84%
By region					
Domestic	9,715,285,972.78	87.00%	9,497,551,219.78	85.62%	2.29%
Foreign	1,451,977,183.07	13.00%	1,595,590,731.20	14.38%	-9.00%
By sale mode					
Direct sale	11,167,263,155.85	100.00%	11,093,141,950.98	100.00%	0.67%

(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						
Automotive components	11,010,590,101.39	9,083,542,710.99	17.50%	0.77%	-0.96%	1.44%
By products						
Automotive fuel management system	4,644,625,190.85	3,571,749,786.57	23.10%	-8.52%	-9.52%	0.85%
Automotive after-treatment system	3,476,728,220.62	2,951,546,049.26	15.11%	1.99%	-1.74%	3.22%
Air management system	954,079,620.18	767,804,337.91	19.52%	43.93%	45.09%	-0.65%
Other automobile parts	1,935,157,069.74	1,792,442,537.25	7.37%	8.86%	6.00%	2.49%
By region						
Domestic	9,558,612,918.32	7,735,442,329.66	19.07%	2.44%	0.41%	1.63%
Foreign	1,451,977,183.07	1,348,100,381.33	7.15%	-9.00%	-8.12%	-0.90%
By sale mode						
Direct sale	11,010,590,101.39	9,083,542,710.99	17.50%	0.77%	-0.96%	1.44%

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	2024	2023	Year-on year increase (+)/decrease (-)
Fuel management system- multi-cylinder pumps	Sales volume	In 10 thousand sets	177.68	199.63	-11.00%
	Output	In 10 thousand sets	175.09	202.83	-14.00%
	Inventory	In 10 thousand sets	2.92	5.51	-47.00%
Fuel management system- fuel injector	Sales volume	In 10 thousand suits	239.40	217.58	10.00%
	Output	In 10 thousand suits	213.86	243.00	-12.00%
	Inventory	In 10 thousand suits	15.88	41.42	-62.00%
After-treatment system - purifier	Sales volume	In 10 thousand pieces	476.50	386.69	23.00%
	Output	In 10 thousand pieces	511.23	413.57	24.00%
	Inventory	In 10 thousand pieces	110.46	75.73	46.00%
Air management system - turbocharger	Sales volume	In 10 thousand sets	129.56	91.52	42.00%
	Output	In 10 thousand sets	137.80	98.93	39.00%
	Storage	In 10 thousand sets	33.84	25.60	32.00%
Braking system - vacuum pump	Sales volume	In 10 thousand sets	724.72	734.32	-1.00%
	Output	In 10 thousand sets	739.99	737.68	0.00%
	Inventory	In 10 thousand sets	31.44	16.17	94.00%

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

Applicable Not applicable

1. Affected by the decrease in market demand, the output and sales volume of the multi-cylinder pumps of the fuel management system decreased year-on-year compared with last year, and the inventory decreased.
2. The inventory of the injectors of the fuel management system decreased at year end due to the consumption of inventory at year beginning.
3. The inventory of the purifiers of after-treatment system and the turbochargers of air management system rose due to the increase in market demand.
4. For the vacuum pumps of braking system, the production plan has been increased due to the increase in market demand..

(4) Performance of significant sales contracts, major procurement contract entered into by the company up to the current reporting period

Applicable Not applicable

(5) Component of operation cost

Classification of industries

In RMB

Industries	Item	2024		2023		Year-on-year increase (+)/decrease (-)
		Amount	Ratio in operation cost	Amount	Ratio in operation cost	
Automotive components	Direct material	5,670,506,558.33	62.43%	6,555,172,710.12	71.47%	-13.50%
Automotive components	Labor cost	1,035,307,666.04	11.40%	1,032,120,288.45	11.25%	0.31%
Automotive components	Depreciation	463,753,876.84	5.11%	365,295,186.48	3.98%	26.95%
Automotive components	Varieties of consumption	1,913,974,609.78	21.07%	1,218,844,311.02	13.29%	57.03%

In RMB

Products	Item	2024		2023		Year-on-year increase (+)/decrease (-)
		Amount	Ratio in operation cost	Amount	Ratio in operation cost	
Fuel management system	Direct material	1,771,686,498.87	49.60%	2,254,464,928.67	57.11%	-21.41%
Fuel management system	Labor cost	547,824,271.83	15.34%	609,871,806.26	15.45%	-10.17%
Fuel management system	Depreciation	260,629,972.83	7.30%	253,355,374.61	6.42%	2.87%
Fuel management system	Varieties of consumption	991,609,043.04	27.76%	829,754,027.47	21.02%	19.51%
After-treatment system	Direct material	2,014,792,600.28	68.26%	2,667,691,488.46	88.81%	-24.47%
After-treatment system	Labor cost	176,389,051.84	5.98%	47,234,645.82	1.57%	273.43%
After-treatment system	Depreciation	72,740,341.05	2.46%	27,439,285.16	0.91%	165.10%

After-treatment system	Varieties of consumption	687,624,056.10	23.30%	261,411,307.32	8.70%	163.04%
Air management system	Direct material	704,696,836.79	91.78%	449,083,528.19	84.86%	56.92%
Air management system	Labor cost	36,482,919.23	4.75%	33,448,206.33	6.32%	9.07%
Air management system	Depreciation	15,860,785.26	2.07%	17,304,418.13	3.27%	-8.34%
Air management system	Varieties of consumption	10,763,796.63	1.40%	29,353,240.60	5.55%	-63.33%
Other automobile parts	Direct material	1,179,330,622.40	65.79%	1,183,932,764.80	70.01%	-0.39%
Other automobile parts	Labor cost	274,611,423.14	15.32%	341,565,630.04	20.20%	-19.60%
Other automobile parts	Depreciation	114,522,777.69	6.39%	67,196,108.58	3.97%	70.43%
Other automobile parts	Varieties of consumption	223,977,714.02	12.50%	98,325,735.63	5.81%	127.79%

Explanation

None

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

Yes No

Invested in the establishment of two companies: WEIFU Smart Sensing (Wuxi) Technology Co., Ltd. and Weifu Lianhua Automotive Parts (Fuzhou) 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)	5,241,423,878.70
Proportion in total annual sales volume for top five clients	46.94%
Ratio of the related party sales in total annual sales from top five clients	30.73%

Information of top five clients of the Company

Serial No.	Name	Sales (RMB)	Proportion in total annual sales
1	Robert Bosch Company	2,078,159,069.08	18.61%
2	RBCD	1,353,240,002.27	12.12%
3	Client 1	757,814,531.99	6.79%
4	Client 2	632,864,406.15	5.67%
5	Client 3	419,345,869.21	3.76%
Total	--	5,241,423,878.70	46.94%

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,

supervisors, 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)	2,322,087,438.72
Proportion in total annual purchase amount for top five suppliers	21.76%
Ratio of the related party purchase in total annual purchase amount from top five suppliers	9.94%

Information of top five suppliers of the Company

Serial No.	Suppliers	Purchasing amount (RMB)	Ratio in annual total purchasing amount
1	WFEC	802,404,889.00	7.52%
2	Client 1	569,936,130.00	5.34%
3	Client 2	435,531,363.55	4.08%
4	Robert Bosch Company	258,121,140.98	2.42%
5	Client 3	256,093,915.19	2.40%
Total	--	2,322,087,438.72	21.76%

Other notes of main suppliers of the Company

Applicable Not applicable

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

3. Expense

In RMB

	2024	2023	Year-on-year increase (+)/decrease (-)	Note of major changes
Sales expenses	173,294,600.83	142,323,212.30	21.76%	
Administration expenses	726,610,451.29	612,096,726.09	18.71%	
Financial expenses	-55,769,497.98	48,040,932.65	-216.09%	Decrease in interest expense and increase in interest income
R&D expenses	690,258,974.54	667,871,159.95	3.35%	

4. R&D investment

Applicable Not applicable

Name of R&D project	Project objective	Project progress	Expected goal	Expected impact on the future development of the company
Development and Application of Core Parts of Clean Fuel Injection System	Research and develop the alternative fuel injection systems (natural gas, methanol, hydrogen, etc.)	The project is in progress; some models have entered customer verification stage	Form the core parts of clean fuel injection system and apply them to the market	Increase the market share of clean fuel products in the future
Development and Application of High-pressure Common-rail Pump products	Develop the high-pressure common-rail pump products for automotive diesel	The project is in progress, and some models have entered customer application stage	Form the high-pressure common-rail pump products for automotive diesel	Enhance the existing product business of the company and extend the service

Meeting Euro 7 Emission Standards	engines meeting Euro 7 emission standards		engines meeting Euro 7 emission standards and apply them to the market	life of traditional products
Development and Application of Diesel Fuel Injection Parts Meeting Off-road T4 Emission Standards	Develop the diesel fuel injection parts meeting off-road T4 emission standards	The project is in progress, and some models have entered customer application stage and used for adaptation designs	Form the diesel fuel injection parts meeting the off-road T4 emission standards and apply them to the market	Enhance the existing product business of the company and extend the service life of traditional products
Development and Application of Post-treatment Products for Commercial Vehicles Meeting Euro 7 Emission Standards	Develop the post-treatment products for commercial vehicles meeting Euro 7 emission standards	The project is in progress, some models have entered customer application stage, and a small number of products have been supplied in small batches	Form post-treatment products of commercial vehicles meeting Euro 7 emission standards and apply them to the market	Enhance the existing product business of the company and extend the service life of traditional products
Technology Development of Exhaust System for Hybrid Electric Vehicles	Develop the exhaust system meeting the requirements of heat insulation, volume reduction, cost reduction and high noise reduction of the exhaust system in hybrid and extended-range projects	The project have entered mass production stage	Form post-treatment products for hybrid electric vehicles and apply them to the market	Enhance the existing product business of the company and extend the service life of traditional products
Development of Post-treatment Technology for Hydrogen Fuel Engines	Develop the post-treatment products for hydrogen fuel engines	The project is in progress	Develop the post-treatment products for hydrogen fuel engines and apply them to the market	Enhance the existing product business of the company and extend the service life of traditional products
Development and Application of Exhaust System for Commercial Vehicles Meeting Stage IV Fuel Consumption Standards	Develop the high-efficiency anti-crystallization post-processor meeting the lower back pressure requirements	The project is in progress	Develop the exhaust system meeting the Stage IV fuel consumption and National Emission Standards VI and achieve the matching application	Enhance the existing product business of the company and extend the service life of traditional products
Development and Application of Turbocharger Products for Diesel Engines Meeting Euro-7 Emission Standards	Develop the turbocharger products for diesel engines meeting Euro-7 emission standards	The project is in progress, some models have entered customer application stage, and a small number of products have been supplied in small batches	Form the turbocharger products for diesel engines meeting Euro-7 emission standards and apply them to the market	Enhance the existing product business of the company and extend the service life of traditional products
Development and Application of Turbocharger Products for Natural Gas Engines Meeting the National Emission Standards VI	Develop the turbocharger products for natural gas engine meeting the national Emission Standards VI	The project is in progress, some models have entered customer application stage, and a small number of products have been supplied in small batches	Form the turbocharger products for natural gas engine meeting the National Emission Standards VI and apply them to the market	Enhance the existing product business of the company and extend the service life of traditional products
Research and Development of Key Technologies for High-performance	Research and develop the key technologies for high-performance pneumatic turbochargers	The shafting design and rotor dynamics simulation tests have been completed, and various tests and	Breakthrough the high-performance turbocharger technology based on air	Enhance the existing product business of the company and extend the service

Pneumatic Turbochargers	to improve the turbocharger efficiency	verification have been carried out with application projects	bearing and achieve industrialization	life of traditional products
Development of 2.5L High-performance Diesel Turbocharger	Develop 2.5L high-performance diesel turbocharger	The project is in progress, some models have entered customer application stage, and a small number of products have been supplied in small batches	Form 2.5L high-performance diesel turbocharger products and apply them to the market	Enhance the existing product business of the company, Adapt to new application scenarios and extend the service life of traditional products
Development and Application of Turbochargers for Hybrid Electric Engines	Develop the turbocharger for hybrid electric engines	The project has entered mass production stage	Form the turbocharger products for hybrid electric engines and apply them to the market	Enhance the existing product business of the company, Adapt to new application scenarios and extend the service life of traditional products
Development and Application of Core Materials for Hydrogen Fuel Cells	Develop the core materials for hydrogen fuel cells (membrane electrode, catalyst)	The project is in progress, and related products have been produced in small batches, and have entered the customer application stage	Form large-scale production of core materials for hydrogen fuels cell and apply them to the market	Become the main direction of new business and new growth point of the company in the future
Development and Application of Key Parts of Hydrogen Fuel Cells BOP	Develop the key parts for hydrogen fuel cells BOP (valves, pumps, etc.)	The project is in progress, related products have been produced in small batches and have entered the customer application stage, and a small number of products have been supplied in small batches	Form large-scale production of key parts for hydrogen fuel cells BOP and apply them to the market	Become the main direction of new business and new growth point of the company in the future
Development and Industrialization of Bipolar Plate for Hydrogen Fuel Cells	Develop the whole process flow of key parts for hydrogen fuel cells	The project is in progress, a number of customer-designated projects have been obtained and some products have been supplied in batches	Form large-scale production of key parts for hydrogen fuel cells and apply them to the market	Become the main direction of new business and new growth point of the company in the future
Development and Application of Core Module Products for Intelligent Sensing	Develop the core module products for intelligent sensing (millimeter wave radar)	The project is in progress, and the related samples have been delivered	Form the core module products for intelligent sensing and apply them to the market	Become the main direction of new business and new growth point of the company in the future
Development and Integration of Intelligent Seat Products	Develop and promote the intelligent seat products	The batch production and application of several projects have been achieved for commercial vehicles; a number of projects from key customers have been obtained for passenger cars and have been put into production	Enhance market recognition and continuously expand market scale	Become the main direction of new business and new growth point of the company in the future
Development of Related Products and Parts for Intelligent Seat Products	Develop and promote the intelligent seat products	Some manual samples and some DV experiments have been completed for long slide rail products	Form the innovative products and apply them to the market	Become the main direction of new business and new growth point of the

				company in the future
Development and Application of Core Parts for Hydraulic System	Develop the core parts for hydraulic system	The project is in progress, and some products have been applied in batches	Realize the mass production and supply of the core parts for hydraulic system	Become the main direction of new business and new growth point of the company in the future
Development of Suspension Motor Pump (SMPU) Platform	Develop the 5in1 active suspension products	The sample is being developed and trial-produced	Realize the development and mass production of suspension motor pump	Become the key business in the strategic plan of the company
Development and Application of Core Parts for Brake System	Develop the core parts for brake system	Some products have entered the mass production and delivery stage, and some products are in the connection and communication with customers	Form the core parts for brake system and apply them to the market	Become the main direction of new business and new growth point of the company in the future
Development and Application of Intelligent Manufacturing Equipment	Develop the intelligent manufacturing equipment	The project is in progress, some equipment has been used by customers in manufacturing and testing, and new equipment is being designed as required	Form the special capabilities related to intelligent manufacturing equipment and apply them to the market	Improve the technical capabilities of the company in the field of intelligent manufacturing and create economic benefits

R&D personnel

	2024	2023	Change ratio
Number of R&D personnel (person)	1,202	1,258	-4.45%
Proportion of R&D Personnel in Total Workforce	20.51%	21.84%	-1.33%
Educational background			
Undergraduate	584	697	-16.21%
Master	328	279	17.56%
Age structure of R&D personnel			
Under 30	336	446	-24.66%
30~40	554	512	8.20%

R&D investment

	2024	2023	Change ratio
R&D investment (RMB)	690,258,974.54	667,871,159.95	3.35%
Ratio of R&D investment to operation revenue	6.18%	6.02%	0.16%
The amount of R&D investment capitalized (RMB)	0.00	0.00	0.00%
The proportion of capitalized R&D investment in the 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	2024	2023	Year-on-year growth rate
Subtotal of cash inflow arising from operating activities	11,723,384,338.74	12,367,352,240.11	-5.21%
Subtotal of cash outflow arising from operating activities	10,141,051,690.00	10,741,102,328.21	-5.59%
Net cash flows arising from operating activities	1,582,332,648.74	1,626,249,911.90	-2.70%
Subtotal of cash inflow from investing activities	5,377,199,844.85	5,806,265,016.93	-7.39%
Subtotal of cash outflow from investing activities	5,228,195,253.72	4,595,753,280.52	13.76%
Net cash flows arising from investing activities	149,004,591.13	1,210,511,736.41	-87.69%
Subtotal of cash inflow from financing activities	491,186,845.30	2,696,375,308.64	-81.78%
Subtotal of cash outflow from financing activities	2,494,389,820.58	5,769,684,317.11	-56.77%
Net cash flows arising from financing activities	-2,003,202,975.28	-3,073,309,008.47	-34.82%
Net increase of cash and cash equivalents	-305,042,022.19	-215,130,910.41	41.79%

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

Applicable Not applicable

1.The net cash flow from operating activities decreased by 44 million yuan compared with the previous period, mainly due to the reduction in cash inflows from the sale of goods and the provision of services.

2.The net cash flow from investing activities decreased by 1.062 billion yuan compared with the previous period, mainly because the dividends from joint venture decrease year-on-year.

3.The net cash flow from financing activities increased by 1.07 billion yuan compared with the previous period. In this reporting period, the financing inflows mainly included a decrease of 2.272 billion yuan in borrowing inflows; the financing outflows mainly included a year-on-year decrease of 4.439 billion yuan in the outflows for repaying borrowings, and an increase of 1.046 billion yuan in outflows for dividends.

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	1,535,039,086.78	87.36%	It is mainly the earnings of the company's equity-invested enterprises, RBCD and Zhonglian Electronics	Yes (The production and operation of the Company's equity-invested enterprises, RBCD and Zhonglian Electronics, are stable and sustainable)
Gains/losses of fair value changes	-17,300,039.60	-0.98%		
Asset impairment	-407,383,027.85	-23.18%		
Non-operating income	3,924,878.00	0.22%		
Non-operating expense	5,130,865.58	0.29%		

VI. Assets and liability analysis

1. Major changes of assets components

In RMB

	Year-end of 2024		Year-begin of 2024		Ratio changes (+/-)	Note of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary funds	2,246,600,451.52	7.91%	2,274,771,699.14	8.10%	-0.19%	
Account receivable	3,737,653,893.03	13.16%	3,857,539,958.20	13.74%	-0.58%	
Inventory	2,308,920,401.14	8.13%	2,068,533,030.94	7.37%	0.76%	
Investment real estate	44,960,930.39	0.16%	46,926,716.49	0.17%	-0.01%	
Long-term equity investment	7,035,098,878.59	24.77%	5,947,633,507.07	21.18%	3.59%	
Fixed assets	4,461,619,375.21	15.71%	3,969,574,102.87	14.14%	1.57%	
Construction in progress	380,321,816.50	1.34%	564,605,931.90	2.01%	-0.67%	
Right-of-use assets	67,765,442.37	0.24%	48,832,472.85	0.17%	0.07%	
Short-term borrowings	393,120,147.95	1.38%	838,889,557.51	2.99%	-1.61%	
Contract liability	56,148,545.13	0.20%	77,686,881.24	0.28%	-0.08%	
Long-term borrowings	100,000,000.00	0.35%	299,800,000.00	1.07%	-0.72%	
Lease liability	47,316,516.48	0.17%	37,733,196.51	0.13%	0.04%	

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 447.84 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	2.26%	Nil
Borit	Business combination under non-common control	RMB 231.92 million yuan	Belgium	Wholly-owned subsidiary of the Company, engaging in the production and sales of fuel cell component products.		Nil	1.17%	Nil
VHIO	Business combination under non-common control	RMB 627.97 million yuan	Italy	Wholly-owned subsidiary of the Company, engaging in the production and sales of automobile parts products		Nil	3.17%	Nil

Other Situations Explanation	Nil
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2. Assets and liabilities measured by fair value

Applicable Not applicable

In RMB

Item	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 asset(excluding derivative financial assets)	3,195,837,265.02	-6,284,555.60			3,392,000,000.00	139,293,951.67	-4,265,104,772.37	2,177,153,985.38
2.Other equity instrument investment	677,790,690.00							677,790,690.00
3.Receivable financing	1,661,749,949.46						51,437,232.79	1,713,187,182.25
Subtotal of financial assets	5,535,377,904.48	-6,284,555.60			3,392,000,000.00	139,293,951.67	-4,213,667,539.58	4,568,131,857.63
Above total	5,535,377,904.48	-6,284,555.60			3,392,000,000.00	139,293,951.67	-4,213,667,539.58	4,568,131,857.63
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

Item	Book value at period-end	Restriction reason
Monetary funds	20,363,281.63	The margin paid for issuing a bank acceptance bill
Monetary funds	7,583,721.64	IRD performance bond
Monetary funds	719,003.22	Guarantee bond margin
Monetary funds	202,231.29	Mastercard earnest money
Monetary funds	4,000.00	ETC freezing
Note receivable	43,071,798.39	Notes pledge for bank acceptance
Receivable financing	556,575,612.27	Notes pledge for bank acceptance
Total	628,519,648.44	

VII. Investment analysis

1. Overall situation

Applicable Not applicable

Investment amount in reporting period (RMB)	Investment amount in last reporting period (RMB)	Changes
1,582,195,253.72	1,395,664,786.38	13.36%

2. Major equity investment obtained in the reporting period

Applicable Not applicable

In ten thousand yuan

Name of investee	Major businesses	Investment type	Investment amount	Shareholding ratio	Source of fund	Cooperator	Investment term	Type of product	Progress as of data of balance sheet	Expected revenue	Profit/Loss of current investment	Involved in litigation (Y/N)	Disclosure date (if any)	Disclosure index (if any)
IRD	Core components of hydrogen fuel cells	Capital increase	16,949.15 ¹	100.00%	Own fund	None	Long term	NA	In progress	0.00	0.00	N	2024-08-08	Announcement No.: 2024-049
Borit	Core components of hydrogen fuel cells	Capital increase	11,214.67 ¹	100.00%	Own fund	None	Long term	NA	In progress	0.00	0.00	N	2024-02-08	Announcement No.: 2024-050
HySTech	High pressure hydrogen storage bottle	Acquisition	42,729.47 ¹	40.00%	Own fund	Voith Industriewerke GmbH	Long term	NA	In progress	0.00	0.00	N	2024-05-15	Announcement No.: 2024-040
Wuxi Boyuan Xingcheng Venture Capital Partnership Enterprise (Limited Partnership)	Venture Capital	Newly established	10,000	19.96%	Own fund	Four enterprises including Wuxi Industry Group	8 years	NA	In progress	0.00	0.00	N	2024-04-16 2024-11-22	Announcement No.: 2024-020, 2024-068
Autolink	Internet of vehicles service	Capital increase, acquisition	4800	9.64%	Own fund	Hubei Changjiang Weilai New Energy Industry Development Fund Partnership Enterprise (Limited Partnership), etc	2024-08-03	NA	In progress	0.00	0.00	N	2024-05-15	Announcement No.: 2024-038
WFSS	Intelligent perception core module	New established	21,500	61.43%	Own fund	Four enterprises including Boyuan (Shanghai) Private Equity Fund Management Co., Ltd.	Long term	NA	Completed	0.00	0.00	N	2024-05-15 2024-06-29	Announcement No.: 2024-039 Announcement No.: 2024-046
WFLD	Purifiers, mufflers, etc.	Acquisition	19,111.82	100%	Own fund	Wuxi Industry Group	Long term	NA	In progress	0.00	0.00	N	2024-10-25	Announcement No.: 2024-067
Total	--	--	126,305.11	--	--	--	--	--	--	0.00	0.00	--	--	--

Note: 1. Calculated and presented based on the midpoint of the RMB exchange rate in the interbank foreign exchange market at the time of the company's initial 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 foreign stocks	600841	SNAT	199,208,000.00	Measurement at fair value	76,756,716.00	-7,013,304.00			81,024,241.87	4,267,525.87		Trading financial asset	Own fund
Domestic and foreign stocks	002009	Miracle Automation	69,331,500.00	Measurement at fair value	71,073,900.00	-3,287,100.00			62,302,458.96	1,730,358.96	10,501,800.00	Trading financial asset	Own fund
Domestic and foreign stocks	601456	Guolian Securities	12,000,000.00	Measurement at fair value	1,084,000.00	-89,200.00			1,041,171.65	-42,828.35		Trading financial asset	Own fund
Total			280,539,500.00	--	148,914,616.00	-10,389,604.00	0.00	0.00	144,367,872.48	5,955,056.48	10,501,800.00	--	--
Disclosure date of securities investment approval of the Board			2012-03-24										
			2013-06-04										

(2) Derivative investment

Applicable Not applicable

There is no derivative investment during the reporting period.

5. Application of raised proceeds

Applicable Not applicable

There is no application of raised proceeds 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	6,363,817,562.48	3,206,858,703.10	3,605,692,606.84	412,811,329.07	390,475,956.36
WFJN	Subsidiary	Fuel management system products	346,286,825.80	1,518,670,799.77	1,163,614,777.33	641,568,618.84	140,016,800.69	121,876,628.75
RBCD	Equity participation enterprise	Fuel management system products	USD 382,500,000.00	16,458,013,255.90	9,277,308,055.32	11,262,081,616.84	2,605,691,383.04	2,720,732,465.47
Zhonglian Electronics	Equity participation enterprise	Gasoline system products	600,620,000.00	9,373,661,532.45	9,351,917,756.44	32,829,998.51	2,268,133,070.61	2,261,333,602.60

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
WFLH	Establish through investment	The Company is mainly engaged in the research, development, production and sales of automotive parts products and intelligent in-vehicle devices. The establishment of this subsidiary has no significant impact on the company's overall production, operation and performance during the reporting period.
WFSS	Establish through investment	The Company is mainly engaged in the research, development, production and sales of intelligent in-vehicle devices. The establishment of this subsidiary has no significant impact on the company's overall production, 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

Based on the corporate vision of “to grow into a top global manufacturer of industrial components”, during the 14th Five-Year Plan period, the company will continue to adhere to the strategic principles of “Internationalization, Autonomy, and Diversification”, and accelerate the promotion of “Optimizing and Upgrading the Existing Core Business, and Breaking Through and Securing Strategic Emerging Businesses”. It will form a new strategic pattern of comprehensive development of four major business segments, “Energy Conservation and Emission Reduction”, “Green Hydrogen Energy”, “Smart Electric”, and “Other Core Parts”, striving to achieve the strategic goals of doubling the scale and achieving a high level of profitability.

1. As the existing core business segment of the company, Energy Conservation and Emission Reduction includes three major business areas, the high-pressure fuel injection system, the after-treatment system, and the turbocharging system. Positioned for new growth, actively promote business transformation and upgrading, maintain its leading position in the industry, and sustain organic business growth. Under the general trend of low-carbon energy conservation, seize the strategic opportunity of the upgrade of emission regulations, accelerate the expansion of the market for related products of conventional hybrid and plug-in hybrid vehicles,

strengthen cooperation with joint venture brands and leading new automotive manufacturing forces, and further improve the product market share. For product development, focus on efficient and energy-saving (including plug-in hybrid) fuel injection, after-treatment, and turbocharging technologies, as well as clean alternative fuels (such as natural gas, methanol, hydrogen, etc.), enhance the R&D capabilities of key technology products, improve the forward engineering capabilities, as well as the system integration and application development capabilities. Consolidate and enhance the process operation capabilities and improve the cost and quality control capabilities.

2. Green hydrogen energy is an important strategic direction for the company's business structure transformation. Focus on the core parts of hydrogen fuel cells, renewable energy hydrogen production, and hydrogen storage businesses in the upstream and midstream of the hydrogen energy industry chain, builds core competitiveness, actively seek industrial cooperation, and achieve large-scale business growth.

(1) For the core parts business of hydrogen fuel cells, based on the currently acquired and established core material technologies of the stack (membrane electrode, graphite bipolar plate, metal bipolar plate) and the core technical capabilities of key BOP components, accelerate the establishment and operation of organizational planning, and promote the construction of three major global bases to achieve small-scale market application.

① Strengthen global engineering capabilities. Actively promote the construction of engineering centers in the Asia-Pacific, Europe, and North America regions, increase investment, and continuously improve the engineering and technical level, especially in the R&D and application of product technologies, and quickly achieve mass production of customer market projects.

② Expand global business functions. Accelerate to build the capacity of business centers in the Asia-Pacific, Europe, and North America regions, strengthen the planning and coordination of the global market and operations, achieve the sharing of strategic resources among various centers and business segments, and efficiently expand the market through coordination. Actively expand international and domestic customers, continuously deepen the cooperative relationship with strategic partners, strategic customers, and major customers, and promote large-scale market application.

③ Enhance global manufacturing capabilities. Accelerate to build capacity of manufacturing centers in the Asia-Pacific, Europe, and North America regions. During the period from 2021 to 2025, achieve the small-scale mass production capacity of 8 million membrane electrodes, 9 million graphite bipolar plates, 4 million metal bipolar plates, and 100,000 key BOP components globally. Among them, the Asia-Pacific (China) region will achieve the production capacity of 4 million membrane electrodes, 5 million graphite bipolar plates, 2 million metal bipolar plates, and 100,000 key BOP components.

④ Strengthen strategic coordination and resource integration. Based on the platform of the Hydrogen Energy Business Department, strengthen the strategic coordination and resource integration of global businesses. Especially in consideration of the construction of the Asia-Pacific base, integrate the related businesses of the core parts of hydrogen fuel cells, strengthen cooperation with various strategic partners, and establish the joint venture WFQL to conduct product application development, supply chain management, manufacturing, sales, and services, etc., facing the Asia-Pacific market mainly centered in China.

(2) For the renewable energy hydrogen production business, based on the company's current core component technologies such as membrane electrodes, graphite/metal bipolar plates, as well as the R&D, testing, and verification capabilities of PEM electrolyzer stacks, focus on cultivating and incubating the technologies of PEM electrolysis water hydrogen production system equipment to achieve product market application.

① Focus on implementing the demonstration line project. Complete the construction of the first and second phases of the PEM electrolysis water hydrogen production demonstration line, and obtain the capabilities of overall scheme design and implementation services for electrolysis water hydrogen production.

② Actively acquire key technical capabilities. Seek external technical and industrial investment cooperation opportunities, accelerate independent R&D, and build key technical capabilities such as stack design, system equipment design, development, and integration. Form and incubate a number of small-power system equipment products in specific sub-sectors (hydrogen for production), and develop high-power system equipment technologies and products suitable for energy storage and hydrogen refueling stations.

③ Expand market application projects. Vigorously expand market, strive to achieve small-scale market application of small-power system equipment, actively participate in large-scale renewable energy hydrogen production demonstration projects, contact domestic leading enterprises in the industry, and explore cooperation opportunities.

(3) For the hydrogen storage business, based on the Sino-foreign joint venture cooperation model and relying on a close partnership, accelerate the construction of core capabilities, form locally developed hydrogen storage product solution led by technology, and achieve product market application.

① Achieve international collaborative development. Establish domestic and foreign joint venture companies, form domestic and foreign technical collaborative development, and accelerate the formation of R&D and manufacturing capabilities for high-safety hydrogen storage products.

② Expand market application projects. Relying on the advantages of domestic customer channels, comprehensively expand users with high-safety and technologically advanced product solutions, deeply participate in the scheme design and demonstration of leading customers, and form product advantages.

3. The intelligent electric vehicles segment focuses on four major business areas: the core parts of the electric drive system, the thermal management system and its core parts, the core modules of intelligent sensing, and the core parts inside the cabin, builds core competitiveness in the market, technology, and intelligent manufacturing, and achieves business transformation, development, and large-scale growth.

(1) The core parts business of the electric drive system, based on the understanding on the R&D of automotive core parts systems and high-end intelligent manufacturing capabilities, expand the core parts business of the electric drive system and promote large-scale market development.

① Starting from motor shaft, water jacket, end cover and other products, the core parts of the electric drive system are expanded to other core parts, enriching the product portfolio and forming the supply capacity of key products. Based on the plentiful practical experience accumulated through cooperation with well-known domestic electric drive enterprises, break through key new energy vehicle enterprise customers, especially high-end new forces, establish in-depth strategic cooperation, and promote the diversified development of strategic customers.

② Keep optimizing the layout and investment of electric drive products, pay attention to the application of product technologies such as in-wheel motors, accelerate the verification and application of motors and controllers for multiple scenarios, and support the breakthrough of electric drive products in typical sub-scenarios, such as cooling system, steer-by-wire chassis, and motion joint.

(2) For the thermal management system and its core parts business, on the basis of electric oil pump, rely on the platform advantages of the company's group technology, market, and manufacturing, fully promote the R&D and application of key components such as integrated pumps, valves, heat exchangers, and strategic products of the thermal management system, and further actively seek development in other application scenarios such as energy storage.

① Establish in-depth strategic cooperation with high-end customers. With the VH overseas technology and product accumulation acquired by the company, actively penetrate the mature mainstream high-end customers in China and Europe, complete technical verification, and form the first batch of product supply. Actively explore the global customer resources such as self-developed electric drive/thermal management systems OEM and electric drive system integrators, aggregate the channel resource integration ability, and break through key strategic customers.

② Coordinate global R&D synchronization and actively expand product businesses. Promote the global resource planning and layout, build global synchronous R&D capabilities, achieve global synchronous R&D coordination, further expand product series, actively develop the development and supply capabilities of core components of the thermal management system-level solutions, and expand products such as integrated pumps, valves, and heat exchangers.

③ Enhance the global mass production supply capacity. Strengthen the capacity building of the global supply chain system in Europe, China, etc., integrate the company's intelligent manufacturing genes, and achieve large-scale production and supply capabilities.

(3) Core modules of intelligent sensing: For the core modules of intelligent sensing business, strategically focus on millimeter-wave radar, provide customized radar module products and sensing solutions, start from basic scenarios to cultivate capabilities, and aim at the high-end application market of autonomous driving.

① Build core capabilities and achieve commercial breakthroughs. Set up a market-oriented independent business operation team with industry competitiveness, complete the development, testing, and production line construction of 3D/4D product platform, achieve commercial breakthroughs, and in-depth cooperation with strategic partners to jointly promote large-scale commercial applications.

② Focus on sub-sectors and improve industrial scale. Focus on sub-scenarios such as trunk logistics, integrate resources, take the local service capability as the core, build large-scale industrialization capabilities, and through the integration and support of cooperation resources with strategic partners, improve the commercialization ability and form an independent business unit for commercial operation.

③ Transform the main scenarios and form system solution capabilities. Transform the resources accumulated in sub-scenarios to the main scenarios, establish the system supply capacity of the combination of radar and domain control, form market competitiveness and customer portfolios, and improve the data closed-loop accumulation to have the service capability of multi-sensor fusion solutions.

(4) Cabin core parts

In the aspect of cabin core parts business, as for as the automotive seat is concerned, adhere to the market strategy of “paralleling development of both passenger and commercial vehicles”, form the product differentiation competitive advantages of high performance, high quality, high quality, and high cost-effectiveness, accelerate the realization of large-scale industrial development, and achieve the batch delivery of products for domestic independent leading brand models. Establish the systematic design and testing capabilities of seat products, improve the technological innovation ability, develop towards networking and intelligence, and match the needs of intelligent cockpit scenarios. Besides, the company will, by virtues of cooperation with intelligent cockpit partners, step into the intelligent cockpit business field based on domain control technology, and seek and expand business opportunities related to the intelligent cockpit.

4. For industrial and other core parts business, the company will continue to promote the transformation and upgrading of businesses such as the hydraulic system and its core parts, the core parts of the braking system, intelligent manufacturing equipment, the aftermarket, and trade, and actively explore and layout cutting-edge technologies and markets that are in line with the company's development strategic direction to achieve an increase in business volume. Among them, for the hydraulic system and its core parts business, the main strategic development direction of the company, jointly expand the mobile hydraulic and industrial hydraulic markets through the establishment of a joint venture company with Bosch Rexroth. At the same time, integrate the strategic resources of the whole value chain process of both parties, continuously build comprehensive competitiveness with higher cost advantages, better performance, and faster response speed, and continuously promote the strategic business layout and development of the hydraulic system and its core parts. Continuously pay attention to and invest in the development of emerging businesses such as humanoid robots, increase the R&D and cooperation of key high-value-added parts, and expand the in-depth matching development, application, and promotion of robots in industrial scenarios. The company will continue to deepen the business plan, budget management, and performance management system under the guidance of the strategy, implement differentiated control and governance, achieve efficient business coordination among different segments, accelerate the cultivation of strategic core talents, and comprehensively improve the operation and management capabilities during the strategic transformation period to meet the company's medium and long-term strategic development needs.

(II) Priority tasks for 2025

1. Strategic planning and layout, improve the quality and efficiency of investment and cooperation

In terms of strategic planning and implementation, promote the analysis and summary of the 14th Five-Year Plan, and launch the work of the 15th Five-Year Plan; promote the implementation of strategic measures for the fuel cell segment; support the formulation of the business plan for hydrogen cylinders and promote the implementation of the capacity building plan; in light of the new

development stages of the intelligent sensing and intelligent seat businesses, revise the medium and short-term development goals and paths of the businesses. Conduct strategic research and preliminary planning for new businesses such as the core parts of humanoid robots and intelligent equipment.

In terms of investment and cooperation management, promote the implementation of the investment agreement of Voith joint venture project and plan and promote the capital increase plan; promote the employee stock ownership of WFSS and plan and promote the refinancing plan; empower and optimize the joint venture cooperation of WFAS and WFLH; actively search and promote potential strategic projects and joint venture cooperation projects with scale benefits; promote the new period strategic cooperation agreement with Bosch and key potential cooperation projects; conduct post-investment monitoring of key investment projects; improve the performance capabilities of directors, supervisors, and senior executives, and implement special training; establish and optimize the overseas investment management system.

2. Steady development of traditional businesses, rapid breakthrough in new business markets

In the energy conservation and emission reduction business, for the high-pressure fuel injection system, ensure the delivery of common rail pump orders; promote the visit and promotion of VP pump terminal market; accelerate the expansion of new markets for generators and micro-electronic controlled unit pumps; continuously improve the market share of mechanical pumps, water heaters, and OES filter element accessories of key customers; expand the application projects and batch supply of methanol filters, biodiesel filters, and GP electronic control customers. For the after-treatment system, seize the hybrid market of independent passenger vehicle brands, reverse penetrate into joint venture brands, and expand the cold-end muffler business; stabilize the market position of natural gas products in the commercial vehicle market and expand diesel engine projects and market share. For the turbocharging system, ensure that the market share of four-cylinder gasoline turbochargers steadily increases, and accelerate the acquisition of projects from leading independent brands; obtain market customer projects for four-cylinder diesel variable nozzle turbochargers; focus on the application fields of special turbochargers and expand the low-altitude economy market; accelerate the acquisition and mass production of six-cylinder turbocharger projects for key customers in diesel and alternative fuel projects, and continuously improve the market share.

In the green hydrogen energy business segment, for the core parts of hydrogen fuel cells, in terms of the core materials of the stack, improve the performance level of the membrane electrodes of fuel cell products and obtain customer projects; ensure the order delivery of metal bipolar plate and single cell customer projects; focus on promoting the membrane electrodes and metal bipolar plates to enter the supporting system of strategic customers. For key BOP components, complete the development and delivery of core parts products of fuel cells. As far as the renewable energy hydrogen production is concerned, for PEM electrolysis water hydrogen production system equipment, strive to implement 3 kW-level and 100 kW-level electrolysis water hydrogen production market projects and explore overseas market opportunities. For hydrogen production technology and application, start the resource integration of the overall solution for the hydrogen energy storage sub-sector; strengthen the publicity and marketing of the electrolysis water hydrogen production market.

In the intelligent electric vehicles, for the core parts of the electric drive system, ensure the delivery of motor shaft and water jacket customers; expand new customers such as domestic new energy vehicles. For the thermal management system/core parts, in terms of the electric oil pump and its components, ensure the delivery of strategic customers of the electric oil pump; promote the implementation of new projects of multiple key customers; actively expand new customer project opportunities. For the core modules of intelligent sensing, ensure the mass production of the corner radar project of strategic customers and the acquisition of overseas projects of cabin radars; obtain the fixed-point of the vehicle-road-cloud project and complete the batch delivery. For the core parts inside the cabin, ensure the delivery of existing projects of intelligent seat; promote the development of new projects for commercial

vehicle customers; strive to obtain new projects from leading passenger vehicle customers.

In the industrial and other segment, for the hydraulic system/core parts, accelerate the acquisition of projects such as hydraulic pumps and valve groups for forklifts of key customers; promote the on-board verification of customer projects for motor controllers; cooperate in the development of B-samples of hydraulic suspensions. For the aftermarket and trade, in terms of foreign trade, focus on exploring the Korean host market and the European machining market; steadily expand the sales scale of common rail accessories in the international aftermarket and enhance the overseas influence of WF brand. In terms of domestic trade, continue to strengthen the cooperation with strategic customers in the aftermarket; continuously optimize the dealer system to ensure the legal and compliant operation of the business.

3. Intensive research and layout of product technologies, accelerated breakthroughs in new product R&D

Energy conservation and emission reduction: for the high-pressure fuel injection system, accelerate the pre-research and promotion of fuel injection products using clean alternative fuels such as hydrogen, ammonia, and methanol. Promote the industrialization of natural gas direct injection products and verify the small-batch supply to key customers. Complete the development and batch supply of CB6+ high-pressure pump product with a gear oil pump structure. For the after-treatment system, accelerate the promotion of the application of new materials and technologies in the exhaust system. Complete the development of products for the fourth-stage fuel consumption of commercial vehicle exhaust systems. Continuously promote the pre-research and development of post-treatment products for National Emission Standards VII and hydrogen internal combustion engines. For turbocharging, continuously strive to obtain passenger vehicle hybrid projects for four-cylinder turbochargers, expand the products of high-power variable nozzle turbochargers with a displacement of 2.5L and above. Realize mass production of key gasoline engine projects. Accelerate the development of six-cylinder turbocharger products. Expand the application of the gas engine product platform. Improve the stability and reliability of methanol products and expand customer applications.

Green hydrogen energy business: for the core components of hydrogen fuel cells, in terms of the core materials of the stack, accelerate the development of the second-generation membrane electrode products. For key BOP components, complete the development of B-samples of high-power electric water pumps and low-cost electronic thermostats. Complete the development of C-samples of hydrogen pumps and pressure reducing valves. Complete the product certification of the bottle mouth valve. For renewable energy hydrogen production, in terms of PEM electrolysis water hydrogen production system equipment, complete the industrial production demonstration and project acceptance of the 100-kilowatt-level hydrogen production system. Complete the development of C-samples of 100-kilowatt electrolyzer products. Launch the demonstration work for megawatt-level electrolysis water hydrogen production products.

Intelligent electric vehicles: for the thermal management system/core components, in terms of the thermal management system, complete the development of C-samples of 48V electronic oil pump platforms of 120 watts and 600 watts. Develop low-cost 120-watt electronic oil pump products. Strengthen the local DV testing capabilities and application development capabilities of electronic oil pumps, and expand customer applications. For the core modules of intelligent sensing, complete R&D and mass production of 3D corner radar products for clients. Promote the upgrading of 4D imaging radar technology. Accelerate the development of radar series products and enrich the product portfolio.

Industrial and other business: strive to complete the development of B-samples and customer verification of the suspension motor pump project and complete the customer application development and small-batch supply of forklift motor controller.

4. Strictly grasp and control manufacturing quality, and firmly build solid foundation for safe defense line

In terms of quality management, continuously consolidate the construction of the quality culture and actively create an all-staff quality culture atmosphere. Strengthen the risk control of quality throughout the entire process. Comprehensively promote the

vertical application and management maturity of quality valves, error prevention, Q11, and 8D methods. Continuously implement quality improvement measures and build a communication platform for quality management where all parties can discuss and share ideas. Strengthen the construction of echelons of personnel for solving quality problems. Operate a special quality improvement review and verification mechanism at different levels and frequencies. In terms of manufacturing operation, promote lean production management, optimize process planning, deepen the continuous improvement of the system, and enhance the output efficiency of the entire life cycle of the manufacturing system. Implement total productive maintenance, explore intelligent maintenance and repair technologies, and achieve the efficient operation of equipment throughout its life cycle. Promote the research of new processes and the improvement of existing processes. In terms of intelligent manufacturing, accelerate the full implementation of i-WPS blueprint, focus on promoting the integrated application of intelligent automation technologies in production, inspection, and logistics scenarios to reduce manual labor. Continuously promote the application of the tool management system, the spare parts module of the equipment management system, and the quality management system in the business divisions. Integrate artificial intelligence technologies to explore and build applications for big data analysis in manufacturing. In terms of safety guarantee, strengthen the implementation of the main responsibilities of all employees in EHS (Environment, Health and Safety): Organize EHS empowerment guidance, control, and training. Consolidate the investigation and prevention management of major accident hazards. Introduce the safety digital governance platform of Xinwu District. Strengthen the compliance control of hazardous waste.

5. Promote lean management and steadily improve operational efficiency

Financial management: In terms of tax management, strengthen the ability to identify and respond to tax risks; continuously improve the company's tax planning; and enhance the control of electronic invoices issued from other regions. In terms of fund management, implement the rectification measures for internal control risks; and continuously promote the fund control of overseas subsidiaries. In terms of financial control, track and analyze the profitability of key customers and key products; and deepen the financial management of overseas subsidiaries.

Procurement and logistics management: In terms of procurement management, steadily promote the application of the procurement management platform; establish a differentiated supplier cooperation strategy; focus on the management of supplier sourcing, cultivation, assistance, and withdrawal, and give priority to improving the comprehensive capabilities of suppliers for new businesses; and increase the service intensity for new business segments. In terms of logistics management, strengthen the pre-order review; continuously carry out special handling of long-term sluggish materials and historical issues; continuously optimize the information systems such as logistics visualization and warehousing management; and improve the coordination ability at the planning end and the efficiency of on-site logistics operations.

Human resources management: Precisely position the human resources development strategy; Build a diversified talent system composed of international management talents, innovative technical talents, high-quality business talents, and compound skilled talents; Accelerate the introduction of talents for new businesses and their transformation and development; Continuously deepen the capacity building of international talents, formulate and implement a plan for the mutual exchange of overseas talents; Continue to promote the construction of the "San Hang Yi Jiang" platform, and formulate training plans for reserve manufacturing, process, quality, and high-skilled talents; Design a market-oriented incentive and restraint mechanism that reflects the strategic orientation.

Information management: Promote the construction and promotion of application modules of the digital factory, and achieve comprehensive monitoring; Promote the application of process value mining technology to expand the coverage of business scenarios at the manufacturing end and the supply chain end; Plan the architecture and promotion route of the group's digital quality management platform, and build the modules for incoming quality management and after-sales quality management. Conduct in-depth research on technical benefits and data value, deepen the application of data assets, and integrate artificial intelligence and big

data applications; Promote the application of large language models to achieve generative question answering based on professional knowledge bases; Promote the interconnection and integration of the global information infrastructure to assist in the construction of the core systems of overseas business divisions.

Administrative management: In terms of excellent operation, promote the empowerment of the construction of the new business organization system, and comprehensively promote the extended management of institutional processes in overseas subsidiaries; Continuously promote the deep integration of the business plan and the budget, and focus on promoting the decomposition, implementation, and monitoring of strategic objectives; Promote the functional optimization and coverage of the group project management platform. In terms of logistics management, deeply apply the smart park platform system to improve management efficiency.

(III) Possible risks and countermeasures

1. Risk related to macroeconomic and market

Currently, the macroeconomic and market conditions are still complex and challenging, with the automobile industry still facing relatively high pressure. In case of a decline in demand from the automotive industry, the production, operation and profit level of the Company will be affected to a certain extent.

Countermeasures: The Company will constantly monitor macroeconomic and industry development trends, consolidate its existing business market presence, actively expand new business, and strive to improve its core competitiveness and overall anti-risk capabilities.

2. Risk related to operation management and control

With the acceleration of the international layout of the Company and the expansion of the scope of strategic new business, especially in the field of new energy, the management span is relatively large with potential operational management and investment risks.

Countermeasures: The Company will continuously improve and optimize internal management, improve processes, and further regulate management and control operational risks; Reinforce the control of international business and accelerate the construction of international talent team to satisfy the strategic development demands of the enterprise.

3. Risk related to raw material price fluctuation

The main raw materials of the Company include steel, aluminum, precious metals, etc. of various grades, the continuous increase of their prices will pose the risk of cost increase to the Company.

Countermeasures: The Company will actively improve its market forecasting capabilities, plan production capacity in advance, and reasonably control raw material inventories to reduce the exposure to raw material price fluctuations, while continuously optimizing supply chain management, strengthening the vertical integration capability of the industry chain, and transferring part of the risks through cost control measures and product price adjustments so as to reduce the impact of raw material price fluctuations on performance.

4. Risk related to financial instruments

The major financial instruments of the Company include monetary funds, structured deposits, receivables, investments in equity instruments, financial products, borrowings, payables, etc. In the process of operation, the Company is exposed to risks related to financial instruments, including credit risks, market risks and liquidity risks.

Countermeasures: Identify and analyze various risks exposed to the Company, establish appropriate risk tolerance thresholds and manage risks, monitor various risks in a timely manner, ensure that risks are controlled within limits, minimize the negative impact of risks on the operating performance of the Company, and maximize the interests of shareholders and other investors.

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
In the period from Jan. 1, 2024 to Dec. 31, 2024	Interactive platform of investor relationship	Written inquiry	Other	Other	Basic company information and view of the market	Answered 9 questions online through the interactive platform for investor relations
In the period from Jan. 1, 2024 to Dec. 31, 2024	Company tel.	Telephoning	Other	Other	Basic company information and view of the market	1039 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

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 accordance with the relevant provisions of laws, regulations and regulatory documents, and in combination with the actual situation of the company, the company formulated or revised a number of institutional documents, including the *Articles of Association*, the *Independent Director System*, the *Independent Director Special Meeting System*, the *Related Party Transaction Management System*, the *Annual Report Working Procedures of the Audit Committee*, the *Annual Report Working Procedures of Independent Directors*, the *Measures for the Assessment of the Annual Business Performance of Senior Executives (Trial)*, the *Measures for the Compensation Management of Senior Executives (Trial)*, the *Measures for the Management of the Holding and Trading of the Company's Shares by Directors, Supervisors and Senior Executives*, the *Measures for the Management of Information Disclosure Affairs*, the *Management System for Inside Information and Insiders*, and the working rules of each special committee of the board of directors. The company has been continuously improving the relevant systems for corporate governance and promoting the construction of processes, and continuously enhancing the level of corporate governance.

According to the *Company Law*, *Articles of Association* and relevant laws and regulations, the company established a relatively complete organizational control architecture system. The company's board of directors executes the resolution of general meeting of stockholders, takes charge of the company's significant decisions, and takes responsible for the general meeting of stockholders; the company sets up the general manager according to law to preside over the company's daily production and operation and management, organize and implement the resolutions of the BOD, and take responsible for the BOD; the company's board of supervisors is the company's supervisory body, takes responsible for behaviors of the directors and senior executives and the supervise the company's financial affairs. the BOD has four special committees including the strategy committee, remuneration committee, audit committee, and nominations committee. The company's general meeting of stockholders, board of directors, board of supervisors, and management layer have clear rights and obligations, perform their own duties, effectively check and balance, scientifically make decisions, coordinate operations, and lay a solid foundation for the company's sustainable, 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*, the *Independent Director System* and the *Independent Director Special Meeting 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 further implements the *Basic Norms of Enterprise Internal Control* and its guidelines, constructs the internal control system in the company headquarters and major subsidiaries, enhance the company's management and control level, optimize the work flow, improve the internal control system, identify and control the operational risks. Please see the detailed contents of *2024 Internal Control Evaluation 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, board of supervisors 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. Annual shareholders' general meeting and extraordinary shareholders' general meeting held during the reporting period

1. Annual shareholders' general meeting during the reporting period

Ordinal number of meeting	Type	Ratio of investor participation	Date	Date of disclosure	Resolution of meeting
Annual general meeting of 2023	AGM	42.73%	2024-05-17	2024-05-18	(Notice No.: 2024-041) published on Juchao Website(www.cninfo.com.cn)
1 st extraordinary general meeting of 2024	Extraordinary general meeting	41.76%	2024-09-20	2024-09-21	(Notice No.: 2024-060) published on Juchao Website(www.cninfo.com.cn)

2. Request for extraordinary shareholders' general meeting by preferred stockholders whose voting rights restore

Applicable Not applicable

V. Directors, supervisors and senior officers

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	44	Chairman	Currently in office	2024-05-17	2027-05-16	0				0	
Kirsch Christoph	Male	63	Vice chairman	Currently in office	2021-05-20	2027-05-16	0				0	
Rong Bin	Male	49	Director	Currently in office	2025-03-17	2027-05-16	196,000		84,000		112,000	The Company bought back and canceled the restricted shares which were granted but not lifted
			Vice GM	Currently in office	2020-05-28	2027-05-16						
Feng Zhiming	Male	55	Director	Currently in office	2023-06-19	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						
Xu Daquan	Male	61	Director	Currently in office	2024-05-17	2027-05-16	0				0	
Zhao Hong	Female	43	Director	Currently in office	2021-05-20	2027-05-16	0				0	
Huang Rui	Male	40	Director	Currently in office	2021-05-20	2027-05-16	0				0	
Xing Min	Male	70	Independent	Currently	2021-	2027-	0				0	

			Director	in office	05-20	05-16						
Feng Kaiyan	Female	51	Independent Director	Currently in office	2021-05-20	2027-05-16	0				0	
Pan Xinggao	Male	53	Independent Director	Currently in office	2021-05-20	2027-05-16	0				0	
Yang Fuyuan	Male	57	Independent Director	Currently in office	2024-05-17	2027-05-16	0				0	
Ma Yuzhou	Male	50	Chairman of the Supervisory Committee	Currently in office	2021-05-20	2027-05-16	0				0	
Lu Qun	Male	52	Supervisor	Currently in office	2024-09-20	2027-05-16	0				0	
Liu Songxue	Female	39	Supervisor	Currently in office	2021-05-20	2027-05-16	0				0	
Xu Sheng	Male	50	Vice GM	Currently in office	2020-05-28	2027-05-16	196,000		84,000		112,000	The Company bought back and canceled the restricted shares which were granted but not lifted
Liu Jinjun	Male	49	Vice GM, Secretary of the BOD	Currently in office	2020-05-28	2027-05-16	196,000		84,000		112,000	
Li Gang	Male	54	Chief engineer	Currently in office	2020-05-28	2027-05-16	196,000		84,000		112,000	
Wang Xiaodong	Male	58	Chairman	Leave office	2020-05-28	2024-05-17	300,781		120,000		180,781	
Xu Yunfeng	Male	53	Vice chairman, GM	Leave office	2020-05-28	2025-02-26	258,000		105,000		153,000	
Chen Yudong	Male	63	Director	Leave office	2012-03-07	2024-05-17	0				0	
Yu Xiaoli	Female	61	Independent Director	Leave office	2018-06-27	2024-05-17	0				0	
Chen Ran	Male	52	Supervisor	Leave office	2020-05-28	2024-09-20	1,000				1,000	
Total	--	--	--	--			1,408,973		561,000		847,973	--

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

Yes No

1. During the reporting period, Wang Xiaodong, Chairman of the Company, left his position due to the expiration of his term of office and no longer served as the Chairman of the Company; Chen Yudong, director of the Company, left his position due to the expiration of his term of office and no longer served as a director of the Company; Yu Xiaoli, independent director of the Company, left her position due to the expiration of her term of office and no longer served as an independent director of the Company.

2. On August 22, 2024, the Company disclosed the Announcement on the Resignation of Supervisors and the Election of New Supervisors, stating that Mr. Chen Ran applied to resign from the position of supervisor of the 11th session of Supervisory Committee due to work adjustments.

3. 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.

Changes of directors, supervisors and senior executives

Applicable Not applicable

Name	Title	Type	Date	Reason
Yin Zhenyuan	Chairman	Be elected	2024-05-17	General election
Kirsch Christoph	Vice Chairman	Be elected	2024-05-17	General election
Xu Yunfeng	Vice Chairman	Be elected	2024-05-17	General election
Rong Bin	Director	Be elected	2025-03-17	Supplementary election of directors
Feng Zhiming	Director	Be elected	2024-05-17	General election
Xu Daquan	Director	Be elected	2024-05-17	General election
Zhao Hong	Director	Be elected	2024-05-17	General election
Huang Rui	Director	Be elected	2024-05-17	General election
Xing Min	Independent Director	Be elected	2024-05-17	General election
Feng Kaiyan	Independent Director	Be elected	2024-05-17	General election
Pan Xinggao	Independent Director	Be elected	2024-05-17	General election
Yang Fuyuan	Independent Director	Be elected	2024-05-17	General election

Ma Yuzhou	Chairman of the board of supervisor	Be elected	2024-05-17	General election
Lu Qun	Supervisor	Be elected	2024-09-20	Supplementary election of supervisors
Liu Songxue	Supervisor	Be elected	2024-05-17	General election
Xu Yunfeng	GM	Be employed	2024-05-17	General election
Feng Zhiming	Vice GM and financial director	Be employed	2024-05-17	General election
Xu Sheng	Vice GM	Be employed	2024-05-17	General election
Liu Jinjun	Vice GM, Secretary of the BOD	Be employed	2024-05-17	General election
Li Gang	Chief engineer	Be employed	2024-05-17	General election
Wang Xiaodong	Chairman	Left office upon expiration of term	2024-05-17	Leave office upon the expiration of the term of office
Chen Yudong	Director	Left office upon expiration of term	2024-05-17	Leave office upon the expiration of the term of office
Yu Xiaoli	Independent Director	Left office upon expiration of term	2024-05-17	Leave office upon the expiration of the term of office
Chen Ran	Supervisor	Left office	2024-09-20	Resign
Xu Yunfeng	Vice chairman, GM	Left office	2025-02-26	Resign

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.

Ms. Zhao Hong, born in September 1981, is a Chinese citizen without permanent residency abroad. She is a member of the Communist Party of China, holds bachelor's degree, and is an accountant. Previously served as an accountant at Wuxi Tianyi Membrane Technology Application Equipment Factory, a project auditor at Wuxi Fangzheng Taxation Firm, deputy director and minister of the Audit and Supervision Department of Wuxi Industrial Development Group Co., Ltd., deputy secretary of the Discipline Inspection Commission, secretary of the BOD, and director of the office. The current chief operating officer of Wuxi Industrial Development Group 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.

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 executive vice president 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 Wuxi Donghua Accounting Firms Co., Ltd, the responsible person of the Sunan Branch, Jiangsu Fuhua Engineering Cost Consulting Co., Ltd, the independent director of yuancheng Cable Co., Ltd, the independent director of Kangxin New Material Co., Ltd, the president of Wuxi Bankruptcy Administrator Association and the independent director of the Company.

Mr. Pan Xinggao, born in June 1971, Chinese nationality and no permanent residence abroad, a Bachelor's degree and a lawyer. He served as a lawyer of Shandong Jinan Quancheng Laws Firm, a lawyer of Beijing Zhongyin Law Firm and lawyer of Beijing Zhonglun Jingtong Laws Firm. Now he is the Partner of Beijing Tongshang Law Firm, the independent director of Huarui Traffic Technology Co., Ltd and 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 an independent director of the company.

Mr. Ma Yuzhou, born in September 1974, Chinese nationality and no permanent residence abroad, member of the CPC, a Master graduate and an engineer. He worked as the craftsman in the Company's assembly branch, assistant secretary of the mission committee of the Company, deputy secretary of the Company's fuel injection branch, deputy director of the Company's Party Committee Work Dept., plunger branch deputy plant manager, head treatment plan manager, director of oil pump branch plant, assembly plant manager, deputy GM of WFTT, deputy GM and GM of the Company's mechanical system division and director of

organization & personnel dept. of the Company. Now he is the deputy secretary of the Company's Party Committee and chairman of the Supervisory Committee of the Company.

Mr. Lu Qun, born in November 1972, is a Chinese citizen without permanent overseas residency. He is a member of the Communist Party of China, holds a bachelor's degree, and is a senior engineer. He once served as a technician in the Power Branch of the company, a planner in the Equipment Branch, deputy head of the Equipment Branch, project manager of the Engineering Department, deputy head of the Quality Department, head of the Quality Department of the Mechanical System Business Division, head of the Assembly Branch of the Mechanical System Business Division, deputy general manager of the Automotive Electronics and Equipment Technology Business Division, and general manager of the Intelligent Equipment Business Division. Currently, he serves as the head of the Manufacturing Quality Department of the company and a supervisor of the company.

Ms. Liu Songxue, born in July 1985, Chinese nationality and no permanent residence abroad, member of the CPC, a Bachelor's degree, and senior engineer. She worked as the product testing engineer and product design engineer in technical center of the Company. Currently she is the secretary general of the Science & Technology Association of the Company and Supervisor 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. 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
Zhao Hong	Wuxi Industry Group	Operation director	2021-04-19		Y
Huang Rui	Wuxi Industry Group	GM of investment banking department	2021-05-01		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	Executive vice president	2008-08-01		Y
Xing Min	Anhui Aikelan Environmental Protection Co., Ltd	Director	2021-11-22		Y
Feng Kaiyan	Wuxi 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	Yuancheng Cable Co., Ltd.	Independent Director	2019-11-21	2025-11-16	Y
Feng Kaiyan	Kangxin New Material Co., Ltd	Independent Director	2023-04-04	2026-01-16	Y
Feng Kaiyan	Wuxi Bankruptcy Administrator Association	President	2024-01-07		N
Pan Xinggao	Beijing Tongshang Law Firm	Partner	2007-10-01		Y
Pan Xinggao	Huarui Transportation Technology Co., Ltd	Independent Director	2022-02-26		Y
Yang Fuyuan	Tsinghua University	Professor	2012-10-01		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, supervisors and senior executives

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

- Decision-making procedure: the remuneration and assessment committee of the Board shall make proposals according to completion status of the major annual targets, the implementation of which is subject to submission to and approval by the Board;
- Determination reference: remuneration of directors, supervisors and senior executives who receive remuneration from the Company is determined based on the *Annual Operating Results Assessment Measures of Senior Executives* and *Remuneration Management Rules of Senior Executives* as approved at the shareholders' general meetings. Allowance for independent directors of the Company is determined by shareholders' general meeting which is set at 150,000 yuan per person/year (tax included), and the traveling expense occurred by them arising from attending the Company's board meeting, general meetings and relevant activities will be reimbursed according to the actual conditions.
- Actual payment: remuneration of directors, supervisors and senior executives who receive remuneration from the Company comprises of basic annual pay and performance related annual salary. The basic annual pay shall be determined based on specific positions and paid monthly, while the performance related salary is determined and paid based on satisfaction of the various performance indicators since it is directly linked with the economic benefits of the Company. Remuneration of independent directors will be paid on a quarterly basis.

Remuneration of directors, supervisors and senior executives in reporting period

In ten thousand yuan

Name	Title	Gender	Age	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 Zhenzhen	Male	44	Chairman	Currently in office	0	Y
Kirsch Christoph	Male	63	Vice chairman	Currently in office	0	Y
Rong Bin	Male	49	Director, vice GM (Acting as general manager)	Currently in office	129	N

Feng Zhiming	Male	55	Director, vice GM	Currently in office	127	N
Xu Daquan	Male	61	Director	Currently in office	0	Y
Zhao Hong	Female	43	Director	Currently in office	0	Y
Huang Rui	Male	40	Director	Currently in office	0	Y
Xing Min	Male	70	Independent Director	Currently in office	15	N
Feng Kaiyan	Female	51	Independent Director	Currently in office	15	N
Pan Xinggao	Male	53	Independent Director	Currently in office	15	N
Yang Fuyuan	Male	57	Independent Director	Currently in office	10	N
Ma Yuzhou	Male	50	Chairman of supervisory board	Currently in office	127	N
Lu Qun	Male	52	Supervisor	Currently in office	61	N
Liu Songxue	Female	39	Supervisor	Currently in office	23	N
Xu Sheng	Male	50	Vice GM	Currently in office	123	N
Liu Jinjun	Male	49	Vice GM, Secretary of the BOD	Currently in office	127	N
Li Gang	Male	54	Chief engineer	Currently in office	129	N
Wang Xiaodong	Male	58	Chairman	Left office	83	N
Chen Yudong	Male	63	Director	Left office	0	Y
Yu Xiaoli	Female	61	Independent Director	Left office	5	N
Chen Ran	Male	52	Supervisor	Left office	57	N
Xu Yunfeng	Male	53	Vice GM, chairman	Left office	93	N
Total	--	--	--	--	1,139	--

Description of other status

Applicable Not applicable

VI. Responsibility performance of directors during the reporting period

1. Meetings held by the BOD during the reporting period

Meeting	Date of meeting	Disclosure date	Meeting resolutions
The 22 nd meeting of 10 th session of the BOD	2024-03-05		The Notice of the Resolution of 22 nd Meeting of 10 th Session of the BOD (announcement-free according to relevant regulations)
The 23 rd meeting of 10 th session of the BOD	2024-04-15	2024-04-16	The Notice of the Resolution of 23 rd Meeting of 10 th Session of the BOD (Notice No.: 2024-007) published on Juchao Website (www.cninfo.com.cn)
The 24 th meeting of 10 th session of the BOD	2024-04-24		The Notice of the Resolution of 24 th Meeting of 10 th Session of the BOD (announcement-free according to relevant regulations)
The 25 th meeting of 10 th session of the BOD	2024-05-14	2024-05-15	The Notice of the Resolution of 25 th Meeting of 10 th Session of the BOD (Notice No.: 2024-036) published on Juchao Website (www.cninfo.com.cn)
The 1 st meeting of 11 th session of the BOD	2024-05-17	2024-05-18	The Notice of the Resolution of 1 st Meeting of 11 th Session of the BOD (Notice No.: 2024-042) published on Juchao Website (www.cninfo.com.cn)
The 2 nd meeting of 11 th session of the BOD	2024-08-06	2024-08-08	The Notice of the Resolution of 2 nd Meeting of 11 th Session of the BOD (Notice No.: 2024-047) published on Juchao Website (www.cninfo.com.cn)
The 3 rd meeting of 11 th session of the BOD	2024-08-20	2024-08-22	The Notice of the Resolution of 3 rd Meeting of 11 th Session of the BOD (Notice No.: 2024-051) published on Juchao Website (www.cninfo.com.cn)

The 4 th meeting of 11 th session of the BOD	2024-10-23	2024-10-25	The Notice of the Resolution of 4 th Meeting of 11 th Session of the BOD (Notice No.: 2024-064) published on Juchao Website (www.cninfo.com.cn)
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2. Attendance of directors at board meetings and shareholders' general 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	4	1	3			N	1
Kirsch Christoph	8	2	6			N	2
Feng Zhiming	8	3	5			N	2
Xu Daquan	4	1	3			N	1
Zhao Hong	8	2	6			N	2
Huang Rui	8	2	6			N	2
Xing Min	8	2	6			N	2
Feng Kaiyan	8	3	5			N	2
Pan Xinggao	8	2	6			N	2
Yang Fuyuan	4	1	3			N	1
Wang Xiaodong	4	2	2			N	1
Yu Xiaoli	4	1	3			N	1
Chen Yudong	4	0	4			N	1
Xu Yunfeng	8	3	5			N	2

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

3. 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

4. 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.

VII. 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 10 th session of Strategy Committee	Wang Xiaodong, Kirsch Christoph, Xu Yunfeng, Xing Min, Yu Xiaoli	1	2024-04-15	Deliberated the Strategic Vision of the Company's Future Development	The Strategy Committee verified and deliberated on the matters strictly in terms of the Rules of Work of Strategy Committee of the Board and relevant laws and regulations, relevant proposals are unanimously agreed.	None	None
The 10 th Session of Remuneration and Assessment Committee	Yu Xiaoli, Feng Kaiyan, Huang Rui	1	2024-04-15	1. Deliberated the Proposal Report on Remuneration Assessment for Senior Executives and Payout for year of 2021; 2. Deliberated the Proposal on Buy-back and Cancellation of the Restricted Stocks Partially Granted under 2020 Restricted Stock Incentive Plan 3. Deliberated the Proposal on Revising the Management Measures for Remuneration of Senior Executives 4. Deliberated the Proposal on Revising the Annual Performance Assessment	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

				Method for Senior Executives 5. Deliberated the Proposal on Allowance of Independent Director			
The 10 th session of Audit Committee	Feng Kaiyan, Pan Xinggao, Zhao Hong	2	2024-04-15	1. Deliberated 2023 Annual Report and its Abstract 2. Deliberated 2023 Financial Settlement Report 3. Deliberated Summary Report of 2023 Audit Work 4. Deliberated the Proposal on Revising the Criteria for Identifying Internal Control Defects 5. Deliberated 2023 Internal Control Evaluation 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
			2024-04-24	1. Deliberated 2024 1 st Quarter Report			
The 10 th session of Nominating Committee	Pan Xingao, Xing Min, Chen Yudong	1	2024-04-15	1. Deliberated the Proposal on Non-Independent Director Candidates for the Election of the BOD 2. Deliberated the Proposal on Independent Director Candidates for the Election of the BOD	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
The 11 th session of Nominating Committee	Xing Min, Xu Daquan, Yang Fuyuan	1	2024-05-17	1. Deliberated the Proposal on Appointing the General Manager of the Company 2. Deliberated the Proposal on Appointing	The Nominating Committee verified and deliberated on the matters strictly in terms of the Rules of Work of Nominating Committee of the	None	None

				Senior Executives such as Vice General Manager of the Company 3. Deliberated the Proposal on Appointing the Secretary of the BOD of the Company	Board and relevant laws and regulations, relevant proposals are unanimously agreed.		
The 11 th session of Audit Committee	Feng Kaiyan, Pan Xinggao, Zhao Hong	3	2024-05-17	1. Deliberated the Proposal on Appointing Senior Executives such as Vice General Manager of the Company	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
			2024-08-19	1. Deliberated the Full Text and Abstract of the Company's 2024 Half Year Report 2. Deliberated the Proposal on Appointing Audit Institutions for 2024			
			2024-10-23	1. Deliberated the 2024 3 rd Quarter Report			

VIII. Works of Supervisory Committee

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

Yes No

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

IX. 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)	2,566
The total number of current employees of main subsidiaries at year end (person)	3,295
The total number of current employees of at year end (person)	5,861
The total number of current employees to receive pay (person)	5,863
Retired employee' s expenses borne by the parent company and main subsidiaries (person)	2
Professional composition	
Category of professional composition	Number of professional composition(person)
Production personnel	3,314
Sales personnel	175

Technical personnel	1,555
Financial personnel	102
Administrative personnel	715
Total	5,861
Education background	
Category of education background	Numbers(person)
Master degree and above	592
Undergraduate	1,850
Junior college	1,102
Technical secondary school	434
High school	499
Other	1,384
Total	5,861

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. Meanwhile, the company further leverages the role of incentive funds, strengthens the promotion and incentive efforts of major innovation and development projects, encourages patent applications, and plays a positive role in promoting the achievement of the company's strategic goals. 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 further focused on empowering talents to drive business development and enhancing the cultivation of talent. Through the “San Hang Yi Jiang” talent development system, the company improved employee efficiency. The “Special Program for Middle and Young Cadres Capacity-Building” combines training and practical experience, focusing on a business-oriented approach to comprehensively enhance the business skills and overall quality of cadres. Furthermore, the company continued to implement its international talent strategy, gradually developing international talent capabilities, exploring global talent development models, and promoting business English training and competitions. It also fostered overseas talent exchange and explores international scientific research collaboration and advanced talent development, building a global talent growth path. At the same time, the company has launched the “Frontline Talent Capacity Building Program” and the “Master Craftsman Class” for high-skilled personnel, optimizing the allocation and enhancement of traditional business talents in line with strategic business development. By continuously improving the talent resource layout and refining the core team structure, the company enhanced personnel quality and strengthened Weifu's core competitiveness.

4. Labor outsourcing

Applicable Not applicable

X. 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 2023, based on the shares which exclude the buy-back shares on buy-back account (25,000,000 A-share from total share capital 996,986,293 shares, distributed 10 yuan (tax included) cash dividend for every 10 shares held, without capitalization from capital reserves. The plan was completed in June 2024.
3. During the reporting period, the Company implemented the mid-term profit distribution for year of 2024, based on the shares which exclude the buy-back shares on buy-back account (25,000,000 A-share) from total share capital 996,986,293 shares, distributed 2.20 yuan (tax included) cash dividend for every 10 shares held, without capitalization from capital reserves. The plan was completed in October 2024.
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 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 of capital reserves during the reporting period

Applicable Not applicable

Number of bonus shares per 10 shares (Share)	0
Dividend payout per 10 shares (Yuan) (Tax included)	9
Equity base of distribution plan (Share)	971,986,293
Cash dividend amount(Yuan) (Tax included)	874,787,663.70
Cash dividend by other ways (share buy-back included) (RMB)	0.00
Total cash dividends(Include other ways) (Yuan)	874,787,663.70
Profit available for distribution (Yuan)	12,572,820,128.71
The proportion of the total cash dividends (including other forms) to the total profit distribution.	100
Cash dividend policy	
Other	
Detail explanation on profit distribution or capitalization from capital reserves	
The Company's 2024 annual profit distribution plan: based on the 971,986,293 shares which exclude the buy-back shares on buy-back account (25,000,000 A-share) from total share capital 996,986,293 shares (According to the provisions of the <i>Company Law of the People's Republic of China</i> , the listed company does not have the right to participate in the profit distribution and the conversion of the capital reserve into the share capital by repurchasing the shares held by the company through the special securities account), distributing 9.00 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 874,787,663.70 (tax included). 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.

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

Applicable Not applicable

1. Stock incentive

On October 12, 2020, the company held the 17th meeting of the 9th session of the BOD, deliberated and approved relevant proposal as the Restricted Stock Incentive Plan 2020 (Draft).

On November 3, 2020, the company held the second extraordinary shareholders' general meeting of 2020, deliberated and approved relevant proposals as the Restricted Stock Incentive Plan 2020 (Draft) and its summary, the Proposal on Assessment Management Measures for Restricted Stock Incentive Plan Implementation and the Proposal to Request the Shareholders' General Meeting to Authorized the BOD to Fully Handle Matters Regarding Stock Incentive.

On November 12, 2020, the Company held the 21st meeting of the 9th session of the BOD, as authorized by the second extraordinary shareholders' general meeting of 2020, deliberated and approved the Proposal on Adjusting the List of Incentive Objects of the Restricted Stock Incentive Plan and the Number of Rights Granted and the Proposal on the First Grant of Restricted Stocks to Incentive Objects of the 2020 Restricted Stock Incentive Plan. The BOD considers that conditions for the initial grant of 2020 restricted stock incentive plan have been met, and November 12, 2020 is determined as the initial grant date, 19,540,000 restricted shares are granted to 601 incentive recipients at a grant price of 15.48 yuan/Share.

The Notice on Completion of the First Grant of 2020 Restricted Stock Incentive Plan was released by the Company dated December 8, 2020.

On October 22, 2021, the Company held the 5th meeting of 10th session of the BOD, deliberated and approved relevant proposals as the Adjustment of the Buy-back Price on Restricted Stock Incentive Plan for year of 2020 and Buy-back and Cancellation of the Restricted Stocks Partially Granted without Circulation for year of 2020, and decided to buy-back and cancel 291,000 restricted shares held by 11 incentive recipients that had been granted but not yet unlocked. As of December 20, 2021, cancellation of the above-mentioned buy-back shares are completed at the Shenzhen Branch of CSDC. After cancellation, number of the incentive recipients for the first grant of 2020 restricted stock incentive plan was adjusted from 601 to 590, restricted stock of 19,249,000 shares is being held in total.

On December 7, 2022, the Company held the 14th meeting of 10th session of the BOD, and deliberated and approved the Proposal on the Achievement of the Conditions for the Release of Restricted Shares in the First Restricted Period of the 2020 Restricted Stock Incentive Plan, the Proposal on Adjustment of the Buy-back Price on Restricted Stock Incentive Plan for year of 2020 and the Proposal on Buy-back and Cancellation of the Restricted Stocks Partially Granted without Circulation for year of 2020. It agreed to apply for the release of 7,632,000 restricted stocks granted to 581 incentive recipients and decided to buy-back and cancel 430,000 restricted shares held by 23 incentive recipients that had been granted but not yet unlocked. On December 16, 2022, the shares released from this restricted sale were formally available for circulation. As of February 16, 2023, the Company completed the buy-back and cancellation procedures for the aforementioned 430,000 shares at Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. After this cancellation, the number of incentive recipients granted for the first time by the Company's restricted stock incentive plan in 2020 was adjusted from 590 to 568, holding 11,187,000 restricted stocks in total.

On April 26, 2023, the company held the 16th meeting of the 10th session of the BOD and approved the Proposal on Buy-Back and Cancellation of Partial Restricted Stocks in 2020 Restricted Stock Incentive Plan. It was decided to buy back and cancel a total of 5,593,500 restricted stocks that had been granted to 568 incentive recipients but did not meet the conditions for lifting restrictions. As of June 16, 2023, the company has completed the repurchase and cancellation procedures for the above-mentioned shares at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. After this cancellation, there were 568 incentive recipients firstly granted with restricted stocks under 2020 restricted stock incentive plan, holding a total of 5,593,500.00 shares of restricted stock.

On October 23, 2023, the company held the 20th meeting of the 10th session of the BOD, deliberated and approved the Proposal on Buy-back and Cancellation of the Restricted Stocks Partially Granted in 2020 Restricted Stock Incentive Plan. It was decided to buy back and cancel a total of 417,000 restricted stocks that have been granted to 33 incentive recipients but do not meet the conditions for lifting restrictions. As of December 19, 2023, the company has completed the buy-back and cancellation procedures for the above-mentioned shares at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. After this cancellation, there were 535 incentive recipients firstly granted with restricted stocks under 2020 restricted stock incentive plan, holding a total of 5,176,500.00 shares of restricted stock.

On April 15, 2024, the company held the 23rd meeting of the 10th session of Board of Directors and approved the Proposal on Buy-Back and Cancellation of Partial Restricted Stocks in 2020 Restricted Stock Incentive Plan. It was decided to buy back and cancel a total of 5,176,500 restricted stocks that had been granted to 535 incentive recipients but did not meet the conditions for lifting restrictions. As of June 7, 2024, the company has completed the repurchase and cancellation procedures for the above-mentioned shares at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. After this cancellation, the 2020 Restricted Stock Incentive Plan has been completed.

Stock incentive received by directors and senior executives

Applicable Not applicable

In share

Name	Title	Number of stock options held at beginning of the year	Number of new stock options granted during the reporting period	Number of stock exercisable during the reporting period	Number of stocks exercised during the reporting period	Exercise price of the stock exercised during the reporting period (RMB/Share)	Number of stock options held at end of the period	Market value at end of the Period (RMB/Share)	Number of restricted shares held at beginning of the period	Number of shares unlocked during the period	Number of new restricted shares granted during the reporting period	Grant price of restricted shares (RMB/Share)	Number of restricted shares held at end of the period
Rong Bin	Director, Deputy GM(Acting as general manager)							18.88	84,000	84,000		15.48	0
Xu Sheng	Deputy GM							18.88	84,000	84,000		15.48	0
Liu Jinjun	Deputy GM, Secretary of the Board							18.88	84,000	84,000		15.48	0
Li Gang	Chief engineer							18.88	84,000	84,000		15.48	0
WangXia	Chairman							18.88	120,00	120,00		15.48	0

odong(Re signed)	n							0	0			
Xu Yunfeng (Reigned)	Vice Chairman, GM						18.88	105,000	105,000		15.48	0
Total	--					--	--	561,000	561,000		--	0

Assessment mechanism and incentive condition of the senior executives

Assessment and incentive of senior executives of the Company is conducted pursuant to the *Company Law*, *Articles of Association*, and the *Annual Operating Results Assessment Measures of Senior Executives (Trial)* and the *Remuneration Management Rules of Senior Executives (Trail)* as approved at the general meetings. Assessment of operating results of senior executives comprises of annual operating results assessment and term-of-service operating results assessment. Assessment on results and procedure was combined, and assessment results were linked to incentives and punishment. With respect to annual operating results review, the remuneration and assessment committee of the Board made comprehensive assessment on satisfaction of the annual operating targets and determined the annual remuneration, incentives or punishment for senior executives based on their review results (which was implemented according to remuneration management rules of senior executives), based on the major annual operating targets set by the Board under required procedures and methods through establishment of scientific performance indicators and assessment system and combination of scoring in terms of quantity and review comments. During the reporting period, the Company made appropriate assessment on its senior executives under the performance indicator and assessment system, the results of which had been reflected in the annual performance related remuneration.

2. Implementation of employee stock ownership plan

Applicable Not applicable

3. Other employee incentives

Applicable Not applicable

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

1. Construction and implementation of internal control

During the reporting period, the company continued to supervise and improve the operation of the internal control system, coordinating the internal audit work of overseas subsidiaries and accelerating the overseas internal audit supervision process. By leveraging internal audit supervision, the company ensures the compliant operation, asset security, and risk control of its overseas assets as part of its global strategic expansion. The company followed a risk-oriented approach and has actively established a Risk Control Management Committee, while also developing the *Management Guidelines for the Risk Control Management Committee* to further strengthen group-level risk management. Additionally, the company revised the *Risk Control Management System* to reinforce the reporting requirements for subsidiaries and business units regarding business operations and risk issues. The company

continuously refines its systems, strengthens oversight, proactively mitigates risks, and comprehensively enhances its ability to govern in accordance with the law and improve risk prevention capabilities.

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

Yes No

XIII. 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

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

1. Self-assessment Report of Internal Control

Disclosure date of full internal control assessment report	2025-04 -18	
Disclosure index of full internal control assessment report	For more details, please refer to the Self-assessment Report of Internal Control for 2024 published on in Juchao Website (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 2024 Annual Internal Control Self-Assessment Report disclosed on www.cninfo.com.cn dated April 18, 2025.	See details in (II) Basis for assessment of internal controls and defect recognition criteria of internal controls of III Assessment of Internal Controls in 2024 Annual Internal Control Self-Assessment Report disclosed on www.cninfo.com.cn dated April 18, 2025.
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 2024 Annual Internal Control Self-Assessment Report disclosed on www.cninfo.com.cn dated April 18, 2025.	See details in (II) Basis for assessment of internal controls and defect recognition criteria of internal controls of III Assessment of Internal Controls in 2024 Annual Internal Control Self-Assessment Report disclosed on www.cninfo.com.cn dated April 18, 2025.
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 controlApplicable Not applicable

Deliberations in Internal Control Audit Report	
The internal control audit institution is of the opinion that Wuxi Weifu High-Tech Technology Group Co., Ltd. maintained effective internal financial reporting control in all material aspects as of December 31, 2024, 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)	2025-04-18
Index of audit report of internal control (full-text)	For more details, please refer to the Audit report of internal control for year of 2024 published on Juchao website (www.cninfo.com.cn) appointed by Shenzhen Stock Exchange
Opinion type of audit report of IC	Unqualified opinion with highlighted paragraphs
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**XV. Rectification of the Problems Identified in the Self-inspection of the Special Action for the Governance of Listed Companies**

NA

Section V. Environmental and Social Responsibility

I. Major environmental issues

The listed Company and its subsidiary whether belong to the key sewage units released from environmental protection department

Yes No

Administrative punishment for environmental problems during the reporting period

Policies and industry standards related to environmental protection

Wuxi Weifu High-Tech Group Co., Ltd. and its subsidiaries diligently fulfill environmental protection policies and guidelines at all levels during production and operation, strictly comply with related national environmental protection laws and regulations such as *Environmental Protection Law of the People's Republic of China*, *Environmental Impact Assessment Law of the People's Republic of China*, *Air Pollution Prevention and Control Law of the People's Republic of China*, *Water Pollution Prevention and Control Law of the People's Republic of China*, *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, *Noise Pollution Prevention and Control Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China*, *Cleaner Production Promotion Law of the People's Republic of China*, *Environmental Protection Tax Law of the People's Republic of China*, *Measures for the Management of Hazardous Waste Transfer*, *Regulations on Environmental Protection of Construction Projects*, *Regulations on the Administration of Emission Permits* as well as related local environmental protection management rules and regulations, regularly collect newly promulgated laws and regulations on ecological and environmental protection at all levels, and perform compliance evaluation transformation by combining with production reality to ensure compliance with the law at all times in the production and operation of the Company.

In the process of production, the Company has constructed comprehensive waste gas and waste water treatment facilities and solid waste storage facilities in strict accordance with the requirements of related standards such as *Standards for Comprehensive Sewage Discharge*, *Water Quality Standards for Sewage Discharge into Urban Sewers*, *Comprehensive Emission Standards for Air Pollutants*, and *Pollution Control Standards for Hazardous Waste Storage*, and guaranteed stable operation, in an effort to minimize the negative impact of production and operation on the ecological environment.

Administrative licenses for environmental protection

All the construction projects of the Company and its subsidiaries have been prepared with environmental impact reports (forms), and have been approved by the local ecological and environmental authorities, and all have obtained emission permits (registrations) in accordance with the requirements of laws and regulations, thereby effectively achieving licensed emission and legal and compliant emission. The valid period of the *Discharge Permit of Wuxi Weifu High-Tech Group Co., Ltd.* is from March 27, 2023 to March 26, 2028; The valid period of the *Discharge Permit of Wuxi Weifu Chang'an Co., Ltd.* is from January 2, 2024 to January 1, 2029.

The valid period of the *Discharge Permit of Nanjing Weifu Jinning Co., Ltd.* is from July 31, 2024 to July 30, 2029;

Industry emission standards and the specific situation of pollutant emissions involved in production and business activities

Company/Subsidiary	Main pollutants and specific pollutants	Name of main pollutants and specific pollutants	Emission mode	Number of emission outlets	Distribution of emission outlets	Emission concentration/strength	Standard for emission of pollutants implemented	Total emissions	Total emissions approved	Excessive emission
WFHT	Water pollutant	Chemical oxygen demand, Ammonia Nitrogen, total nitrogen, total phosphorus, petroleum	Discharged through the municipal sewage pipe network after being treated by the company's sewage	1	WFMS sewage discharge outlet	Chemical oxygen demand 88mg/L, ammonia nitrogen 3.83mg/L, total phosphorus 0.109mg/L, total nitrogen 5.38mg/L, petroleum 0.06mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	Chemical oxygen demand 21.06 tons, ammonia nitrogen 0.92 tons, total phosphorus 0.026 tons, total nitrogen	Chemical oxygen demand 78 tons, ammonia nitrogen 7.8 tons, total phosphorus 0.52 tons, total nitrogen	None

			treatment station					1.29 tons, petroleum 0.014 tons	10.4 tons, petroleum 1.95 tons	
WFHT	Water pollutant	Chemical oxygen demand, suspended solids	Connect to the municipal sewage pipe network for discharge	1	WFMS cooling wastewater discharge outlet	Chemical oxygen demand 11mg/L, ammonia nitrogen 14mg/L	None	None	None	None
WFHT	Water pollutant	Chemical oxygen demand, Ammonia Nitrogen, petroleum, total nitrogen, petroleum	Discharged through the municipal sewage pipe network after being treated by the company's sewage treatment station	1	WFAC sewage discharge outlet	Chemical oxygen demand 82mg/L, ammonia nitrogen 12.6mg/L, total nitrogen 15mg/L, total phosphorus 3.4mg/L, petroleum 1.47mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	Chemical oxygen demand 3.79 tons, ammonia nitrogen 0.58 tons, total nitrogen 0.69 tons, total phosphorus 0.16 tons, petroleum 0.07 tons	Chemical oxygen demand ≤ 19.0125 tons, ammonia nitrogen ≤ 1.416 tons, total nitrogen ≤ 2.2422 tons, total phosphorus ≤ 0.2627 tons, petroleum ≤ 0.5935 tons	None
WFHT	Air pollutants	Non-methane hydrocarbon	The exhaust air will be discharged in an organized way after being treated by oil mist processor and absorbed by activated carbon	19	There are 5 machining workshops, 10 heat treatment workshops and 4 assembly workshops	2.4mg/m3	Comprehensive Emission Standard of Air Pollutants (GB16297-1996)	2.258 tons	2.523tons	None
WFHT	Air pollutants	Non-methane hydrocarbon	The exhaust air will be discharged in an organized way after being treated by oil mist processor and absorbed by activated carbon	7	4 in 101 workshop, 2 in 103 workshop and 1 in 104 workshop	1.77mg/m3	Comprehensive Emission Standard of Air Pollutants (GB16297-1996)	1.2473tons	1.5529tons	None
WFHT	Air pollutants	Ammonia gas	Discharged in an organized way after being absorbed by ammonia spray tower	2	1 heat treatment workshop and one wastewater disposal station	0.25mg/m3	Emission Standards for Odor Pollutants (GB14554-93)	0.013tons	0.071tons	None
WFHT	Air pollutants	Particles	Organized discharge after bag dust-cleaning.	2	1 heat treatment workshops	1.2mg/m3; 1.1mg/m3	Comprehensive Emission Standard of Air Pollutants (GB16297-1996)	0.0081tons	0.048tons	None
WFHT	Solid waste	Hazardous waste such as waste oil, waste emulsion, waste packaging drums, waste activated	Entrust a legally qualified unit for disposal.	NA	NA	NA	NA	1285.58tons	4325.1tons	None

		carbon grinding wheel ash, sewage pretreatment sludge, oil containing filter cartridges, etc								
WFCA	Water pollutant	Chemical oxygen demand, ammonia nitrogen, total phosphorus, total nitrogen, suspended solids	Discharged through the municipal sewage pipe network after being treated by the company's sewage treatment station	1	Sewage discharge outlet	Chemical oxygen demand 86mg/L, suspended solids 20mg/L, ammonia nitrogen 5.64mg/L, total phosphorus 0.1mg/L, total nitrogen 6.01mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	Chemical oxygen demand 6.708 tons, suspended solids 1.34 tons, ammonia nitrogen 0.439 tons, total phosphorus 0.0067 tons, total nitrogen 0.468 tons	Chemical oxygen demand 35.018 tons, suspended solids 26.263 tons, ammonia nitrogen 2.626 tons, total phosphorus 0.438 tons, total nitrogen 3.502 tons	None
WFJN	Water pollutant	Chemical oxygen demand and ammonia nitrogen	Discharged through the municipal sewage pipe network after being treated by the company's sewage treatment station	1	Sewage discharge outlet	Chemical oxygen demand 98mg/L, ammonia nitrogen 11mg/L, total phosphorus 0.85 mg/L, petroleum 4.2 mg/L, total nitrogen 33mg/L	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	Chemical oxygen demand 8.8 tons, ammonia nitrogen 0.99 tons, total phosphorus 0.07 tons, petroleum 0.008 tons, total nitrogen 2.95 tons	Not applicable	None
WFJN	Solid waste	Hazardous wastes such as waste oil, oily sludge, grinding wheel ash, empty barrels, activated carbon and filter elements	Entrust a qualified unit for disposal.	NA	NA	NA	NA	300 tons	NA	None

Treatment of pollutants

The company mainly focuses on mechanical processing and generates oil mist exhaust gas (non-methane total hydrocarbons). The oil mist exhaust gas generated in WFAC101 workshop is treated by the high-efficiency oil mist purifier and discharged into the workshop. After being treated by the secondary activated carbon adsorption device on the roof, the oil mist exhaust gas is discharged through four 15m-high exhaust funnels; The oil mist exhaust gas generated in WFAC103 workshop is treated by an efficient oil mist purifier and a secondary activated carbon adsorption device, and then discharged through two 15m-high exhaust funnels. The oil mist exhaust gas generated in WFAC104 workshop is treated by an efficient oil mist purifier and a secondary activated carbon adsorption device, and discharged through one 15 meter high exhaust pipe; The oil mist exhaust gas generated in the WFMS machining workshop is treated by a high-efficiency oil mist purifier and a secondary activated carbon adsorption device, and then discharged through four 15m-high exhaust funnels; The cleaning exhaust gas (non-methane total hydrocarbons) is treated by an efficient oil mist purifier and a secondary activated carbon adsorption device, and then discharged through two 15m-high exhaust funnels; Quenching exhaust gas (non-methane total hydrocarbons) is treated by an efficient oil mist purifier and discharged through three 15m-high exhaust funnels; The test exhaust gas (non-methane total hydrocarbons) is treated by an efficient oil mist purifier and discharged through a 15m-high exhaust funnels; The shot blasting exhaust gas (particulate matter) is treated by a bag filter and discharged through two 15m-high exhaust funnels; The waste gas (ammonia, methanol, non-methane total hydrocarbons) generated by the carbon nitrogen co infiltration process is treated by an acid spray tower and a secondary activated carbon adsorption device, and then discharged through a 15 meter high exhaust pipe; The carburized exhaust gas (non-methane total hydrocarbons) is treated by a fire

curtain combustion and secondary activated carbon adsorption device, and then discharged through six 15m-high exhaust funnels; After being treated by a secondary activated carbon adsorption device, the waste gas from drying and solidifying adhesive (non-methane total hydrocarbons, tin and its compounds) is discharged through two 15m-high exhaust funnels; The waste gas (ammonia, hydrogen sulfide) from the sewage station is adsorbed and treated by dry chemical filtration media, and discharged through a 15 meter high exhaust pipe. The remaining waste gas is discharged unorganized in the workshop.

The company has built a comprehensive sewage treatment station with a designed processing capacity of 1600m³/day in the WFMS plant area. After the production wastewater is regulated by an air flotation tank, it is discharged into the biochemical system of the sewage station together with the domestic wastewater treated by septic tanks and oil separators for treatment. The treated wastewater is connected to the municipal pipe network for standard discharge;

WFAC has built a set of industrial sewage treatment station with a designed treatment capacity of about 150m³/d and a domestic sewage treatment station with a treatment capacity of about 200m³/d in the factory area. After being adjusted by the air flotation tank, the industrial wastewater will be discharged into the total sewage discharge outlet together with the domestic sewage treated, and the treated sewage will be discharged via the municipal pipe network according to the standard.

WFCA has built a sewage treatment station with a designed treatment capacity of about 300m³/d in the factory. After being adjusted by the air flotation tank, the production wastewater is discharged into the biochemical system of the sewage station for treatment together with the domestic sewage treated by septic tanks and grease traps, and the treated sewage is discharged via the municipal pipe network according to the standard.

WFJN has built a set of industrial sewage treatment station with a designed treatment capacity of about 150m³/d and a domestic sewage treatment station with a treatment capacity of about 450m³/d in the factory area. After being adjusted by the air flotation tank, the industrial wastewater will be discharged into the biochemical system of the sewage station together with the domestic sewage treated by septic tanks and grease traps for treatment, and the treated sewage will be discharged via the municipal pipe network according to the standard.

Emergency plan for environmental emergencies

The Company and its subsidiaries have compiled the *Emergency Plan for Sudden Environmental Events* in accordance with the standards and specifications, combined with the actual production situation of the Company, and have filed it after the review organized by relevant local departments, and revised it on schedule. During the reporting period, the Company carried out comprehensive emergency plan drills and special emergency plan drills according to the annual emergency drill plan, and summarized and evaluated the drills and improved the corresponding emergency measures.

Environmental self-monitoring program

During the reporting period, the Company and its subsidiaries have compiled the *Environmental Self-monitoring Plan for 2024* in accordance with relevant management requirements and norms, and passed the review and filing by local ecological and environmental authorities. According to the requirements of the scheme, a qualified third party agency has been entrusted to monitor the company's waste gas, waste water and noise on a regular basis. All monitoring data have been disclosed on national and local self-monitoring platforms in accordance with the *Measures for Self-monitoring and Information Disclosure of State Key Monitoring Enterprises (Trial)* and supervised by the public. The monitoring data are in line with national and local standards, and there is no excessive discharge found.

The investment in environmental governance and protection and the relevant situation of paying environmental protection tax

The Company and its subsidiaries have set up complete environmental protection treatment facilities in accordance with the requirements of the EIA reply and the current environmental management requirements, and reached the discharge standard of all air pollutants and water pollutants. The Company has built compliant storage facilities to store solid wastes and entrusted qualified units for disposal, running at the leading level in the industry in terms of investment in environmental protection. During the reporting

period, the Company and its subsidiaries have paid environmental protection taxes on a quarterly basis in accordance with the requirements of laws and regulations.

Measures to reduce carbon emissions during the reporting period and effects

Applicable Not applicable

Saving resources and reducing consumption is an important part of the Company's core values. On the one hand, it is beneficial to improve the efficiency of the Company, but also to improve the utilization rate of resources in the whole society. Therefore, the Company continues to improve the utilization of resources through technological innovation, vigorously promote energy conservation and emission reduction, and strive to achieve green production. Specific energy-saving measures include purchasing green electricity, upgrading and renovating kinetic energy equipment, and constructing photovoltaic power generation systems. The Company's existing main business is focused on automobile energy saving and emission reduction. At present, all the Company's main products have met the emission regulations being implemented by the country, and the Company is actively storing products that meet the requirements of more stringent emission regulations. At the same time, in recent years, the Company has accelerated the promotion of green hydrogen energy, intelligent electric and other new energy business layout and development, contributing to the realization of carbon peak carbon neutral goal.

Administrative penalties for environmental problems during the reporting period

Company or subsidiary name	Reason for punishment	Violation status	Punishment results	Impact on the production and operation of the listed company	The company's rectification measures
None	None	None	None	None	None

Other information about the environment that shall be disclosed.

During the reporting period, the Company and its subsidiaries have regularly filled in the implementation reports (quarterly reports and annual reports) of pollutant discharge permits in accordance with national and local laws and regulations. All air pollutants and water pollutants have been released in accordance with the standards, and hazardous wastes have been disposed of by qualified units, and the transfer slip system has been strictly implemented.

Other environmental information

Not applicable

II. Social responsibility

For details, please refer to the *Social Responsibility Report for Year of 2024* released by the Company on the same day on Juchao Website (www.cninfo.com.cn)

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

During the reporting period, the Company has actively fulfilled its social responsibilities, demonstrated its commitment to the times, established a favorable corporate image and made positive contributions to the promotion of sustainable and high-quality economic and social development.

In the initiative of "Ten Thousand Enterprises Linked with Ten Thousand Villages to Jointly Take the Road of Revitalization", in 2024, the company continued to respond to the call of "Thousands of Enterprises Linking Thousands of Villages," carrying out relief activities for Maoxing Village in Yixing. The company went deep into the countryside, delivering supplies to improve the villagers' lives. At the same time, the company purchased five batches of agricultural products from Maohua Village in Yixing, with

a total procurement amount of 120,000 yuan, contributing to the local agricultural development and assisting in the construction of the new rural areas.

Section VI. 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

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

On April 15, 2024, Gongzheng Tianye Certified Public Accountants (Special General Partnership) issued an unqualified audit report on the Company’s financial report for the year 2023, with emphasis on certain matters.

(1) Emphasize the matters involved in the paragraph

As shown in XVIII-7. Major transaction and events influencing investor’s decision, the case that the Company’s wholly-owned subsidiary WFTR was defrauded by contracts in its "platform trade" business is in the stage of transferring for review and prosecution, and the outcome of the case is uncertain in the future.

(2) Explanation of changes and disposal of the matters involved

On April 15, 2025, the Company disclosed the "Progress Announcement on Significant Matters Concerning the Wholly-Owned Subsidiary". WFTR received the Criminal Judgment ((2024) Su 02 Xing Chu No. 22) delivered by the Wuxi Intermediate People’s Court of Jiangsu Province. The Court adjudicated the case in which the Wuxi People’s Procuratorate of Jiangsu Province prosecuted the defendant, Liu XX, for the crime of contract fraud. On April 11, 2025, the Court issued a first-instance judgment, convicting the defendant Liu XX of contract fraud. The seized, sealed, and frozen assets involved in the case shall be handled by the public security authorities in accordance with the law.

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

Applicable Not applicable

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

Applicable Not applicable

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

On October 25, 2023, the Ministry of Finance issued the Interpretation No. 17 of the Accounting Standards for Enterprises (Cai Kuai [2023] No. 21, hereinafter referred to as Interpretation No. 17), which came into effect as of January 1, 2024. Our company has implemented the provisions of Interpretation No. 17 since January 1, 2024. The implementation of the relevant provisions of Interpretation No. 17 has had no significant impact on the company's financial statements during the reporting period.

2. Implementation of the Interpretation No. 18 of the Accounting Standards for Enterprises

In December 2024, the Ministry of Finance issued the Interpretation No. 18 of the Accounting Standards for Enterprises (Cai Kuai [2024] No. 24), requiring that for "warranty-type quality guarantees that do not belong to a single performance obligation", the accounting treatment shall be carried out in accordance with the provisions of Accounting Standard for Enterprises No. 13 - Contingencies (Cai Kuai [2006] No. 3). According to the determined amount of the estimated liability, debit the accounts such as "Cost of Main Business" and "Cost of Other Business", and credit the "Estimated Liabilities" account. And it shall be presented correspondingly in items such as "Operating Cost" in the income statement and "Other Current Liabilities", "Non-current Liabilities Due within One Year", and "Estimated Liabilities" in the balance sheet.

This interpretation shall come into effect as of the date of its issuance. Enterprises are allowed to implement it in advance in the year of its issuance.

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	WFLH	The entity was jointly established through capital contributions by WFAS, a subsidiary of the Company's wholly-owned subsidiary Weifu Lida, Ningbo Mihe Technology Co., Ltd., and Qihengcheng Automotive Technology (Shanghai) Co., Ltd.	40.00%
Add in the scope of consolidated statement	WFSS	The entity was jointly established during the current period through capital contributions by the Company and the following parties: Boyuan (Shanghai) Private Fund Management Co., Ltd., Jiangsu Jiequan Zhaoshang Jianye Equity Investment Partnership (Limited Partnership), Wuxi Economic Development Zone Xinqin Equity Investment Partnership (Limited Partnership), Wuxi Weirui Enterprise Management Partnership (Limited Partnership)	61.43%

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

Accounting firm appointed

Name of domestic accounting firm	Zhongxinghua Certified Public Accountants LLP
Remuneration for domestic accounting firm	117
The consecutive years of audit services provided by domestic accounting firm	1
Name of domestic CPA	Pan Hua, Zhang Xiaoping
The consecutive years of audit services provided by certified public accountants of domestic accounting firm	1

Whether the accounting firm was changed during the reporting period?

Yes No

Whether the accounting firm was changed during the audit period?

Yes No

Whether the approval procedure been fulfilled for the change of the accounting firm?

Yes No

According to the provisions of the "Administrative Measures for the Selection of Accounting Firms by State-owned Enterprises and Listed Companies" (Cai Kuai [2023] No. 4) issued by the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission, and the requirements of the "Notice on Doing a Good Job in the Selection of Accounting Firms" issued by the Jiangsu Regulatory Bureau of the China Securities Regulatory Commission, in view of the fact that the audit service period provided by Gongzheng Tianye Certified Public Accountants (Special General Partnership) for the company has exceeded the maximum consecutive appointment period of accounting firms for state-owned enterprises, the company needs to change the accounting firm.

During the reporting period of the 2024 annual report, after going through the bidding and selection procedures, the third meeting of the 11th Board of Directors of the company and the first extraordinary general meeting of shareholders in 2024 reviewed and approved the "Motion on the Appointment of the Audit Institution for 2024", and appointed Zhongxinghua as the audit institution for the company's financial report and internal control in 2024. For details, please refer to the "Announcement on the Appointment of the Audit Institution for 2024" (Announcement No.: 2024-054) disclosed by the company on the Shenzhen Stock Exchange Information Disclosure Platform (www.cninfo.com.cn) on August 22, 2024.

The situation of engaging an accounting firm for internal control audit, a financial advisor or a sponsor

Applicable Not applicable

Upon the deliberation of the first extraordinary general meeting of shareholders of the company in 2024, the company engaged Zhongxinghua as the accounting firm for the internal control audit of the company for the year 2024. During the reporting period, an amount of 300,000 yuan was paid to the accounting firm for internal control audit.

IX. Particular about delisting after annual report disclosed

Applicable Not applicable

X. Bankruptcy reorganization

Applicable Not applicable

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

Name/Name	Type	Reason	Investigation and punishment types	Conclusion (if any)	Disclosure Date	Disclosure Index
WFHT	Other	1. Inaccurate disclosure of financial information 2. Failed to fulfill the review procedures and disclosure obligations for related party transactions in accordance with regulations 3. Undisclosed 2022 performance forecast	China Securities Regulatory Commission took administrative and regulatory measures	The administrative and regulatory measures issued by Jiangsu Securities Regulatory Bureau with a warning letter have been recorded in the integrity file of the securities and futures market.	2024-03-28	Announcement on Receiving Warning Letter from Jiangsu Securities Regulatory Bureau "(Announcement No. 2024-005) disclosed by the company on the website of Juchao Information (www.cninfo.com.cn)
Wang Xiaodong (Leave office)	Director	Failed to be diligent and responsible				
Xu Yunfeng (Leave office)	Director					
Ou Jianbin (Leave office)	Other					
WFHT	Other	Failed to timely disclose 2022 annual performance forecast as required	The stock exchange took disciplinary actions.	Circulate a notice of criticism	2024-03-27	Decision on Issuing a Notice of Criticism and Disciplinary Action against WFHT and Related Parties on the Official Website of Shenzhen Stock Exchange
Wang Xiaodong (Leave office)	Director	Failed to fulfill duties and obligations of honesty and diligence				
Xu Yunfeng (Leave office)	Director					
Ou Jianbin (Leave office)	Other					

Explanation of Rectification

Applicable Not applicable

After receiving the warning letter from the Jiangsu Securities Regulatory Bureau, the company took it very seriously, carefully learned from the lesson, strengthened the study of relevant laws, regulations, and normative documents, improved information disclosure management, and raised the level of standardized operations to prevent such events from happening again. The company and the relevant personnel have submitted a written rectification report to the Jiangsu Securities Regulatory Bureau as required.

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	3,359.46	0.25%	4,500	N	According to the contract	Market price	2024-04-16	Announcement No.: 2024-011
RBCD	Associated enterprise, controlling subsidiary of Robert Bosch Company	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	25,418.13	1.86%	31,300	N	According to the contract	Market price		
WFEC	Joint venture of WFLD	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	80,069.06	5.87%	119,800	N	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	24,599.1	1.80%	22,200	Y	According to the contract	Market price		
FALCONTECH	Holding company of Wuxi Industry Group	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	7.77	0.00%	0	Y	According to the contract	Market price		
Wuxi Security Company	Holding company of Wuxi Industry Group	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	0.34	0.00%	0	Y	According to the contract	Market price		
ETERN	Holding company of Wuxi Industry Group	Procurement of goods and services	Procurement of goods and services	Fair market pricing	Market price	7.17	0.00%	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	120.11	0.01%	200	N	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	135,274.08	12.11%	228,100	N	According to the contract	Market price		
WFEC	Joint venture of WFLD	Sale of goods and services	Sale of goods and services	Fair market pricing	Market price	55.09	0.00%	1,500	N	According to the contract	Market price	2024-04-16	Announcement No.: 2024-011
Robert Bosch Company	Second largest shareholder of the Company	Sale of goods and services	Sale of goods and services	Fair market pricing	Market price	207,812.05	18.61%	205,600	Y	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	576.16	0.05%	5,400	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	1,094.03	0.10%	1,540	N	According to the contract	Market price		
WuXi Zhuowei	Joint venture	Sale of goods and services	Sale of goods and services	Fair market pricing	Market price	11.38	0.00%	0	Y	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	21.46	0.00%	0	Y	According to the contract	Market price		
WFPM	Joint venture	Other	Procurement of Fixed Assets	Fair market pricing	Market price	0.3		0	Y	According to the contract	Market price		
RBCD	Associated enterprise, controlling subsidiary of Robert Bosch Company	Other	Payment of Technology Royalty Fees and Other Related Fees	Fair market pricing	Market price	0		500	N	According to the contract	Market price	2024-04-16	Announcement No.: 2024-011

RBCD	Associated enterprise, controlling subsidiary of Robert Bosch Company	Other	Accounts Receivable - Lease Fees	Fair market pricing	Market price	49.92		100	N	According to the contract	Market price		
Robert Bosch Company	Second largest shareholder of the Company	Other	Payment of Technology Royalty Fees and Other Related Fees	Fair market pricing	Market price	272.47		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	921.24		100	Y	According to the contract	Market price		
Robert Bosch Company	Second largest shareholder of the Company	Other	Accounts Receivable - Lease Fees	Fair market pricing	Market price	3.85		0	Y	According to the contract	Market price		
Robert Bosch Company	Second largest shareholder of the Company	Other	Providing Technical Services and Other Related Offerings	Fair market pricing	Market price	0		200	N	According to the contract	Market price	2024-04-16	Announcement No.: 2024-011
Robert Bosch Company	Second largest shareholder of the Company	Other	Sale of Fixed Assets	Fair market pricing	Market price	277.44		300	N	According to the contract	Market price	2024-04-16	Announcement No.: 2024-011
Robert Bosch Company	Second largest shareholder of the Company	Other	Technical Service Fees Payable and Other Related Expenses	Fair market pricing	Market price	19.3		0	Y	According to the contract	Market price		
WFEC	Joint venture of WFLD	Other	Technical Service Fees Payable and Other Related Expenses	Fair market pricing	Market price	58.91		0	Y	According to the contract	Market price		

			es										
WFEC	Joint venture of WFLD	Other	Providing Technical Services and Other Related Offerings	Fair market pricing	Market price	64.13		100	N	According to the contract	Market price		
WFEC	Joint venture of WFLD	Other	Accounts Receivable - Lease Fees	Fair market pricing	Market price	200.66		300	N	According to the contract	Market price		
WFEC	Joint venture of WFLD	Other	Accounts Payable - Energy Charges	Fair market pricing	Market price	112.52		200	N	According to the contract	Market price	2024-04-16	Announcement No.: 2024-011
Lezhuo Bowei	Joint venture	Other	Accounts Receivable - Lease Fees	Fair market pricing	Market price	314.87		400	N	According to the contract	Market price		
Lezhuo Bowei	Joint venture	Other	Accounts Receivable - Energy Charges	Fair market pricing	Market price	0		200	N	According to the contract	Market price		
Lezhuo Bowei	Joint venture	Other	Providing Technical Services and Other Related Offerings	Fair market pricing	Market price	8.27		0	Y	According to the contract	Market price		
Autolink	Joint venture	Other	Accounts Receivable - Lease Fees	Fair market pricing	Market price	269.82		600	N	According to the contract	Market price	2024-04-16	Announcement No.: 2024-011
Urban public delivery Holding	Holding company of Wuxi Industry Group	Other	Procurement of Canteen Ingredients and Related Supplies	Fair market pricing	Market price	247.07		0	Y	According to the contract	Market price		
Wuxi Industry Group	The parent company of the WFHT	Other	Providing Technical Services and Other Related	Fair market pricing	Market price	75.21		0	Y	According to the contract	Market price		

			d Offerings										
Wuxi IoT	Holdings company of Wuxi Industry Group	Other	Procurement of Fixed Assets	Fair market pricing	Market price	6.89	0	Y	According to the contract	Market price			
ETERN	Holdings company of Wuxi Industry Group	Other	Technical Service Fees Payable and Other Related Expenses	Fair market pricing	Market price	2.55	0	Y	According to the contract	Market price			
Total				--	--	481,330.81	--	623,640	--	--	--	--	--
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 2024 will be 6.2364 billion yuan, and the actual total amount of daily related party transactions during the reporting period is 4.8133081 billion yuan. By category, it is expected that the amount of goods and services purchased from related parties in 2024 will not exceed 1.778 billion yuan, and the actual amount incurred during the reporting period is 1.3346103 billion yuan; 2. It is expected that the sales of goods and services to related parties in 2024 will not exceed 4.4234 billion yuan, and the actual amount incurred during the reporting period is 3.4496436 billion yuan; 3. It is expected that other related party transactions with related parties in 2024 will not exceed 35 million yuan, and the actual amount incurred during the reporting period is 29.0542 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

3. Related party transactions of mutual investment outside

Applicable Not applicable

4. Contact of related party credit and debt

Applicable Not applicable

Is there any non operating related debt and debt transaction

Yes No

Receivable debt from related parties

Related party	Related relationship	Cause of formation	Is there any occupation of non operating funds?	Beginning balance('0000 yuan)	Increase in current period('0000 yuan)	Amount received in current period('0000 yuan)	Interest rate	Interest in current period('0000 yuan)	Ending balance('0000 yuan)
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Hebei Machinery and its related parties	Company controlled by the older brother of the former director/senior management of the company	"platform trade" business	N	- 212,548.78					- 212,548.78
Hebei Jinda	Companies controlled by Hebei Machinery			195,847.05					195,847.05
Hebei Deshuang				143,675.72					143,675.72
Hebei Lanpai				60,940.49					60,940.49
Hebei Mianzhuo				47,925.33					47,925.33
Total				235,839.81					235,839.81
The impact of related debt on the Company's operating results and financial condition				For details on the impact on the company's operating results and financial condition, please refer to the description of ""Provision for expected credit losses on other receivables formed by "platform trade" business""					

Note1: Hebei Machinery refers to Hebei Machinery Import and Export Co., Ltd., Hebei Jinda refers to Hebei Jinda Import and Export Co., Ltd., Hebei Lanpai refers to Hebei Lanpai Technology Co., Ltd., Hebei Mianzhuo refers to Hebei Mianzhuo Electromechanical Equipment Sales Co., Ltd. Hebei Deshuang refers to Hebei Deshuang Trading Co., Ltd.

Note2: According to the principle of substance over form, the company did not treat Weifu International Trade's "platform trade" business as a normal trade business, but accounted for it as a fund receipt and payment. Because Hebei Jinda, Hebei Deshuang, Hebei Lanpai and Hebei Mianzhuo are controlled by Hebei Machinery, based on the business essence of "platform trade" business, WFTR listed the difference between the "purchase payment" paid by WFTR to Hebei Jinda, Hebei Deshuang, Hebei Lanpai and Hebei Mianzhuo based on "platform trade" business and the "sales payment" received from Hebei Machinery 2,358,398,084.78 yuan as other receivables, including: The "sales payment" received from Hebei Machinery is presented as a negative number. As of December 31, 2023, the Company has made a bad debt provision of 1,448,358,922.04 yuan for the balance of other receivables; The bad debt provision balance is calculated by 80.10%, which is the proportion of other receivables balance of Hebei Machinery and its controlled companies 2,415,151,888.80 yuan to other receivables balance of WFTR's "platform trade" business portfolio 2,741,499,131.95 yuan as of December 31, 2022 multiply the bad debt provision for other accounts receivable balances in WFTR's "platform trade" business portfolio 1,644,068,327.93 yuan.

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

On April 15, 2024, the company held the 23rd meeting of the 10th session of board of directors, deliberated and approved the Proposal on Participating in the Establishment of Partnership Enterprise and Related Party Transactions. On November 22, 2024, the company disclosed the Progress Announcement on Intending to Participate in Investment and Establishment of Partnership Enterprises and Related Transactions (Announcement No. 2024-068), and the joint venture company has completed the industrial and commercial registration procedures and private investment fund filing registration.

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. As of the disclosure date of this report, the matter is progressing as planned.

On May 14, 2024, the company held the 25th meeting of the 10th session of Board of Directors, deliberated and approved the Proposal on Investing in the Establishment of Joint Venture Company for Intelligent Perception Business and Related Party Transactions. On June 29, 2024, the company disclosed the Progress Announcement on the Proposal on Investing in the Establishment of Joint Venture Company for Intelligent Perception Business and Related Party Transactions (Announcement No. 2024-046), and the joint venture company has completed the industrial and commercial registration procedures.

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. On February 22, 2025, the company disclosed the Progress Announcement on the Acquisition of Minority Shareholders' Equity and Related Transactions of the Holding Subsidiary (Announcement No. 2025-005). The acquisition of minority shareholders' equity of the holding subsidiary has been completed, and the holding subsidiary has completed the industrial and commercial 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
Announcement on Participating in the Establishment of Partnership Enterprise and Related Party Transactions	2024-04-16	Juchao Website (http://www.cninfo.com.cn)
Announcement on Proposed Capital Increase and Related Party Transactions for Participating Companies	2024-05-15	
Announcement on Investing in the Establishment of Joint Venture Company for Intelligent Perception Business and Related Party Transactions	2024-05-15	
Announcement on Investing in the Establishment of Joint Venture Company for Intelligent Perception Business and Related Party Transactions	2024-06-29	
Announcement on the Acquisition of Minority Shareholders' Equity and Related Party Transactions of Holding Subsidiary	2024-10-25	
Progress Announcement on the Acquisition of Minority Shareholders' Equity and Related Transactions of the Holding Subsidiary	2024-11-22	
Progress Announcement on the Acquisition of Minority Shareholders' Equity and Related Party Transactions of Holding Subsidiary	2025-02-22	

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
VHWX	2022-12-09	1,000	2022-12-12	1,000	Joint liability guarantee	N	N	From the date of execution of the main contract up to the two years from the date of expiry of the performance period of the obligations under the main contract or December 30, 2026 (inclusive, whichever is the earlier)	N	N
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
Approved total guaranteed amount towards the subsidiaries within the reporting period (B1)					41,200	Total actual amount occurred towards subsidiaries within the reporting period (B2)				30,706
Approved total guaranteed amount towards the subsidiaries at the year end (B3)					85,999	Total actual guarantee balance towards subsidiaries at the year end (B4)				44,799
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)				41,200	Approved total amount guaranteed within the reporting period (A1+B1+C1)				30,706	
Approved total amount guaranteed at the year end (A3+B3+C3)				85,999	Approved total amount guaranteed at the year end (A3+B3+C3)				44,799	
Proportion of actual total guaranteed amount (A4+B4+C4) to net assets										2.26%
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	Fund sources	Amount occurred	Undue balance	Overdue amount	Impairment amount accrual for overdue financial management
Bank financial products	Own funds	84,350	55,250	0	0
Financial products of securities firms	Own funds	32,079	32,000	0	0
Trust financial products	Own funds	92,712	14,079	0	0
Other type	Own funds	42,000	64,083	0	0
Total			251,141	165,412	0

Details of high-risk trust financing with significant individual amounts, low safety or liquidity

Applicable Not applicable

In ten thousand yuan

Name of the entrusted institution	Type of the entrusted institution	Product type	Amount	Source of funds	Start date	End date	Investment direction of funds	Method for determining remuneration	Reference rate	Expected return (if	The actual gains/losses during	The actual recovery of gains/	The amount of impairment	Subject to legal procedures	Will there be any entrusted	Overview of the matter and relevant
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institution (or name of the trustee)	tion (or name of the trustee)		d				eration	of return	any)	g the reporting period	losses during the reporting period	provision (if any)		wealth management plans in the future ?	query indexes (if any)
Bank	Bank	Guaranteed floating income	265,000	Own funds	2024-01-31	2025-06-24	Structured deposit	2.04%-2.9%	818.71	777.58	Has been recovered as stipulated in the contract.		Yes	Yes	2024-04-16 (Announcement No.:2024-013)
Bank	Bank	Non-guaranteed floating income	68,200	Own funds	2024-01-05	2024-12-31	Cash management products	1.60%-2.5%	320.84	220.46	Has been recovered as stipulated in the contract.		Yes	Yes	
Securities	Securities	Non-guaranteed floating income		Other			Asset management plan, income certificate	0.00%	0	475.69	Has been recovered as stipulated in the contract.		Yes	Yes	
Trust	Trust	Non-guaranteed floating income		Other			Collective trust plan	0.00%	0	341.48	Has been recovered as stipulated in the contract.		Yes	Yes	

Other	Other professional financial institutions	Non-guaranteed floating income		Other			Fund products	The performance comparison benchmark stipulated in the contract	0.00%	0	2,576.21	Has been recovered as stipulated in the contract.	14,661.57	Yes	Yes	
Total			333,200	--	--	--	--	--	--	1,139.55	4,391.42	--	14,661.57	--	--	--

Expected inability to recover the principal of trust financing or other situations that may lead to impairment in trusting financing

Applicable Not applicable

In accordance with the relevant provisions of the Accounting Standards for Enterprises and the company's accounting policies, after full communication between the company and the accounting firm, and in light of the actual situation, based on the principle of prudence, an impairment test was carried out on the wealth management products held as of December 31, 2024. After calculation, the difference between the recoverable amount of the above-mentioned wealth management products and their carrying value is RMB 146.6157 million, which is lower than the carrying value. Therefore, the company has provided an impairment provision of RMB 146.6117 million. For details, please refer to the Announcement on the Provision of Impairment Losses for the Year 2024 disclosed by the company on the same day.

(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. Explanation on other material matters

Applicable Not applicable

XVII. Material matters of subsidiary of the Company

Applicable Not applicable

The Company disclosed the "Announcement Regarding the Receipt of Case Filing Notice from Public Security Authorities by Wholly-Owned Subsidiary WFTR and Major Risk Warning" on April 13, 2023. On the evening of April 12, 2023, the Company's wholly-owned subsidiary, WFTR, received a Case Filing Notice issued by the Xinwu Branch of the Wuxi Public Security Bureau that the case of contract fraud involving WFTR has met the criteria for criminal case filing, and the authorities have officially decided to register the case.

On April 15, 2025, the Company disclosed the "Progress Announcement on Significant Matters Concerning the Wholly-Owned Subsidiary". WFTR received the Criminal Judgment ((2024) Su 02 Xing Chu No. 22) delivered by the Wuxi Intermediate People's Court of Jiangsu Province. The Court adjudicated the case in which the Wuxi People's Procuratorate of Jiangsu Province prosecuted the defendant, Liu XX, for the crime of contract fraud. On April 11, 2025, the Court issued a first-instance judgment, convicting the defendant Liu XX of contract fraud. The seized, sealed, and frozen assets involved in the case shall be handled by the public security authorities in accordance with the law.

Section VII. 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	5,651,230	0.56%				-	-	390,394	0.04%
1. State-owned shares									
2. State-owned legal person's shares									
3. Other domestic shares	5,651,230	0.56%				-	-	390,394	0.04%
Including: Domestic legal person's shares									
Domestic natural person's shares	5,651,230	0.56%				-	-	390,394	0.04%
4. Foreign shares									
Including: Foreign legal person's shares									
Foreign natural person's shares									
II. Unrestricted shares	996,511,563	99.44%				84,336	84,336	996,595,899	99.96%
1. RMB ordinary shares	824,131,563	82.24%				84,336	84,336	824,215,899	82.67%
2. Domestically listed foreign shares	172,380,000	17.20%						172,380,000	17.29%
3. Overseas listed foreign shares									
4. Others									

III. Total shares	1,002,162,793	100.00%				-	-	996,986,293	100.00%
						5,176,500	5,176,500		

Reasons for changes in share

Applicable Not applicable

1. During the reporting period, the company bought back and canceled a total of 5,176,500 shares of 2020 restricted stock that had been granted but not unlocked, resulting in changes in stocks subjects to limited sales conditions;
2. During the reporting period, some directors, supervisors, and senior executives of the company underwent adjustments, 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

1. On April 15, 2024, the company held the 23rd meeting of the 10th session of the BOD, deliberated and approved the Proposal on Buy-back and Cancellation of Partial Restricted Stocks under 2020 Restricted Stock Incentive Plan. It was agreed to buy back and cancel a total of 5,176,500 restricted stocks that had been granted to 535 incentive recipients but did not meet the conditions for lifting restrictions. As of June 7, 2024, the company has completed the buy-back and cancellation procedures for the above-mentioned shares at the Shenzhen branch of China Securities Depository and Clearing Corporation Limited.
2. On April 15, 2024, the company held the 23rd meeting of the 10th session of the BOD and the 19th meeting of the 10th session of the Board of Supervisors, delivered and approved the Proposal on the Election of Non-independent Director Candidates for the BOD and the Proposal on the Election of Non-employee Representative Supervisor Candidates for the Board of Supervisors. On May 17, 2024, the company held its 2023 annual shareholders' meeting, delivered and approved the above-mentioned proposals.
3. On August 20, 2024, the company held the 3rd meeting of the 11th session of the Board of Supervisors, delivered and approved the proposal on the Resignation and By-election of Supervisors. On September 20, 2024, the company held its first extraordinary general meeting of shareholders, delivered and approved the above-mentioned proposal.

Ownership transfer of share changed

Applicable Not applicable

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	147,000		84,000	63,000	Lock-up shares held by senior executives and restricted stocks for stock incentive	2024-06-07
Feng Zhiming	48,894			48,894	Lock-up shares held by senior executives	--
Xu Sheng	147,000		84,000	63,000	Lock-up shares held by senior executives and restricted stocks for stock incentive	2024-06-07

Liu Jinjun	147,000		84,000	63,000	Lock-up shares held by senior executives and restricted stocks for stock incentive	2024-06-07
Li Gang	147,000		84,000	63,000	Lock-up shares held by senior executives and restricted stocks for stock incentive	2024-06-07
Wang Xiaodong	225,586		225,586	0	Lock-up shares held by senior executives and restricted stocks for stock incentive	2024-06-07 2024-11-18
Miao Yuming	91,500		91,500	0	Lock-up shares held by senior executives	2024-11-18
Ou Jianbin	154,500		154,500	0	Lock-up shares held by senior executives and restricted stocks for stock incentive	2024-06-07 2024-11-18
Chen Ran	0	1,000		1,000	Lock-up shares held by senior executives	--
Xu Yunfeng	193,500		105,000	88,500	Lock-up shares held by senior executives and restricted stocks for stock incentive	2024-06-07
Middle management	4,531,500		4,531,500	0	Restricted stocks for stock incentive	2024-06-07
Total	5,833,480	1,000	5,444,086	390,394	--	

Note: In the aforesaid table, shares released in this reporting period refer to the number of granted but not released from restricted sales which were bought back and canceled by the Company.

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 restricted shares which has granted without circulation were bought back and canceled partially by the Company, that is 5,176,500 shares. Total share capital of the Company comes to 996,986,293 shares from 1,002,162,793 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

Total common stock shareholders in reporting period-end	60,691	Total common stock shareholders at end of last month before annual report disclosed	65,913	Total preference shareholders with voting rights recovered at end of reporting period	0	Total preference shareholders with voting rights recovered at end of last month before annual report disclosed	0	
Particulars about shares held above 5% by shareholders or top ten shareholders								
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	21.25%	211,811,499	7,752,101	0	211,811,499	NA	0
ROBERT BOSCH GMBH	Foreign corporate	14.73%	146,854,133	4,012,733	0	146,854,133	NA	0
Hong Kong Securities Clearing Company	Foreign corporate	1.91%	19,022,234	1,319,913	0	19,022,234	NA	0
SOOCHOW Securities	State-owned corporate	1.36%	13,603,695	13,603,695	0	13,603,695	NA	0
CCB Life - Traditional insurance	Other	1.24%	12,359,918	12,359,918	0	12,359,918	NA	0
NSSF-413	Other	1.08%	10,799,995	569,995	0	10,799,995	NA	0
FIDELITY INVMT TRT FIDELITY INTL SMALL CAP FUND	Foreign corporate	0.86%	8,579,471	1,369,085	0	8,579,471	NA	0
Basic Pension Insurance Fund-1003	Other	0.69%	6,872,193	-769,500	0	6,872,193	NA	0
Guolian An Fund - China Pacific Life Insurance Co., Ltd. - Dividend Insurance - Guolian An Fund - China Pacific Life Stock Relative Yield (Dividend) Single Asset Management Plan	Other	0.53%	5,300,000	-1,587,979	0	5,300,000	NA	0
Xie Zuogang	Domestic natural person	0.51%	5,132,967	0	0	5,132,967	NA	0
Strategy investor or general legal person becoming the top 10 shareholders by placing new shares (if applicable) (refer to Note 3)	None							
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	None							

delegate/entrusted voting rights and abstention from voting rights.			
Special note on the repurchase account among the top 10 shareholders (if applicable) (refer to Note 10)	As of Dec. 31, 2024, the repurchase special securities account of Weifu High-Technology Group Co., Ltd had 25,000,000 shares of ordinary A-Share, hereby stated that, in accordance with relevant requirement, they are not included in the top 10 shareholders of the Company.		
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.	211,811,499	RMB common shares	211,811,499
ROBERT BOSCH GMBH	146,854,133	RMB common shares	115,260,600
		Domestically listed foreign shares	31,593,533
Hong Kong Securities Clearing Company	19,022,234	RMB common shares	19,022,234
SOOCHOW Securities	13,603,695	RMB common shares	13,603,695
CCB Life - Traditional insurance	12,359,918	RMB common shares	12,359,918
NSSF-413	10,799,995	RMB common shares	10,799,995
FIDELITY INVMT TRT FIDELITY INTL SMALL CAP FUND	8,579,471	Domestically listed foreign shares	8,579,471
Basic Pension Insurance Fund- 1003	6,872,193	RMB common shares	6,872,193
Guolian An Fund - China Pacific Life Insurance Co., Ltd. - Dividend Insurance - Guolian An Fund - China Pacific Life Stock Relative Yield (Dividend) Single Asset Management Plan	5,300,000	RMB common shares	5,300,000
Xie Zuogang	5,132,967	Domestically listed foreign shares	5,132,967
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)	None		

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 30.42% stakes of Wuxi Taiji Industry Corporation Limited (stock code: 600667). 2.The majority shareholder of the Company, Wuxi Industry Group, directly holds 15.65% stakes of Wuxi Xinhongtai 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

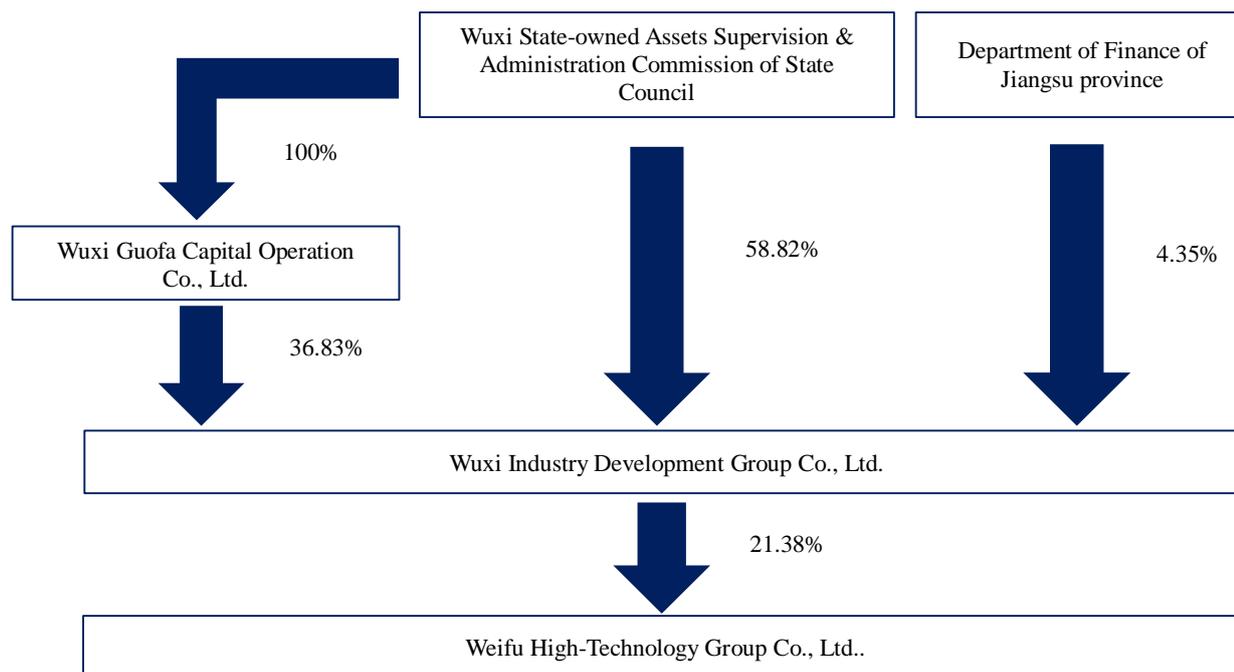
Name of actual controlling shareholders	Legal person/person in charge of the unit	Date of foundation	Organization code	Main operation business
The State-owned Assets Supervision & Administration Commission of Wuxi Municipality of Jiangsu Province	Ding Hongjun		~	State-owned Assets management
Equity of domestic/oversea listed company control by actual controller in reporting period	NA			

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.
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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)
April 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	

Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

Section VIII. Preferred Stock

Applicable Not applicable

Section IX. Corporate Bonds

Applicable Not applicable

Section X. Financial Report

I. Auditor's report

Type of audit opinion	Standard Unqualified Opinion
Signing date of audit report	April 16, 2025
Name of audit institute	Zhongxinghua Certified Public Accountants LLP
Serial of Auditing Report	Zhongxinghua Audit (2025) No. 020737
Name of CPA	Pan Hua, Zhang Xiaoping

Auditor's Report

Zhongxinghua Audit (2025) No. 020737

To the Shareholders of 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 2024, 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 2024.

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 financial conditions of consolidated and parent company of Weifu High-Technology as of 31 December 2024, as well as operation performance and cash flow of consolidated and parent company in 2024.

II. Foundation of audit opinions

We conducted the audit work as per provisions of the Chinese Certified Public Accountant Auditing Standards. The part of "CPA's responsibilities for financial statement audit" in the audit report further elaborates on our responsibilities under the Standards. In compliance with the code of professional ethics for Chinese Certified Public Accountant, we are independent from Weifu High-Technology, and fulfill other responsibilities of professional ethics. 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.

(I) Income recognition

1. Event description

As stated in the Financial Statement Note V.31 Revenue and Note VII.47 Operating Revenue and Operating Costs of the financial statements, Weifu High-Technology earned operating income of RMB 11,167,263,200 in 2024. 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 the key internal controls regarding income recognition, evaluate the design of such controls, determine whether they have been implemented, and test the effectiveness of operating relevant internal controls;
- (2) Select customer samples to check their sales contracts, know about the main contract clauses or conditions, and evaluate whether the specific methods and timing of income recognition follow the standards and industrial practices;
- (3) Combined with the industrial data and status quo of the industry in which Weifu High-Technology operates, perform analytical procedures, including comparative analysis of current income, cost and gross profit margin of each business segment with the last period, and comparative analysis of gross profit margin of each business segment with the same industry, and judge the rationality of income fluctuations;
- (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 accounts receivable and income confirmation procedures, verify the authenticity and completeness of income 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.

(II) 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 XVIII. 7 “Other Important Matters Affecting Investors’ Decisions” of the financial statements, as of 31 December 2024, the book balance of other receivables arising from “platform trading” contract fraud event of Weifu International Trade was RMB 2,542,263,400, and the provision for expected credit losses of RMB 1,644,068,300 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, obtain the accounting estimate method and result of the management level provision for expected credit losses of the “platform trade” business portfolio creditor’s right, inquire the management level about the source of reference of making significant judgments on the recoverable amount of the “platform trade” business portfolio creditor’s right, compare and analyze the changes in the reference of the recoverable amount of the “platform trade” business portfolio creditor’s right compared with that at the end of last year, and evaluate its rationality;

(2) Visit the competent authority regarding the source of reference of making estimates by the management level, verify the authenticity and reliability of the source of reference, and verify the changes in the reference of recoverable amount compared with the end of last year and the reasons;

(3) Know about the situation of physical assets recovered by the public security authority and transferred to the company for safekeeping, perform sampling procedures, confirm the asset status, and verify the value by checking the market price;

(4) Perform recalculation procedures according to the reference of the recoverable amount of the “platform trade” business portfolio creditor’s right, compare it with the estimation results of the management level, and further judge whether the management level’s conclusion is reasonable that the expected credit losses of “platform trade” business portfolio creditor’s right need no further provision or significant reversal;

(5) Note the subsequent progress of the event, obtain important information such as criminal judgment, and consider the impact on the financial statement in the current period;

(6) Check whether the information concerning “platform trade” business has been properly presented and disclosed in the financial statement.

(III) Recognition of investment income from associated enterprises

1. Event description

As stated in the Financial Statement Note VII.55 “Investment Income” of the financial statements, in 2024, the long-term equity investment income accounted for by Weifu High-Technology using the equity method was RMB 1,481,848,400, accounting for over 80% 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

Know about the key internal controls regarding the investment of Weifu High-Technology and associated enterprises, evaluate the design of internal controls, and test the operating effectiveness;

Obtain the associated enterprise articles of association, investment agreement, business license and other materials, check the shareholding ratio and time of long-term equity investment, and recognize whether the long-term equity investment accounting method is correct;

Obtain and check the associated enterprise audit report, know about the significant accounting policies and

accounting estimates, analyze their consistency, and consider their impact on the financial statement of Weifu High-Technology;

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;

Recalculate the investment income of Weifu High-Technology associated enterprises, focus on the offsetting of unrealized internal transaction gains and losses between the company and associated enterprises, and review whether the recognition of corporate investment income is accurate;

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

Check whether the information concerning associated enterprise investment income has been properly presented in the financial statement.

IV. 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 2024 annual report of Weifu High-Technology, 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.

V. Management and governance liabilities for financial statement

The Management is responsible for preparing the financial statements in accordance with GAAP and presenting them fairly; 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.

VI. Auditor's Responsibility for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement 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 alone or aggregated may affect financial statement user's economic decision made based on financial statement, it is generally considered to be material misstatement.

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

(1) Identify and assess material misstatement risk of financial statement caused by fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidences as the basis for issuing 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 policy adopted by the management level and the reasonableness of accounting estimates and related disclosures.

(4) Determine whether the going-concern assumption used by management is appropriate. 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 Weifu High-Technology'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 statement 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 statement, and evaluate whether the financial statement has 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 group audit. We hold full responsibilities for the audit opinions.

We communicate with the governance about planned audit scope, schedule, major audit findings and other matters, including the internal control flaws that need attention, which 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
(Special General Partnership)

Beijing China

Chinese CPA: Pan Hua
(Project partner)

Chinese CPA: Zhang Xiaoping

16 April, 2025

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, 2024

In RMB

Item	Dec. 31, 2024	Dec. 31, 2023
Current assets:		
Monetary funds	2,246,600,451.52	2,274,771,699.14
Settlement provisions		
Capital lent		
Trading financial assets	1,429,682,635.57	2,391,487,144.96
Derivative financial assets		
Note receivable	99,914,699.81	144,976,174.84
Account receivable	3,737,653,893.03	3,857,539,958.20
Receivable financing	1,713,187,182.25	1,661,749,949.46
Accounts paid in advance	93,283,466.49	76,202,271.16
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	930,529,007.57	919,684,126.81
Including: Interest receivable		
Dividends receivable	5,357,758.49	
Buying back the sale of financial assets		
Inventories	2,308,920,401.14	2,068,533,030.94
Including: data source		
Contract assets		
Assets held for sale		
Non-current asset due within one year	559,070,575.38	
Other current assets	188,988,459.46	325,909,383.11
Total current assets	13,307,830,772.22	13,720,853,738.62
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		

Long-term equity investment	7,035,098,878.59	5,947,633,507.07
Investment in other equity instrument	677,790,690.00	677,790,690.00
Other non-current financial assets	697,471,349.81	804,350,120.06
Investment real estate	44,960,930.39	46,926,716.49
Fixed assets	4,461,619,375.21	3,969,574,102.87
Construction in progress	380,321,816.50	564,605,931.90
Productive biological asset		
Oil and gas asset		
Right-of-use assets	67,765,442.37	48,832,472.85
Intangible assets	480,540,808.88	484,834,882.53
Including: data source		
Expense on research and development		
Including: data source		
Goodwill	32,605,318.22	122,316,819.20
Long-term expenses to be apportioned	22,202,465.04	24,714,632.10
Deferred income tax asset	303,420,166.65	311,912,955.07
Other non-current asset	893,272,397.34	1,356,741,223.05
Total non-current asset	15,097,069,639.00	14,360,234,053.19
Total assets	28,404,900,411.22	28,081,087,791.81
Current liabilities:		
Short-term loans	393,120,147.95	838,889,557.51
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	2,014,217,247.05	1,759,062,642.60
Account payable	3,899,945,192.28	3,668,850,423.29
Accounts received in advance	2,652,511.04	2,911,439.65
Contractual liability	56,148,545.13	77,686,881.24
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	405,278,048.92	334,810,352.56
Taxes payable	51,710,218.41	56,581,082.49
Other account payable	44,547,794.12	108,893,486.63
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		

Liability held for sale		
Non-current liabilities due within one year	220,703,888.53	38,084,321.10
Other current liabilities	285,386,237.68	257,139,908.60
Total current liabilities	7,373,709,831.11	7,142,910,095.67
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	100,000,000.00	299,800,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	47,316,516.48	37,733,196.51
Long-term account payable	27,005,082.11	28,035,082.11
Long-term wages payable	46,118,861.68	129,844,482.80
Accrued liability	121,869,551.76	38,016,428.52
Deferred income	151,419,335.74	188,773,622.29
Deferred income tax liabilities	24,870,008.46	37,752,122.87
Other non-current liabilities		
Total non-current liabilities	518,599,356.23	759,954,935.10
Total liabilities	7,892,309,187.34	7,902,865,030.77
Owner's equity:		
Share capital	996,986,293.00	1,002,162,793.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital reserve	3,263,649,101.44	3,308,170,140.96
Less: inventory shares	469,722,092.24	533,289,512.24
Other comprehensive income	10,132,405.39	54,156,915.97
Reasonable reserve	6,257,090.28	3,641,439.97
Surplus public reserve	510,100,496.00	510,100,496.00
Provision of general risk		
Retained profit	15,523,124,882.77	15,054,950,398.12
Total owner's equity attributable to parent company	19,840,528,176.64	19,399,892,671.78
Minority interests	672,063,047.24	778,330,089.26
Total owner's equity	20,512,591,223.88	20,178,222,761.04
Total liabilities and owner's equity	28,404,900,411.22	28,081,087,791.81

Legal Representative: Yin Zhenyuan

Person in charge of accounting works: Feng Zhiming

Person in charge of accounting institute: Wu Junfei

2. Balance Sheet of Parent company

In RMB

Item	Dec. 31, 2024	Dec. 31, 2023
Current assets:		
Monetary funds	466,892,236.52	714,826,120.43
Trading financial assets	878,496,571.74	2,251,060,973.85
Derivative financial assets		
Note receivable	18,662,983.17	23,523,055.70
Account receivable	1,489,935,690.05	1,384,059,380.88
Receivable financing	346,215,286.06	227,811,949.87
Accounts paid in advance	51,792,719.25	45,875,061.25
Other account receivable	1,429,367,035.46	1,370,649,392.28
Including: Interest receivable	6,702,396.94	842,323.12
Dividends receivable	5,357,758.49	
Inventories	523,443,471.86	549,696,080.27
Including: data source		
Contract assets		
Assets held for sale		
Non-current asset due within one year	222,906,739.73	
Other current assets	236,029.38	11,054,042.33
Total current assets	5,427,948,763.22	6,578,556,056.86
Non-current assets:		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	9,379,389,807.57	8,008,012,424.29
Investment in other equity instrument	601,850,690.00	601,850,690.00
Other non-current financial assets	697,471,349.81	804,350,120.06
Investment real estate	33,322,617.00	34,453,448.06
Fixed assets	2,767,316,409.85	2,376,023,503.55
Construction in progress	43,260,711.62	218,670,126.54
Productive biological asset		
Oil and gas asset		
Right-of-use assets	4,320,822.79	4,290,695.37
Intangible assets	251,051,539.24	220,397,330.28
Including: data source		
Expense on research and development		
Including: data source		
Goodwill		

Long-term expenses to be apportioned	910,555.82	3,759,490.67
Deferred income tax asset	131,997,984.30	109,441,564.66
Other non-current asset	538,364,812.82	731,758,973.92
Total non-current asset	14,449,257,300.82	13,113,008,367.40
Total assets	19,877,206,064.04	19,691,564,424.26
Current liabilities:		
Short-term loans		480,490,722.23
Trading financial liability		
Derivative financial liability		
Note payable	344,127,173.09	365,959,174.48
Account payable	1,127,464,058.49	1,166,435,681.25
Accounts received in advance		
Contractual liability	12,478,649.93	8,548,593.06
Wage payable	215,266,682.43	168,228,976.90
Taxes payable	9,470,631.10	5,327,449.07
Other account payable	670,207,729.91	216,435,787.01
Including: Interest payable	2,509,683.34	1,123,734.04
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year	201,358,028.22	28,000,984.47
Other current liabilities	20,837,034.26	38,294,705.54
Total current liabilities	2,601,209,987.43	2,477,722,074.01
Non-current liabilities:		
Long-term loans	100,000,000.00	299,800,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	2,703,583.48	1,836,800.62
Long-term account payable		
Long-term wages payable	15,212,070.31	95,678,717.83
Accrued liability	22,565,446.22	10,709,925.00
Deferred income	130,406,464.59	160,462,135.18
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	270,887,564.60	568,487,578.63
Total liabilities	2,872,097,552.03	3,046,209,652.64
Owner's equity:		
Share capital	996,986,293.00	1,002,162,793.00
Other equity instrument		
Including: Preferred stock		

Perpetual capital securities		
Capital reserve	3,394,923,686.54	3,412,506,010.91
Less: inventory shares	469,722,092.24	533,289,512.24
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	510,100,496.00	510,100,496.00
Retained profit	12,572,820,128.71	12,253,874,983.95
Total owner's equity	17,005,108,512.01	16,645,354,771.62
Total liabilities and owner's equity	19,877,206,064.04	19,691,564,424.26

3. Consolidated Profit Statement

In RMB

Item	2024	2023
I. Total operating income	11,167,263,155.85	11,093,141,950.98
Including: Operating income	11,167,263,155.85	11,093,141,950.98
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	10,731,261,302.02	10,773,357,152.61
Including: Operating cost	9,137,167,016.39	9,238,560,615.04
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	59,699,756.95	64,464,506.58
Sales expense	173,294,600.83	142,323,212.30
Administrative expense	726,610,451.29	612,096,726.09
R&D expense	690,258,974.54	667,871,159.95
Financial expense	-55,769,497.98	48,040,932.65
Including: Interest expenses	25,385,434.57	95,145,829.10
Interest income	101,699,691.65	40,360,794.63
Add: Other income	195,531,320.78	97,464,970.76
Investment income (Loss is listed with “-”)	1,535,039,086.78	1,701,990,058.24
Including: Investment income on affiliated company and joint venture	1,481,848,406.86	1,596,392,131.72
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 “-”)	-17,300,039.60	9,767,646.64
Loss of credit impairment (Loss is listed with “-”)	6,063,789.73	-4,402,449.07
Losses of devaluation of asset (Loss is listed with “-”)	-407,383,027.85	-331,275,532.54
Income from assets disposal (Loss is listed with “-”)	10,467,340.59	128,314,484.53
III. Operating profit (Loss is listed with “-”)	1,758,420,324.26	1,921,643,976.93
Add: Non-operating income	3,924,878.00	17,111,807.24
Less: Non-operating expense	5,130,865.58	4,411,191.85
IV. Total profit (Loss is listed with “-”)	1,757,214,336.68	1,934,344,592.32
Less: Income tax expense	40,043,146.12	21,195,062.23
V. Net profit (Net loss is listed with “-”)	1,717,171,190.56	1,913,149,530.09
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	1,717,171,190.56	1,913,149,530.09
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owners of parent company	1,659,533,740.63	1,837,291,259.68

2.Minority shareholders' gains and losses	57,637,449.93	75,858,270.41
VI. Net after-tax of other comprehensive income	-44,024,510.58	55,068,226.10
Net after-tax of other comprehensive income attributable to owners of parent company	-44,024,510.58	55,068,226.10
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss	135,700.88	-1,189,898.59
1.Changes of the defined benefit plans that re-measured	135,700.88	-1,189,898.59
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	-44,160,211.46	56,258,124.69
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	-44,160,211.46	56,258,124.69
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	1,673,146,679.98	1,968,217,756.19
Total comprehensive income attributable to owners of parent Company	1,615,509,230.05	1,892,359,485.78
Total comprehensive income attributable to minority shareholders	57,637,449.93	75,858,270.41
VIII. Earnings per share:		
(i) Basic earnings per share	1.71	1.88
(ii) Diluted earnings per share	1.71	1.88

Legal Representative: Yin Zhenyuan

Person in charge of accounting works: Feng Zhiming

Person in charge of accounting institute: Wu Junfei

4. Profit Statement of Parent Company

In RMB

Item	2024	2023
I. Operating income	3,397,375,738.23	3,568,007,626.04
Less: Operating cost	2,748,517,500.94	2,877,223,061.80
Taxes and surcharge	25,293,144.60	26,020,608.91
Sales expenses	18,606,129.79	20,326,167.81
Administration expenses	342,648,893.66	317,148,490.36
R&D expenses	206,660,519.14	256,555,205.86
Financial expenses	-8,055,265.06	43,029,546.08
Including: Interest expenses	25,217,594.46	70,100,281.69
Interest income	45,539,582.29	22,232,354.69
Add: Other income	104,031,656.48	60,045,052.24
Investment income (Loss is listed with “-”)	1,431,219,662.62	1,551,999,553.88
Including: Investment income on affiliated Company and joint venture	1,237,057,888.34	1,372,133,258.69
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 “-”)	-19,486,103.43	9,325,222.30
Loss of credit impairment (Loss is listed with “-”)	2,154,583.72	599,535.81
Losses of devaluation of asset (Loss is listed with “-”)	-215,462,101.10	-71,109,221.75
Income on disposal of assets (Loss is listed with “-”)	115,716,424.53	8,262,258.43
II. Operating profit (Loss is listed with “-”)	1,481,878,937.98	1,586,826,946.13
Add: Non-operating income	764,049.54	978,746.24
Less: Non-operating expense	430,984.94	1,204,343.16
III. Total Profit (Loss is listed with “-”)	1,482,212,002.58	1,586,601,349.21
Less: Income tax	-22,556,419.64	288,204.25
IV. Net profit (Net loss is listed with “-”)	1,504,768,422.22	1,586,313,144.96
(i) continuous operating net profit (net loss listed with “-”)	1,504,768,422.22	1,586,313,144.96
(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	1,504,768,422.22	1,586,313,144.96
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Item	2024	2023
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	11,454,631,514.44	11,815,615,875.97
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	158,735,481.42	247,423,811.65
Other cash received concerning operating activities	110,017,342.88	304,312,552.49
Subtotal of cash inflow arising from operating activities	11,723,384,338.74	12,367,352,240.11
Cash paid for purchasing commodities and receiving labor service	7,529,154,745.16	8,080,288,216.69
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	1,909,179,859.57	1,566,762,591.01
Taxes paid	284,195,491.88	421,031,865.46
Other cash paid concerning operating activities	418,521,593.39	673,019,655.05
Subtotal of cash outflow arising from operating activities	10,141,051,690.00	10,741,102,328.21
Net cash flows arising from operating activities	1,582,332,648.74	1,626,249,911.90
II. Cash flows arising from investing activities:		
Cash received from recovering investment	4,194,627,417.02	3,313,684,345.66
Cash received from investment income	1,135,521,634.62	2,327,386,986.20
Net cash received from disposal of fixed, intangible and other long-term assets	47,050,793.21	146,353,685.07
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		18,840,000.00
Subtotal of cash inflow from investing activities	5,377,199,844.85	5,806,265,016.93
Cash paid for purchasing fixed, intangible and other long-term assets	1,080,918,168.79	1,113,912,460.11
Cash paid for investment	4,147,277,084.93	3,455,088,494.14

Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		13,716,100.33
Other cash paid concerning investing activities		13,036,225.94
Subtotal of cash outflow from investing activities	5,228,195,253.72	4,595,753,280.52
Net cash flows arising from investing activities	149,004,591.13	1,210,511,736.41
III. Cash flows arising from financing activities:		
Cash received from absorbing investment	67,300,000.00	
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	67,300,000.00	
Cash received from loans	423,886,845.30	2,696,375,308.64
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	491,186,845.30	2,696,375,308.64
Cash paid for settling debts	933,749,933.35	5,372,848,659.59
Cash paid for dividend and profit distributing or interest paying	1,278,179,683.86	232,202,783.52
Including: Dividend and profit of minority shareholder paid by subsidiaries	68,778,370.04	40,453,107.58
Other cash paid concerning financing activities	282,460,203.37	164,632,874.00
Subtotal of cash outflow from financing activities	2,494,389,820.58	5,769,684,317.11
Net cash flows arising from financing activities	-2,003,202,975.28	-3,073,309,008.47
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-33,176,286.78	21,416,449.75
V. Net increase of cash and cash equivalents	-305,042,022.19	-215,130,910.41
Add: Balance of cash and cash equivalents at the period-begin	2,061,986,694.41	2,277,117,604.82
VI. Balance of cash and cash equivalents at the period -end	1,756,944,672.22	2,061,986,694.41

6. Cash Flow Statement of Parent Company

Item	In RMB	
	2024	2023
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	3,099,128,968.36	2,992,755,592.93
Write-back of tax received		125,190,524.09
Other cash received concerning operating activities	80,207,980.24	77,926,649.97
Subtotal of cash inflow arising from operating activities	3,179,336,948.60	3,195,872,766.99
Cash paid for purchasing commodities and receiving labor service	2,264,173,817.93	1,844,781,220.30
Cash paid to/for staff and workers	737,849,558.75	663,056,090.53
Taxes paid	75,566,016.29	141,072,774.09
Other cash paid concerning operating activities	79,310,706.82	253,804,167.34
Subtotal of cash outflow arising from operating activities	3,156,900,099.79	2,902,714,252.26
Net cash flows arising from operating activities	22,436,848.81	293,158,514.73
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,829,627,417.02	2,492,465,818.32
Cash received from investment income	958,618,318.14	2,060,589,193.54
Net cash received from disposal of fixed, intangible and other long-term assets	36,500,011.93	14,663,395.44
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	160,573,673.43	326,061,324.33
Subtotal of cash inflow from investing activities	2,985,319,420.52	4,893,779,731.63
Cash paid for purchasing fixed, intangible and other long-term assets	476,629,689.83	641,672,060.41

Cash paid for investment	1,304,396,588.44	2,112,142,787.05
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	204,486,765.84	223,723,855.14
Subtotal of cash outflow from investing activities	1,985,513,044.11	2,977,538,702.60
Net cash flows arising from investing activities	999,806,376.41	1,916,241,029.03
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans		1,795,000,000.00
Other cash received concerning financing activities	1,635,000,000.00	300,000,000.00
Subtotal of cash inflow from financing activities	1,635,000,000.00	2,095,000,000.00
Cash paid for settling debts	504,700,000.00	3,107,144,800.00
Cash paid for dividend and profit distributing or interest paying	1,196,883,563.40	153,437,599.42
Other cash paid concerning financing activities	1,199,168,654.01	1,137,043,447.66
Subtotal of cash outflow from financing activities	2,900,752,217.41	4,397,625,847.08
Net cash flows arising from financing activities	-1,265,752,217.41	-2,302,625,847.08
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-3,813,380.23	3,332,858.57
V. Net increase of cash and cash equivalents	-247,322,372.42	-89,893,444.75
Add: Balance of cash and cash equivalents at the period -begin	713,516,740.43	803,410,185.18
VI. Balance of cash and cash equivalents at the period -end	466,194,368.01	713,516,740.43

7. Consolidated Statement of Changes in Owners' Equity

Current 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	Perpet ual capital securit ies	Oth er												
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. 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
4. Other													-5,535,978.52	-5,535,978.52	-5,535,978.52
(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								2,615,650.31					2,615,650.31	-60,937.33	2,554,712.98
1. Withdrawal in the report period								29,148,145.67					29,148,145.67	3,267,083.32	32,415,228.99
2. Usage in the report period								26,532,495.36					26,532,495.36	3,328,020.65	29,860,516.01
(VI)Others					42,623,772.24								42,623,772.24		42,623,772.24
IV. Balance at the end of the report period	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

Last period

In RMB

Item	2023													Minority interests	Total owners' equity
	Owners' equity attributable to the parent Company											Subtotal			
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit		O t h e r		
	Preferr ed stock	Perpetual capital securities	O t h e r												
I. Balance at the end of the last year	1,008,603,293.00				3,398,368,567.63	541,623,002.63	-911,310.13	2,119,800.95	510,100,496.00		13,320,021,325.90	17,696,679,170.72	738,027,678.66	18,434,706,849.38	
Add: Changes of accounting policy															
Error correction of the last period															
Other															
II. Balance at the beginning of this year	1,008,603,293.00				3,398,368,567.63	541,623,002.63	-911,310.13	2,119,800.95	510,100,496.00		13,320,021,325.90	17,696,679,170.72	738,027,678.66	18,434,706,849.38	
III. Increase/ Decrease in this year (Decrease is listed with "-")	6,440,500.00				90,198,426.67	-8,333,490.39	55,068,226.10	1,521,639.02			1,734,929,072.22	1,703,213,501.06	40,302,410.60	1,743,515,911.66	
(i) Total comprehensive income							55,068,226.10				1,837,291,259.68	1,892,359,485.78	75,858,270.41	1,968,217,756.19	
(ii) Owners' devoted and decreased capital	6,440,500.00				103,260,862.78	-8,333,490.39						101,367,872.39	4,072,852.94	97,295,019.45	
1.Common shares invested by shareholders						71,917,549.61						71,917,549.61	5,000,000.00	66,917,549.61	
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners' equity with share-based payment					30,009,672.78							30,009,672.78	-929,399.14	30,939,071.92	
4. Other	6,440,500.00				73,251,190.00	-80,251,040.00						559,350.00	2,252.08	561,602.08	
(III) Profit distribution											-102,362,187.46	102,362,187.46	40,453,107.58	142,815,295.04	
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)											-97,757,979.30	97,757,979.30	40,453,107.58	138,211,086.88	
4. Other											-4,604,208.16	4,604,208.16		4,604,208.16	

(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							1,521,639.02				1,521,639.02	201,878.14	1,723,517.16	
1. Withdrawal in the report period							30,768,590.85				30,768,590.85	3,311,493.50	34,080,084.35	
2. Usage in the report period							29,246,951.83				29,246,951.83	3,109,615.36	32,356,567.19	
(VI) Others				13,062,436.11							13,062,436.11	622,516.69	13,684,952.80	
IV. Balance at the end of the report period	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	

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

Current 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												

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(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

Last period

In RMB

Item	2023											
	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	1,008,603,293.00				3,515,005,861.23	541,623,002.63			510,100,496.00	10,765,319,818.29		15,257,406,465.89
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. Balance at the beginning of this year	1,008,603,293.00				3,515,005,861.23	541,623,002.63			510,100,496.00	10,765,319,818.29		15,257,406,465.89
III. Increase/ Decrease in this year (Decrease is listed with "-")	-6,440,500.00				-102,499,850.32	-8,333,490.39				1,488,555,165.66		1,387,948,305.73
(i) Total comprehensive income										1,586,313,144.96		1,586,313,144.96
(ii) Owners' devoted and decreased capital	-6,440,500.00				-104,190,261.92	-8,333,490.39						-102,297,271.53
1.Common shares invested by shareholders						71,917,549.61						-71,917,549.61
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners' equity with share-based payment					-30,939,071.92							-30,939,071.92
4. Other	-6,440,500.00				-73,251,190.00	-80,251,040.00						559,350.00
(III) Profit distribution										-97,757,979.30		-97,757,979.30
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-97,757,979.30		-97,757,979.30
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							6,474,505.00				6,474,505.00
2. Usage in the report period							6,474,505.00				6,474,505.00
(VI) Others					1,690,411.60						1,690,411.60
IV. Balance at the end of the report period	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. Basic information of the Company

1. Historical origin of the Company

By the approval of STGS (1992) No. 130 issued by Jiangsu Economic Restructuring Committee, Weifu High-Technology Group Co., Ltd. (hereinafter referred to “the Company” or “Company”) was established as a company of limited liability with funds raised from targeted sources, and registered at Wuxi Administration for Industry & Commerce in October 1992. The original share capital of the Company totaled 115.4355 million yuan, including state-owned share capital amounting to 92.4355 million yuan, public corporate share capital amounting to 8.00 million yuan and inner employee share capital amounting to 15.00 million yuan.

Between year of 1994 and 1995, the Company was restructured and became a holding subsidiary of Wuxi Weifu Group Co., Ltd (hereinafter referred to as “Weifu Group”).

By the approval of Jiangsu ERC and Shenzhen Securities Administration Office in August 1995, the Company issued 68 million special ordinary shares (B-share) with value of 1.00 yuan for each, and the total value of those shares amounted to 68 million yuan. After the issuance, the Company’s total share capital increased to 183.4355 million yuan.

By the approval of CSRC in June 1998, the Company issued 120 million RMB ordinary shares (A-share) at Shenzhen Stock Exchange through on-line pricing and issuing. After the issuance, the total share capital of the Company amounted to 303.4355 million yuan.

In the middle of 1999, deliberated and approved by the Board and Shareholders’ General Meeting, the Company implemented the plan of granting 3 bonus shares for each 10 shares. After that, the total share capital of the Company amounted to 394.46615 million yuan, of which state-owned shares amounted to 120.16615 million yuan, public corporate shares 10.4 million yuan, foreign-funded shares (B-share) 88.40 million yuan, RMB ordinary shares (A-share) 156 million yuan and inner employee shares 19.5 million yuan.

In the year 2000, by the approval of the CSRC and based upon the total share capital of 303.4355 million shares after the issuance of A-share in June 1998, the Company allotted 3 shares for each 10 shares, with a price of 10 yuan for each allotted share. Actually 41.9 million shares was allotted, and the total share capital after the allotment increased to 436.36615 million yuan, of which state-owned corporate shares amounted to 121.56615 million yuan, public corporate shares 10.4 million yuan, foreign-funded shares (B-share) 88.4 million yuan and RMB ordinary shares (A-share) 216 million yuan.

In April 2005, the Board of Directors of the Company examined and approved 2004 Profit Pre-distribution Plan, and examined and approved by 2004 Shareholders’ General Meeting, the Company distributed 3 shares for each 10 shares to the whole shareholders totaling to 130,909,845 shares in 2005.

According to the Share Merger Reform Scheme of the Company deliberated and approved by related shareholders’ meeting of Share Merger Reform and SGZF [2006] No.61 Reply on Questions about State-owned Equity Management in Share Merger Reform of Weifu High-Technology Co., Ltd. issued by the State-owned Assets Supervision & Administration Commission of Jiangsu Province, 8 non-circulating shareholders, including Weifu Group, arranged pricing with granting 1.7 shares for each 10 shares to circulating A-share shareholders (totally granted 47,736,000 shares), so as to realize the originally non-circulating shares can be traded on market when certain conditions were satisfying, the scheme was implemented on April 5, 2006.

On May 27, 2009, Weifu Group satisfied the consideration arrangement by dispatching 0.5 shares for each 10 shares based on the number of circulating A share as prior to Share Merger Reform, according to the aforesaid Share Merger Reform, with an aggregate of 14,039,979 shares dispatched. Subsequent to implementation of dispatch of consideration shares, Weifu Group then held 100,021,999 shares of the Company, representing 17.63% of the total share capital of the Company.

Pursuant to the document (XGZQ (2009) No.46) about *Approval for Merger of Wuxi Weifu Group Co., Ltd. by Wuxi Industry Development Group Co., Ltd.* issued by the State-owned Assets Supervision and Administration Commission of Wuxi City Government, Wuxi Industry Development Group Co., Ltd. (hereinafter referred to as Wuxi Industry Group) acquired Weifu Group. After the merger, Weifu Group was then revoked, and its assets and credits & debts were transferred to be under the name of Wuxi Industry Group. Accordingly, Wuxi Industry Group has become the first largest shareholder of the Company since then.

In accordance with the resolutions of shareholders' meeting and provisions of amended constitution, and approved by [2012] No. 109 document of China Securities Regulatory Commission, in February 2012, the Company issued RMB ordinary shares (A-share) of 112,858,000 shares to Wuxi Industry Groups and overseas strategic investors privately, Robert Bosch Co., Ltd. (ROBERT BOSCHGMBH) (hereinafter referred to as Robert Bosch Company), face value was 1.00 yuan per share, added registered capital of 112,858,000 yuan, and the registered capital after change was 680,133,995 yuan. Wuxi Industry Group is the first majority shareholder of the Company, and Robert Bosch Company is the second majority shareholder of the Company.

In March 2013, the profit distribution pre-plan for year of 2012 was deliberated and approved by the Board, and also was approved by the Annual General Meeting 2012 of the Company in May 2013. On basis of total share capital 680,133,995 shares, distributed 5-share for every 10 shares held by whole shareholders, 340,066,997 shares in total are distributed. Total share capital of the Company amounted to 1,020,200,992 yuan up to December 31, 2013.

Deliberated and approved by the company's first extraordinary general meeting in 2015, the company has repurchased 11,250,422 shares of A shares from August 26, 2015 to September 8, 2015, and finished the cancellation procedures for above repurchase shares in China Securities Depository and Clearing Corporation Limited Shenzhen Branch on September 16, 2015; after the cancellation of repurchase shares, the company's paid-up capital (share capital) becomes 1,008,950,570 yuan after the change.

Deliberated and approved by the 5th meeting of 10th session of the BOD for year of 2021, the 291,000 restricted shares were buy-back and canceled by the Company initially granted under the 2020 Restricted Share Incentive Plan. The cancellation of the above-mentioned buy-back shares are completed at the Shenzhen Branch of CSDC on December 20, 2021; the paid-in capital (equity) of the Company was 1,008,659,570.00 yuan after the change.

After deliberation and approved by the 8th meeting of 10th session of the BOD for year of 2022, the 56,277 restricted shares were bought back and canceled by the Company initially granted under the 2020 Restricted Share Incentive Plan. The cancellation of the above-mentioned buy-back shares were completed at the Shenzhen Branch of CSDC on July 8, 2022; the paid-in capital (equity) of the Company was 1,008,603,293.00 yuan after the change.

After deliberation and approval by the the 14th, 16th and 20th meetings of the 10th session of the BOD of the Company for the year of 2023, the 430,000, 5,593,500 and 417,000 restricted shares were bought back and canceled by the Company initially granted under the 2020 Restricted Share Incentive Plan. The cancellation of the above-mentioned buy-back shares were completed at the Shenzhen Branch of CSDC on February 16, 2023, June 16, 2023 and December 18, 2023; the paid-in capital (equity) of the Company was 1,002,162,793 yuan after changed.

On April 15, 2024, the Company convened the 23rd meeting of the 10th session of the BOD of the company and the 19th meeting of the 10th session of the Board of Supervisors, deliberated and approved the Proposal on Repurchasing and Canceling Some Restricted Shares under the 2020 Restricted Stock Incentive Plan, and the Board of Supervisors of the Company issued verification opinion. The shares involved in this repurchase and cancellation were a total of 5,176,500 restricted shares un-locked and held by 535 persons, accounting for 0.52% of the total share capital of the Company. As of June 7, 2024, the Company had completed the repurchase and cancellation procedures for the above-mentioned shares at the Shenzhen Branch of CSDC. The total share capital of the Company was changed from 1,002,162,793 shares to 996,986,293 shares.

2. Registered place, organization structure and head office of the Company

Registered place and head office of the Company: No.5 Huashan Road, Xinwu District, Wuxi

Unified social credit code: 91320200250456967N

The Company sets up Shareholders' General Meeting, the Board of Directors (BOD) and the Board of Supervisors (BOS).

The Company sets up Administration Department, Technology Centre, organization & personnel department, Office of the Board, compliance department, IT department, Strategy & new business Department, market development department, Party-masses Department, Finance Department, Purchase Manufacturing Safety Department, Discipline Inspection Department, MS (Mechanical System) division, AC(Automotive Components) division and DS (Diesel System) division, etc. and subsidiaries such as Wuxi Weifu LIDA Catalytic Converter Co., Ltd, Nanjing WFJN Co., Ltd, IRD Fuel Cells A/S, Borit NV, VHIO S.p.A,etc.

3. Business nature and major operation activities of the Company

Operation scope of parent company: Technical development and consulting services in the machinery industry; manufacturing of internal combustion engine fuel system products, fuel system testing instruments and equipment, automotive electronic components, automotive electrical components, non-standard equipment, non-standard cutting tools, and exhaust gas post-treatment systems; sales of general machinery, hardware, electrical appliances, chemical products and raw materials (excluding hazardous chemicals), automotive parts, and motor vehicles (excluding passenger vehicles with less than nine seats); maintenance of internal combustion engines; leasing of self-owned properties; import and export of various goods and technologies on a self-operated and agency basis (excluding goods and technologies restricted or prohibited from import and export by the state). Engineering and technical research and experimental development; research and development of energy recovery systems; manufacturing of automotive parts and accessories; manufacturing of general equipment (excluding special equipment manufacturing) (projects that require approval in accordance with the law can only be carried out after being approved by relevant departments). Licensed projects: Manufacturing of special equipment; installation, renovation and repair of special equipment (projects that require approval in accordance with the law can only be carried out after being approved by relevant departments, and the specific business projects shall be subject to the approval results); General projects: Investment activities with self-owned funds; software development; software sales; software outsourcing services; mold manufacturing; mold sales; manufacturing of machine tool functional components and accessories; sales of machine tool functional components and accessories; manufacturing of drawing, computing and measuring instruments; sales of drawing, computing and measuring instruments; sales of industrial robots; installation and maintenance 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 equipment; sales of material handling equipment; manufacturing of gas and liquid separation and purification equipment; sales of gas and liquid separation and purification equipment; technical services, technical development, technical consultation, technical exchanges, technology transfer, technology promotion; research and development of new energy technologies; import and export of goods; import and export of technologies; manufacturing of ordinary valves and cocks (excluding special equipment manufacturing); research and development of valves and cocks; sales of valves and cocks (except for projects that require approval in accordance with the law, independent business activities shall be carried out in accordance with the law with a business license).

The main subsidiaries are respectively engaged in the production and sales of internal combustion engine parts, automotive parts, mufflers, purifiers, fuel cell parts, etc.

4. Authorized reporting parties and reporting dates for the financial report

Financial report of the Company was approved by the Board of Directors for reporting dated April 16, 2025.

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

Name of subsidiary	Short name of subsidiary
Nanjing WFJN Co., Ltd.	WFJN
Wuxi Weifu Lida Catalytic Converter Co., Ltd.	WFLD
Wuxi Weifu Nanshan Fuel Injection Equipment Co., Ltd.	WFMA
Wuxi Weifu Chang'an Co., Ltd.	WFCA
Wuxi Weifu International Trade Co., Ltd.	WFTR
Wuxi Weifu Schmitter Powertrain Components Co., Ltd.	WFSC
Ningbo WFTT Turbocharging Technology Co., Ltd.	WFTT
Wuxi WFAM Precision Machinery Co., Ltd.	WFAM
Wuxi Weifu LIDA Catalytic Converter (Wuhan) Co., Ltd.	WFLD (Wuhan)
Weifu Lida (Chongqing) Automotive Components Co., Ltd.	WFLD

Name of subsidiary	Short name of subsidiary
	(Chongqing)
Nanchang Weifu LIDA Automotive Components Co., Ltd.	WFLD (Nanchang)
Wuxi Weifu Autosmart Seating System Co., Ltd.	WFAS
Weifu Lianhua Automotive Components (Fuzhou) Co., Ltd.	WFLH
Wuxi Weifu E-drive Technologies Co., Ltd.	WFDT
Wuxi Weifu Qinglong Power Technology Co., Ltd.	WFQL
VHIT Automotive Systems (Wuxi) Co. Ltd	VHCN
WEIFU Smart Sensing (Wuxi) Technology Co., Ltd.	WFSS
Weifu Holding ApS	SPV
IRD Fuel Cells A/S	IRD
IRD FUEL CELLS LLC	IRD America
Borit NV	Borit
Borit Inc.	Borit America
VHIT S.p.A. Societ à Unipersonale	VHIO

IV. Basis of Preparation of Financial Statements

1. Preparation base

The financial statements are stated in compliance with *Accounting Standard for Business Enterprises –Basic Norms* issued by the Ministry of Finance, the specific accounting rules, the Application Instruments of Accounting Standards and interpretation on Accounting standards and other relevant regulations (together as “Accounting Standards for Business Enterprise”), as well as the *Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.15 – General Provision of Financial Report* (Revised in 2023) issued by CSRC in respect of the actual transactions and proceedings, on a basis of ongoing operation.

In line with relevant regulations of Accounting Standards of Business Enterprise, accounting of the Company is on Accrued basis. Except for certain financial instruments, the financial statement measured on historical cost. Assets have impairment been found; corresponding depreciation reserves shall Accrued according to relevant rules.

2. Going concern

The Company comprehensively assessed the available information, and there are no obvious factors that impact sustainable operation ability of the Company within 12 months since end of the reporting period.

V. Major Accounting Policies and Estimation

Specific accounting policies and estimation attention:

Based on the actual production and operation characteristics, the company and each of its subsidiaries have formulated a number of specific accounting policies and accounting estimates for various transactions and events in accordance with the provisions of relevant accounting standards for enterprises. The detailed descriptions are as follows.

1. Statement on observation of Accounting Standard for Business Enterprises

The financial statements prepared by the company comply with the requirements of accounting standards for enterprises,

truthfully and completely reflecting the consolidated and parent company's financial position as of December 31, 2024, as well as the consolidated and parent company's operating results and the consolidated and parent company's cash flows and other relevant information for the year 2024.

2. Accounting Periods

The accounting periods of the Company are divided into annual periods and interim periods. An interim accounting period refers to a reporting period that is shorter than a full accounting year. The Company's accounting year adopts the calendar year, that is, from January 1st to December 31st of each year.

3. Operating Cycle

The Company takes 12 months as an operating cycle and uses it as the criterion for classifying the liquidity of assets and liabilities.

4. Functional Currency

The currency used by the Company in preparing these financial statements is the Renminbi. The overseas subsidiaries of the Company determine their functional currencies based on the currencies in the main economic environment where they operate, such as the Euro, Danish Krone, US Dollar, etc.

5. Method for Determining Importance Criteria and Selection Criteria

Applicable Not applicable

Item	Importance criteria
Important prepayments with an aging of over 1 year	Prepayment with aging over 1 year accounting for more than 10% of the total prepaid amount and with an amount greater than 15 million yuan
Important construction in progress	The budget for a single project is greater than 80 million yuan
Important accounts payable with an aging of over 1 year	Account payable with aging over 1 year accounting for more than 10% of the total accounts payable and with an amount greater than 80 million yuan
Other important payables with aging of over 1 year	Other payables with aging over 1 year accounting for more than 10% of the total other payables and an amount greater than 15 million yuan
Important contract liabilities with aging of over 1 year	Contract liabilities with aging over 1 year account for more than 10% of the total contract liabilities and the amount greater than 15 million yuan
Important non-wholly-owned subsidiaries	The net assets of subsidiaries account for more than 5% of the net assets in the consolidated financial statements, or the net profit of subsidiaries accounts for more than 10% of the net profit in the consolidated financial statements
Important joint ventures or associates	The book value of long-term equity investments in an invested entity accounts for more than 5% of the net assets in the consolidated financial statements and the amount exceeds 1 billion yuan, or the investment gains/losses under the equity method account for more than 10% of the net profits in the consolidated financial statements of the company and the amount exceeds 100 million yuan

6. Accounting Treatment Methods for Business Combinations under the Same Control and under Non-Same Control

Business combination refers to a transaction or event that combines two or more separate enterprises to form a single reporting entity. Business combinations are classified into business combinations under the same control and business combinations under non-same control.

(1) Business Combinations under the Same Control

A business combination under the same control occurs when the enterprises involved in the combination are ultimately controlled by the same party or the same group of parties both before and after the combination, and such control is not temporary. In a business combination under the same control, the party that obtains control over the other enterprise involved in the combination on the combination date is the combining party, and the other enterprise involved in the combination are the combined parties. The combination date refers to the date on which the combining party actually obtains control over the combined party.

The assets and liabilities obtained by the company in a business combination are measured at their carrying amounts in the consolidated financial statements of the ultimate controlling party on the combination date, including the goodwill formed when the ultimate controlling party acquired the combined party. If there is a difference between the carrying amount of the net assets obtained and the carrying amount of the combination consideration paid (or the total par value of the issued shares), it shall be adjusted against the share premium in capital reserve. If the share premium in capital reserve is insufficient to cover the difference, the retained earnings shall be adjusted.

All direct expenses incurred by the combining party for the business combination shall be recognized as current profit or loss when incurred.

(2) Business combinations under not same control

A business combination under non-same control occurs when the enterprises involved in the combination are not ultimately controlled by the same party or the same group of parties both before and after the combination. In a business combination under non-same control, the party that obtains control over the other enterprises involved in the combination on the acquisition date is the acquirer, and the other enterprise involved in the combination are the acquirees. The acquisition date refers to the date on which the acquirer actually obtains control over the acquiree.

For a business combination under non-same control, the combination cost includes the fair values of the assets transferred, the liabilities incurred or assumed, and the equity securities issued by the acquirer on the acquisition date in order to obtain control over the acquiree. The intermediary expenses such as audit, legal services, and valuation consultation, as well as other administrative expenses incurred for the business combination shall be recognized as current profit or loss when incurred. The transaction costs related to the equity securities or debt securities issued by the acquirer as consideration for the combination shall be included in the initial recognition amount of the equity securities or debt securities. The contingent consideration involved shall be included in the combination cost at its fair value on the acquisition date. If new or further evidence of the circumstances existing on the acquisition date emerges within 12 months after the acquisition date, which requires adjustment of the contingent consideration, the goodwill of the combination shall be adjusted accordingly. The combination cost incurred by the acquirer and the identifiable net assets obtained in the combination shall be measured at their fair values on the acquisition date. If the combination cost is greater than the acquirer's share of the fair value of the identifiable net assets of the acquiree on the acquisition date, the difference shall be recognized as goodwill. If the combination cost is less than the acquirer's share of the fair value of the identifiable net assets of the acquiree, the fair values of the identifiable assets, liabilities, and contingent liabilities of the acquiree obtained, as well as the measurement of the combination cost, shall first be rechecked. If, after the recheck, the combination cost is still less than the acquirer's share of the fair value of the identifiable net assets of the acquiree, the difference shall be recognized as current profit or loss.

If the acquirer obtains the deductible temporary differences of the acquiree but does not recognize them as deferred income tax assets on the acquisition date because the recognition conditions for deferred income tax assets are not met, and within 12 months after the acquisition date, new or further information indicates that the relevant circumstances on the acquisition date already existed and it is expected that the economic benefits brought by the deductible temporary differences of the acquiree on the acquisition date can be realized, the relevant deferred income tax assets shall be recognized, and at the same time, the goodwill shall be reduced. If the goodwill is insufficient to cover the reduction, the remaining difference shall be recognized as current profit or loss. Except for the above circumstances, the recognition of deferred income tax assets related to the business combination shall be included in current profit or loss.

For a business combination under non-same control achieved in multiple transactions in stages, if it is part of a "package of transactions", the accounting treatment shall be carried out with reference to the descriptions in the preceding paragraphs of this

section and Note V.18 "Long-Term Equity Investments" of these financial statements. If it is not part of a "package of transactions", relevant accounting treatments shall be carried out separately for the individual financial statements and the consolidated financial statements:

In the individual financial statements, the initial investment cost of the investment shall be the sum of the carrying amount of the equity investment in the acquiree held before the acquisition date and the additional investment cost on the acquisition date. If the equity of the acquiree held before the acquisition date involves other comprehensive income, when disposing of the investment, the relevant other comprehensive income shall be accounted for on the same basis as that used by the acquiree when directly disposing of the relevant assets or liabilities (i.e., except for the corresponding share of the changes in the net liabilities or net assets of the defined benefit plan remeasured by the acquiree accounted for under the equity method, the rest shall be transferred to the current investment income).

In the consolidated financial statements, for the equity of the acquiree held before the acquisition date, it shall be re-measured at its fair value on the acquisition date, and the difference between the fair value and its carrying amount shall be included in the current investment income. If the equity of the acquiree held before the acquisition date involves other comprehensive income, the relevant other comprehensive income shall be accounted for on the same basis as that used by the acquiree when directly disposing of the relevant assets or liabilities (i.e., except for the corresponding share of the changes in the net liabilities or net assets of the defined benefit plan remeasured by the acquiree accounted for under the equity method, the rest shall be transferred to the investment income of the current period to which the acquisition date belongs).

7. Criteria for judging control and preparation method for consolidated financial statement

(1) Criteria for judging control

The consolidation scope of the consolidated financial statements is determined based on control. Control means that the company has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use its power over the investee to influence the amount of those returns. Generally, it includes the invested entities in which the parent company holds more than half of the voting rights, and the invested entities in which the company holds less than half of the voting rights but, through agreements with other investors of the invested entity, holds more than half of the voting rights; according to the articles of association or agreements, it has the right to determine the financial and operational decisions of the invested entity; it has the right to appoint and remove the majority of the members of the board of directors of the invested entity; and it holds the majority of the voting rights on the board of directors of the invested entity.

(2) Methods for Preparing Consolidated Financial Statements

The company begins to include a subsidiary in the consolidation scope from the date when it obtains the actual control over the subsidiary's net assets and production and operation decisions, and stops including it in the consolidation scope from the date when it loses the actual control. For a disposed subsidiary, the operating results and cash flows before the disposal date have been appropriately included in the consolidated income statement and the consolidated cash flow statement; for a subsidiary disposed of in the current period, the beginning figures of the consolidated balance sheet will not be adjusted. For a subsidiary added through a business combination under non-same control, its operating results and cash flows after the acquisition date have been appropriately included in the consolidated income statement and the consolidated cash flow statement, and the beginning figures and comparative figures of the consolidated financial statements will not be adjusted. For a subsidiary added through a business combination under the same control, its operating results and cash flows from the beginning of the current consolidation period to the combination date have been appropriately included in the consolidated income statement and the consolidated cash flow statement, and the comparative figures of the consolidated financial statements will be adjusted at the same time.

When preparing the consolidated financial statements, if the accounting policies or accounting periods adopted by a subsidiary are inconsistent with those of the company, necessary adjustments will be made to the subsidiary's financial statements in accordance with the company's accounting policies and accounting periods. For a subsidiary obtained through a business combination under non-same control, its financial statements will be adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant intercompany balances, transactions, and unrealized profits within the company will be eliminated when preparing the consolidated financial statements.

The portion of the subsidiary's shareholders' equity and current net profit and loss that does not belong to the company will be separately presented as the minority shareholders' equity and the minority shareholders' profit and loss under the shareholders' equity and net profit items in the consolidated financial statements. The share of the subsidiary's current net profit and loss attributable to the minority shareholders will be presented as the item "Minority Shareholders' Profit and Loss" under the net profit item in the consolidated income statement. If the losses of the subsidiary borne by the minority shareholders exceed the share of the minority shareholders in the subsidiary's beginning shareholders' equity, the minority shareholders' equity will still be reduced. When the control over a subsidiary is ceased due to disposal of a portion of an interest in a subsidiary, the fair value of the remaining equity is re-measured on the date when the control ceased. The difference between the sum of the consideration received from disposal of equity and the fair value of the remaining equity, less the net assets attributable to the company since the acquisition date, is recognized as the investment income from the loss of control. Other comprehensive income relating to original equity investment in subsidiaries shall be treated on the same basis as if the relevant assets or liabilities were disposed of by the purchaser directly when the control is lost, namely be transferred to current investment income other than the relevant part of the movement arising from re-measuring net liabilities or net assets under defined benefit scheme by the original subsidiary. Subsequent measurement of the remaining equities shall be in accordance with relevant accounting standards such as Accounting Standards for business Enterprises 2 – Long-term Equity Investments or Accounting Standards for business Enterprises 22 – Financial Instruments Recognition and Measurement. Refer to Note V.18 Long-term Equity investment or Note V.11 Financial Instrument

The company shall determine whether loss of control arising from disposal in a series of transactions should be regarded as package deal. When the economic effects and terms and conditions of the disposal transactions meet one or more of the following situations, the transactions shall normally be accounted for as package deal: ①The transactions are entered into after considering the mutual consequences of each individual transaction; ② The transactions need to be considered as a whole in order to achieve a deal in commercial sense;③The occurrence of an individual transaction depends on the occurrence of one or more individual transactions in the series; ④ The result of an individual transaction is not economical, but it would be economical after taking into account of other transactions in the series. When the transactions are not regarded as package deal, the individual transactions shall be accounted as “disposal of a portion of an interest in a subsidiary which does not lead to loss of control” and “disposal of a portion of an interest in a subsidiary which led to loss of control”. When the transactions are regarded as package deal, the transactions shall be accounted as a single disposal transaction; however, the difference between the consideration received from disposal and the share of net assets disposed in each individual transactions before loss of control shall be recognized as other comprehensive income, and reclassified as profit or loss arising from the loss of control when control is lost.

8. Classification of Joint Arrangements and Accounting Treatment Methods for Joint Operations

A joint arrangement refers to an arrangement jointly controlled by two or more participating parties. Based on the rights enjoyed and obligations assumed by the company in the joint arrangement, the joint arrangement is classified into joint operations and joint ventures. A joint operation is a joint arrangement in which the company enjoys the relevant assets of the arrangement and assumes the relevant liabilities of the arrangement. A joint venture is a joint arrangement in which the company has rights only to the net assets of the arrangement.

The company accounts for its investment in a joint venture using the equity method and deals with it in accordance with the accounting policies described in Note V.18 (2) ② "Long-Term Equity Investments Accounted for by the Equity Method" of these notes.

As a party to a joint operation, the company recognizes the assets held solely by the company, the liabilities borne solely by the company, and also recognizes, according to its share, the jointly held assets and jointly borne liabilities; recognizes the revenue generated from the sale of the company's share of the output of the joint operation; recognizes, according to its share, the revenue generated by the joint operation from the sale of the output; recognizes the expenses incurred solely by the company, and also recognizes, according to its share, the expenses incurred by the joint operation.

When the company, as a party to a joint operation, contributes or sells assets (such assets do not constitute a business, the same below) to the joint operation, or purchases assets from the joint operation, before such assets are sold to a third party, the company only recognizes the portion of the profit or loss arising from the transaction that is attributable to the other participating parties of the joint operation. If the assets incur asset impairment losses in accordance with the provisions of Accounting Standards for Enterprises No. 8 - Asset Impairment and other relevant regulations, in the case of the company contributing or selling assets to the joint operation, the company fully recognizes the loss; in the case of the company purchasing assets from the joint operation, the company recognizes the loss according to its assumed share.

9. Recognition standards for cash and cash equivalent

Cash refers to stock cash, savings available for paid at any time; cash and cash equivalent refers to the cash held by the Company with short terms (expired within 3 months since purchased), and liquid and easy to transfer as known amount and investment with minor variation in risks.

10. Foreign Currency Business and Translation of Foreign Currency Financial Statements

(1) Translation method for foreign currency transactions

When a foreign currency transaction occurs in the company, it is initially recognized and translated into the amount in the functional currency at the spot exchange rate on the transaction date. However, for foreign currency exchange transactions or transactions involving foreign currency exchange conducted by the company, they are translated into the amount in the functional currency at the actual exchange rate applied.

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

On the balance sheet date, foreign currency monetary items are translated at the spot exchange rate on the balance sheet date. The resulting exchange differences will be booked into current profit or loss, except for the followings: ① the exchange differences arising from foreign currency special loans related to the acquisition and construction of assets qualified for capitalization, which are accounted for in accordance with the principles of capitalizing borrowing costs; ② the exchange differences of hedging instruments for effective hedging of net investments in overseas operations (such differences are booked into other comprehensive income and will only be recognized as current profit or loss when the net investment is disposed of); ③ for available-for-sale foreign currency monetary items, the exchange differences arising from changes in other carrying amounts other than the amortized cost are included in other comprehensive income .

When preparing consolidated financial statements involving overseas operations, if there are foreign currency monetary items that substantially constitute a net investment in overseas operations, the exchange differences arising from exchange rate fluctuations are included in other comprehensive income; when the overseas operation is disposed of, they are transferred to the profit or loss of the current period of disposal.

For foreign currency non-monetary items measured at historical cost, they are still measured at the amount in the functional currency translated at the spot exchange rate on the date of the transaction. For foreign currency non-monetary items measured at fair

value, they are translated at the spot exchange rate on the date when the fair value is determined. The difference between the translated amount in the functional currency and the original amount in the functional currency is treated as changes in fair value (including exchange rate changes) and is included in current profit or loss or recognized as other comprehensive income.

(3) Translation method for foreign currency financial statements

When preparing consolidated financial statements involving overseas operations, if there are foreign currency monetary items that substantially constitute a net investment in overseas operations, the exchange differences arising from exchange rate fluctuations are recognized as other comprehensive income as "translation differences of foreign currency financial statements"; when the overseas operation is disposed of, they are booked into the profit or loss of the current period of disposal.

The foreign currency financial statements of overseas operations are translated into RMB financial statements according to the following methods: The assets and liabilities items in the balance sheet are translated at the spot exchange rate on the balance sheet date; for items in the shareholders' equity category, except for the "undistributed profits" item, other items are translated at the spot exchange rate at the time of occurrence. The revenue and expense items in the income statement are translated at the spot exchange rate on the date of the transaction. The undistributed profits at the end of the previous year are the undistributed profits at the end of the previous year after translation in the previous year; the undistributed profits at the end of the period are calculated and presented according to each item of the translated profit distribution; the difference between the total of the translated asset items and the total of the liability items and shareholders' equity items is recognized as other comprehensive income as the translation differences of foreign currency financial statements. When disposing of an overseas operation and losing control, all or in proportion to the disposal of the overseas operation, the translation differences of foreign currency financial statements related to the overseas operation and shown under the shareholders' equity items in the balance sheet are transferred to the profit or loss of the current period of disposal.

The foreign currency cash flows and the cash flows of overseas subsidiaries are calculated at the spot exchange rate on the date when the cash flows occur. The impact of exchange rate changes on cash is presented separately as a reconciliation item in the cash flow statement.

Balance at the end of the previous year and the actual amount of the previous year are presented according to the amounts after translation of the previous year's financial statements.

When disposing of all the owners' equity of the company's overseas operation or losing control of the overseas operation due to the disposal of part of the equity investment or other reasons, all the translation differences of foreign currency financial statements related to the overseas operation and attributable to the owners' equity of the parent company shown under the shareholders' equity items in the balance sheet are transferred to the profit or loss of the current period of disposal.

When the proportion of equities in an overseas operation held is reduced due to the disposal of part of the equity investment or other reasons but control over the overseas operation is not lost, the translation differences of foreign currency financial statements related to the disposed part of the overseas operation are attributable to the minority shareholders' equity and are not transferred to the current profit or loss. When disposing of part of the equity of an overseas operation that is an associated enterprise or a joint venture, the translation differences of foreign currency financial statements related to the overseas operation are transferred to the profit or loss of the current period of disposal in proportion to the disposal of the overseas operation.

11. Financial Instruments

A financial asset or financial liability is recognized when the Company becomes a party to a financial instrument contract.

(1) Classification, recognition and measurement of financial assets

Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, the Company classifies financial assets into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value through profit or loss, the relevant transaction costs are directly recognized in current gains/losses; for other categories of financial assets, the relevant

transaction costs are included in the initial recognition amount. For accounts receivable or notes receivable arising from the sale of products or the provision of services that do not contain or do not consider a significant financing component, the Company uses the amount of consideration it expects to be entitled to receive as the initial recognition amount.

① Financial assets measured at amortized cost

The Company's business model for managing financial assets measured at amortized cost is to collect contractual cash flows, and the contractual cash flow characteristics of such financial assets are consistent with basic lending arrangements, that is, the cash flows generated on specific dates are only payments of principal and interest based on the outstanding principal amount. For such financial assets, the Company uses the effective interest rate method and measures them subsequently at amortized cost. The gains or losses arising from amortization or impairment are recognized in current gains/losses.

② Financial assets measured at fair value through other comprehensive income

The Company's business model for managing such financial assets is both to collect contractual cash flows and to sell, and the contractual cash flow characteristics of such financial assets are consistent with basic lending arrangements. The Company measures such financial assets at fair value and recognizes the changes in fair value in other comprehensive income, but impairment losses or gains, exchange differences and interest income calculated using the effective interest rate method are recognized in current gains/losses.

In addition, the Company designates some non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income. The Company recognizes the relevant dividend income from such financial assets in current gains/losses, and recognizes the changes in fair value in other comprehensive income. When such financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income will be transferred from other comprehensive income to retained earnings and will not be recognized in current gains/losses.

③ Financial assets measured at fair value through profit or loss

The Company classifies financial assets other than those measured at amortized cost and those measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss. In addition, upon initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company designates some financial assets as financial assets measured at fair value through profit or loss. For such financial assets, the Company measures them subsequently at fair value, and the changes in fair value are recognized in current gains/losses.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities are classified upon initial recognition as financial liabilities measured at fair value through profit or loss and other financial liabilities. For financial liabilities measured at fair value through profit or loss, the relevant transaction costs are directly recognized in current gains/losses, and the relevant transaction costs of other financial liabilities are included in their initial recognition amount.

① Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include trading financial liabilities (including derivative instruments that are financial liabilities) and financial liabilities designated upon initial recognition as measured at fair value through profit or loss.

Trading financial liabilities (including derivative instruments that are financial liabilities) are measured subsequently at fair value. Except for those related to hedge accounting, the changes in fair value are recognized in current gains/losses.

For financial liabilities designated as measured at fair value through profit or loss, the changes in fair value caused by the changes in the Company's own credit risk are recognized in other comprehensive income, and when the liability is derecognized, the cumulative changes in fair value caused by the changes in its own credit risk that have been recognized in other comprehensive income are transferred to retained earnings. The remaining changes in fair value are recognized in current gains/losses. If accounting for the impact of the changes in the own credit risk of such financial liabilities in the above manner would result in or exacerbate

accounting mismatches in profit or loss, the Company will recognize all the gains or losses (including the impact amount of the changes in the enterprise's own credit risk) of such financial liabilities in current gains/losses.

② Other financial liabilities

Other financial liabilities, except for financial liabilities arising from financial asset transfers that do not meet the derecognition criteria or from continued involvement in the transferred financial assets and financial guarantee contracts, are classified as financial liabilities measured at amortized cost, and are measured subsequently at amortized cost. The gains or losses arising from derecognition or amortization are recognized in current gains/losses.

(3) Recognition criteria and measurement methods for financial asset transfers

A financial asset is derecognized if one of the following conditions is met: ① The contractual right to receive the cash flows of the financial asset expires; ② The financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee; ③ The financial asset has been transferred, and although the enterprise has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, it has relinquished control of the financial asset.

If the enterprise has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset and has not relinquished control of the financial asset, it shall recognize the relevant financial assets to the extent of its continuing involvement in the transferred financial asset and recognize the relevant liabilities accordingly. The extent of continuing involvement in the transferred financial asset refers to the level of risk to which the enterprise is exposed due to changes in the value of the financial asset.

When the transfer of a financial asset in its entirety meets the derecognition criteria, the difference between the carrying amount of the transferred financial asset, the consideration received as a result of the transfer, and the cumulative amount of changes in fair value originally recognized in other comprehensive income is recognized in current gains/losses.

When a partial transfer of a financial asset meets the derecognition criteria, the carrying amount of the transferred financial asset is allocated between the derecognized and non-derecognized parts based on their relative fair values, and the difference between the consideration received as a result of the transfer, the cumulative amount of changes in fair value originally recognized in other comprehensive income that should be allocated to the derecognized part, and the allocated carrying amount is recognized in current gains/losses.

When the Company sells a financial asset with recourse or endorses and transfers a held financial asset, it needs to determine whether substantially all the risks and rewards of ownership of the financial asset have been transferred. If substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee, the financial asset is derecognized; if substantially all the risks and rewards of ownership of the financial asset have been retained, the financial asset is not derecognized; if neither substantially all the risks and rewards of ownership of the financial asset have been transferred nor retained, the enterprise will continue to determine whether it retains control over the asset and conduct accounting treatment in accordance with the principles described in the preceding paragraphs.

(4) Derecognition of financial liabilities

When the current obligation of a financial liability (or a part thereof) has been discharged, the Company derecognizes the financial liability (or the part of the financial liability). When the Company (the borrower) enters into an agreement with the lender to replace the original financial liability by assuming a new financial liability, and the contractual terms of the new financial liability are substantially different from those of the original financial liability, the original financial liability is derecognized and a new financial liability is recognized at the same time. When the Company makes a substantial modification to the contractual terms of the original financial liability (or a part thereof), the original financial liability is derecognized and a new financial liability is recognized in accordance with the modified terms at the same time.

When a financial liability (or a part thereof) is derecognized, the Company recognizes the difference between its carrying amount and the consideration paid (including the transferred non-cash assets or the assumed liabilities) in current gains/losses.

(5) Balance-out between the financial assets and liabilities

As the company has the legal right to balance out the financial liabilities by the net or liquidation of the financial assets, the balance-out sum between the financial assets and liabilities is listed in the balance sheet. In addition, the financial assets and liabilities are listed in the balance sheet without being balanced out.

(6) Fair value determination method for financial assets and financial liabilities

Fair value refers to the price that market participants can receive from selling an asset or pay to transfer a liability in an orderly transaction that occurs on the measurement date. If there is an active market for financial instruments, the company determines their fair value using quotes from the active market. The quotation in an active market refers to the price that is easily obtained regularly from exchanges, brokers, industry associations, pricing service agencies, etc., and represents the actual market transaction price that occurs in fair trade. If there is no active market for financial instruments, the company uses valuation techniques to determine their fair value. Valuation techniques include referencing prices used in recent market transactions by parties familiar with the situation and willing to trade, referencing the current fair value of other financial instruments that are substantially the same, discounted cash flow method, and option pricing models. At the time of valuation, the company adopts valuation techniques that are applicable in the current situation and supported by sufficient available data and other information, selects input values that are consistent with the asset or liability characteristics considered by market participants in transactions related to the asset or liability, and prioritizes the use of relevant observable input values as much as possible. In situations where observable input values cannot be obtained or are not feasible to obtain, use non input values.

Impairment of financial assets

The financial assets that the company needs to recognize impairment losses are financial assets measured at amortized cost and debt instrument investments measured at fair value with changes in fair value recognized in other comprehensive income, mainly including notes receivable, accounts receivable, contract assets, other receivables, debt investments, other debt investments, long-term receivables, etc. In addition, for some financial guarantee contracts, impairment provisions and credit impairment losses are also recognized in accordance with the accounting policies described in this section.

(1) Recognition method for impairment provision

Based on expected credit losses, the company has made impairment provisions and recognized credit impairment losses for the above-mentioned items with the applicable expected credit loss measurement methods (general or simplified methods).

Credit loss refers to the difference between all contract cash flows receivable discounted at the original effective interest rate and all expected cash flows received by the company, that is to say, the present value of all cash shortfall. Among them, for financial assets that have been purchased or generated and have experienced credit impairment, the Company will discount them at the actual interest rate adjusted for credit of the financial asset.

The general method for measuring expected credit losses refers to the assessment of whether the credit risk of financial assets has significantly increased since initial recognition by the Company on each balance sheet date. If the credit risk has significantly increased since initial recognition, the Company measures the impairment provision based on an amount equivalent to the expected credit loss over the entire period of existence; If the credit risk does not significantly increase after initial recognition, the company measures the impairment provision based on an amount equivalent to the expected credit loss within the next 12 months. When evaluating expected credit losses, the company considers all reasonable and evidence-based information, including forward-looking information.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that their credit risk has not significantly increased since initial recognition, and chooses to measure the impairment provision based on the expected credit loss in the next 12 months/does not choose a simplified treatment method, and measures the impairment provision based on whether their credit risk has significantly increased since initial recognition, using the expected credit loss amount in the next 12 months or the entire duration as the basis.

(2) Criteria for determining whether credit risk has significantly increased since initial recognition

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

Usually, if the overdue period exceeds 30 days, the company considers that the credit risk of the financial instrument has significantly increased, unless there is conclusive evidence to prove that the credit risk of the financial instrument has not significantly increased since initial recognition.

When evaluating whether credit risk has significantly increased, the company will consider the following factors:

- 1) Whether there has been a significant change in the actual or expected operating results of the debtor;
- 2) Whether there have been significant adverse changes in the regulatory, economic, or technological environment in which the debtor is located;
- 3) Whether there have been significant changes in the value of the collateral used as collateral for debt or the quality of the guarantee or credit enhancement provided by a third party, which is expected to reduce the debtor's economic motivation to repay within the contractually stipulated period or affect the probability of default;
- 4) Whether there have been significant changes in the debtor's expected performance and repayment behavior;
- 5) Has there been any change in the company's credit management methods for financial instruments.

On the balance sheet date, if the Company determines that a financial instrument has only low credit risk, the Company assumes that the credit risk of the financial instrument has not significantly increased since initial recognition. If the default risk of a financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligations in the short term, and even if there are adverse changes in the economic situation and operating environment over a longer period of time, it may not necessarily reduce the borrower's ability to fulfill its contractual cash obligations, then the financial instrument is considered to have low credit risk.

(3) Portfolio-based approach for evaluating expected credit risk

The company evaluates the credit risk of financial assets with significantly different credit risks, such as accounts receivable from related parties, accounts receivable that are in dispute with the other party or involve litigation or arbitration, there are clear indications that the debtor may not be able to fulfill their repayment obligations, such as accounts receivable.

In addition to financial assets assessed for credit risk individually, the company divides financial assets into different groups based on common risk characteristics. The common credit risk characteristics adopted by the company include financial instrument type, credit risk rating, aging portfolio, overdue aging portfolio, contract settlement period, debtor's industry, etc. Credit risk is evaluated based on portfolio.

(4) Accounting treatment methods for impairment of financial assets

At the end of the period, the Company calculates the estimated credit losses of various financial assets. If the estimated credit loss is greater than the carrying amount of its current impairment provision, the difference is recognized as an impairment loss; If it is less than the carrying amount of the current impairment provision, the difference is recognized as an impairment gain.

Methods for determining credit losses of financial assets

Except for separately evaluating credit risk accounts receivable, the company divides accounts receivable into different portfolios based on common risk characteristics and evaluates credit risk on the basis of the portfolio. The specific basis for determining different portfolios and methods for measuring expected credit losses are as follows:

Item	Basis for determining the portfolio	Specific methods for measuring expected credit losses
Accounts receivable financing - bank acceptance bill portfolio	Bank acceptance bill	For accounts receivable within six months, the company does not provide for expected credit losses; In addition, the company believes that the credit risk of the bank acceptance bills it holds is relatively low and will not cause significant losses due to bank defaults. Therefore, the expected credit

Item	Basis for determining the portfolio	Specific methods for measuring expected credit losses
		losses shall not be measured for the corresponding receivables financing bank acceptance portfolio.
Accounts receivable - commercial acceptance bill portfolio	Commercial acceptance bill	For accounts receivable within six months, the company does not provide for expected credit losses; In addition, the credit risk of the commercial acceptance bills held by the company is relatively low, as these bills are mainly issued by reputable automobile manufacturers. Based on historical experience, there have been no significant defaults. Therefore, the company doesn't measure expected credit losses for the portfolio of accounts receivable and commercial acceptance bills
Accounts Receivable - Customer Portfolio	Accounts receivable other than accounts receivable from internal related parties and those for which credit impairment losses have been individually provisioned	Measure expected credit losses based on aging
Other receivables - accounts receivable other portfolio	Other receivables except for accounts receivable from internal related parties and accounts for which credit impairment losses have been individually provisioned	Based on historical credit loss experience, combined with current conditions and predictions of future economic conditions, the expected credit loss is calculated by default risk exposure and the expected credit loss rate for the next 12 months or the entire duration.

For accounts receivable that are measured for expected credit losses based on their aging, their aging is calculated continuously from the initial recognition date of the debt. The corresponding provision ratio for expected credit losses at different aging stages is as follows:

Aging	Provision ratio (%)
Within 6 months	--
6 months - 1 year	10.00
1 - 2 years	20.00
2 -3 years	40.00
Over three years	100.00

12. Note receivable

Note receivable 1: bank acceptance

Note receivable 2: trade acceptance

The Company calculates expected credit losses by referring to historical credit loss experience, taking into account current conditions and forecasts of the future economic situation.

13. Account receivable

Account receivable 1: receivable from clients

Account receivable 2: receivable from internal related party

The Company calculates expected credit losses by referring to historical credit loss experience, taking into account current conditions and forecasts of the future economic situation.

14. Receivable financing

The note receivable and account receivable which are measured at fair value and whose changes are included in other comprehensive income are classified as receivables financing within one year(inclusive) from the date of acquisition. Refer to more relevant

accounting policies in Note V.11 Financial Instrument.

15. Other account receivables

Determination method of expected credit loss and accounting treatment

Other account receivables 1: receivable from internal related party

Other account receivables 2: receivable from others

The Company calculates expected credit losses by referring to historical credit loss experience, taking into account current conditions and forecasts of the future economic situation.

16. Inventory

(1) Classification of inventory

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

(2) The pricing method for outbound inventory

Valuation shall be based on the weighted average method for outbound inventory;

(3) The perpetual inventory system is applied.

(4) Amortization method for low value consumables and packaging materials

Low value consumables are amortized with one-time amortization method upon receipt; Packaging materials are amortized with one-time amortization method upon receipt.

(5) Recognition criteria and provision method for inventory depreciation reserves

The net realizable value of inventory refers to the estimated selling price of inventory in daily activities, minus the estimated costs to be incurred until completion, estimated sales expenses, and related taxes. When determining the net realizable value of inventory, it is based on conclusive evidence obtained, while considering the purpose of holding inventory and the impact of events after the balance sheet date.

On the balance sheet date, inventory is measured at the lower of cost or net realizable value. When its net realizable value is lower than its cost, the provision for inventory impairment is withdrawn. The provision for inventory impairment is usually withdrawn based on the difference between the cost of a single inventory item and its net realizable value. For inventory with a large quantity and low unit price, the provision for inventory impairment shall be withdrawn according to the inventory category; For inventory related to product lines produced and sold in the same region, with the same or similar end use or purpose, and difficult to measure separately from other items, the provision for inventory impairment can be made through consolidation.

After the provision for inventory impairment has been made, if the influencing factors that previously reduced the value of inventory have disappeared, resulting in the net realizable value of inventory higher than its book value, it shall be reversed within the original provision for inventory impairment, and the reversed amount shall be included in the current gains/losses.

17. Assets held for sale

(1) Non-current assets held for sale and disposal group

If the Company mainly recovers the book value of a non-current asset through sale (including exchange of non-monetary assets with commercial substance, the same below) rather than continuing to use it or disposing of it, it will be classified as held for sale. The specific criteria are to meet the following conditions simultaneously: a non-current asset or disposal group can be immediately sold under the current circumstances, in accordance with the customary practice of selling such assets or disposal groups in similar transactions; The company has made a resolution regarding the sale plan and obtained a confirmed purchase commitment; The sale is expected to 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, as well as the liabilities directly related to these assets transferred in the transaction. If

the asset group or the portfolio of asset groups to which the disposal group belongs has been allocated the goodwill acquired in the business combination in accordance with the Accounting Standards for Enterprises No. 8- Impairment of Assets, the disposal group shall include the goodwill allocated to the disposal group.

When the Company initially measures or re-measures non-current assets held for sale and disposal groups on the balance sheet date, if their carrying value is higher than the net amount of fair value minus selling expenses, the carrying value shall be reduced to the net amount of fair value minus selling expenses, and the reduced amount shall be recognized as asset impairment loss and included in the current gains/losses. At the same time, the provision for impairment of held for sale assets shall be made. For the disposal group, the recognized impairment loss of assets is first offset against the carrying amount of goodwill in the disposal group, and then proportionally offset against the carrying amount of various non-current assets within the disposal group that are subject to the measurement provisions of the Accounting Standards for Enterprises No. 42- Non-current Assets Held for Sale, Disposal Groups, and Discontinued Operations (hereinafter referred to as the "Standards of Assets Held for Sale"). If the net amount after deducting the selling expenses from the fair value of the disposal group held for sale on the subsequent balance sheet date increases, the previously written down amount should be restored and reversed within the asset impairment loss amount recognized for non-current assets measured under the Standards of Assets Held for Sale after being classified as holding for sale. The reversed amount should be included in the current gains/losses, and the book value of each non-current asset measured under the Standards of Assets Held for Sale in the disposal group, except for goodwill, should be increased proportionally based on the proportion of its book value; The book value of goodwill that has been offset, as well as the impairment losses recognized for non-current assets under the holding for sale standard before being classified as held for sale, shall not be reversed. The non-current assets held for sale or disposed of in disposal groups are not subject to depreciation or amortization, and interest and other expenses on liabilities held for sale in disposal groups continue to be recognized.

In case non-current assets or disposal groups no longer meet the criteria for being classified as held for sale, the Company will no longer continue to classify them as assets held for sale or remove non-current assets from the disposal group, and measure them in terms of the lower of the following two: (1) the book value of such assets before being classified as assets held for sale, adjusted for depreciation, amortization, impairment, etc. that would have been recognized if not classified assets held for sale; (2) Recoverable amount.

(2) Recognition criteria and reporting methods for termination of operations

Termination of operation refers to a component that meets one of the following conditions, can be distinguished separately, and has been disposed of or classified as held for sale: 1) the component represents an independent main business or an independent main operating region; 2) This component is part of a related plan to dispose of an independent major business or a separate major operating area; 3) This component is a subsidiary acquired specifically for resale.

The company reports the relevant gains/losses arising from termination of operation in the income statement and discloses the impact of termination in the notes.

18. Long term equity investment

The long-term equity investment referred to in this section refers to the long-term equity investment in which the company has control, joint control, or significant influence over the invested entity. The long-term equity investments that the Company does not have control, joint control, or significant influence over the investee are accounted for as financial assets measured at fair value with changes recognized in current gains/losses. If they are non trading, the Company may designate them as financial assets measured at fair value with changes recognized in other comprehensive income at initial recognition. The accounting policy is detailed in Note V.11 Financial Instruments.

Joint control refers to the shared control of a certain arrangement by the company in accordance with relevant agreements, and the related activities of the arrangement must be unanimously agreed upon by the parties sharing control rights before making decisions. Significant impact refers to the power of the company to participate in decision-making on the financial and operational policies of the invested entity, but the company fails to control or jointly control the formulation of these policies with other parties.

(1) Recognition of investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the initial investment cost of the long-term equity investment shall be the absorbing party's share of the carrying amount of the owner's equity under the consolidated financial statements of the ultimate controlling party on the date of combination. The difference between the initial cost of the long-term equity investment and the cash paid, non-cash assets transferred as well as the book value of the debts borne by the absorbing party shall offset against the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If the consideration of the merger is satisfied by issue of equity securities, the initial investment cost of the long-term equity investment shall be the absorbing party's share of the carrying amount of the owner's equity under the consolidated financial statements of the ultimate controlling party on the date of combination. With the total face value of the shares issued as share capital, the difference between the initial cost of the long-term equity investment and total face value of the shares issued shall be used to offset against the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. For business combination resulting in an enterprise under common control by acquiring equity of the absorbing party under common control through a stage-up approach with several transactions, these transactions will be judged whether they shall be treated as "package deal". If they belong to "package deal", these transactions will be accounted for a transaction in obtaining control. If they are not belonging to "package deal", the initial investment cost of the long-term equity investment shall be the absorbing party's share of the carrying amount of the owner's equity under the consolidated financial statements of the ultimate controlling party on the date of combination. The difference between the initial cost of the long-term equity investment and the aggregate of the carrying amount of the long-term equity investment before merging and the carrying amount the additional consideration paid for further share acquisition on the date of combination shall offset against the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. Other comprehensive income recognized as a result of the previously held equity investment accounted for using equity method on the date of combination or recognized for available-for-sale financial assets will not be accounted for.

For business combination resulted in an enterprise not under common control by acquiring equity of the acquire under common control through a stage-up approach with several transactions, these transactions will be judged whether they shall be treat as "package deal". If they belong to "package deal", these transactions will be accounted for a transaction in obtaining control. If they are not belonging to "package deal", the initial investment cost of the long-term equity investment accounted for using cost method shall be the aggregate of the carrying amount of equity investment previously held by the acquire and the additional investment cost. For previously held equity accounted for using equity method, relevant other comprehensive income will not be accounted for.

The intermediary fees such as audit, legal services, evaluation consulting, and other related management expenses incurred by the merging or purchasing party for the enterprise merger shall be included in the current gains/losses at the time of occurrence.

Except for long-term equity investments formed by corporate mergers, other equity investments are initially measured at cost, which is determined based on the actual cash purchase price paid by the company, the fair value of equity securities issued by the company, the value agreed upon in investment contracts or agreements, the fair value or original book value of assets exchanged in non-monetary asset exchange transactions, and the fair value of the long-term equity investment itself, depending on the method of acquisition. The expenses, taxes, and other necessary expenditures directly related to obtaining long-term equity investments are also booked into investment cost. For long-term equity investments that can have a significant impact on the investee or exercise joint control but do not constitute control due to additional investments, the cost of long-term equity investments is the sum of the fair value of the original held equity investment determined in accordance with the Accounting Standards for Enterprises No. 22-Recognition and Measurement of Financial Instruments and the cost of additional investments.

(2) Subsequent measurement and recognition methods of gains/losses

Long term equity investments that have joint control (excluding joint operators) or significant influence over the invested entity shall be measured with the equity method. Besides, in the company's financial statements, long-term equity investments that can exercise control over the investee is measured with cost method.

① Long term equity investments measured with cost method

When measured with cost method, long-term equity investments are valued at their initial investment costs, and the cost of long-term equity investment shall be adjusted in case of additional or recovered investments. Current investment income is recognized based on the cash dividends or profits declared but not yet distributed by the investee, except for the actual payment made at the time of investment or the cash dividends or profits included in the consideration.

② Long term equity investments measured with equity method

When measured with equity method, where the initial investment cost of a long-term equity investment exceeds the investor's interest in the fair value of the invested party's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost. Where the initial investment cost is less than the investor's interest in the fair value of the invested party's identifiable net assets at the acquisition date, the difference shall be charged to current gains/losses, and the cost of the long-term equity investment shall be adjusted accordingly.

When measured with the equity method, investment income and other comprehensive income shall be recognized on the basis of the Group's share of the net gains/losses and other comprehensive income made by the invested party, respectively. Meanwhile, the carrying amount of long-term equity investment shall be adjusted. The carrying amount of long-term equity investment shall be reduced in terms of the Group's share of profit or cash dividend distributed by the invested party. In respect of changes in shareholders' equity other than net gains/losses, other comprehensive income and profit distribution of invested party, the carrying value of long-term equity investment shall be adjusted and included in the capital reserves. Share in the invested party's net gains/losses shall be recognized after the net profit of the investee is adjusted on the basis of the fair values of the invested party's individual separately identifiable assets at the time of acquisition. In the event of in-conformity between the accounting policies and accounting periods of the invested party and the Company, the financial statements of the invested party shall be adjusted in conformity with the accounting policies and accounting periods of the Company. Investment income and other comprehensive income shall be recognized accordingly. In respect of the transactions between the Group and its associates and joint ventures in which the assets disposed of or sold are not classified as operation, the share of unrealized gains/losses arising from inter-group transactions shall be offset by the portion attributable to the Company. Investment gain shall be recognized accordingly. However, any unrealized loss arising from inter-group transactions between the Group and an invested party will not be offset to the extent that the loss is impairment loss of the transferred assets. In the event that the Group disposed of an asset classified as operation to its joint ventures or associates, which resulted in acquisition of long-term equity investment by the investor without obtaining control, the initial investment cost of additional long-term equity investment shall be the fair value of disposed operation. The difference between initial investment cost and the carrying value of disposed operation will be fully booked into current gains/losses. In the event that the Group sold an asset classified as operation to its associates or joint ventures, the difference between the carrying value of consideration received and operation shall be fully booked into current gains/losses. In the event that the Company acquired an asset which formed an operation from its associates or joint ventures, relevant transaction shall be accounted for in accordance with "Accounting Standards for Business Enterprises No. 20 "Business combination". Gains/losses related to the transaction shall be measured in full.

The Group's share in the net losses of the invested party shall be recognized to the extent that the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of the investor's net investment in the invested party are reduced to zero. If the Group has to assume additional obligations, the expected liabilities shall be recognized in terms of the estimated obligation assumed and be booked into the investment loss for the period. Where the invested party makes profits in subsequent periods, the profits attributed to the company shall be firstly used to make up unrecognized losses.

③ Acquisition of minority interest

At the time of preparing consolidated financial statements, the difference between the increase in the long-term equity investment raising from the purchase of minority interest and the net assets attributable to the subsidiary which are measured continuously since the purchase date (or combination date) in terms of the proportion of newly acquired shares shall be used to adjust the capital surplus, or retained earnings in case capital surplus is insufficient.

④ Disposal of long-term equity investments

In consolidated financial statements, in case the parent company disposes part of long-term equity investments in a subsidiary without loss of control, the difference between disposal price and the net asset of the subsidiary related to the disposal of the long-term equity investments shall be booked into the owners' equity. If disposal of a portion of the long-term equity investments in a subsidiary by the parent company results in the loss of its control on the subsidiary, the relevant accounting policies described in Note V.7(2). "Preparation method of consolidated financial statements" shall prevail.

On disposal of a long-term equity investment otherwise, the difference between the carrying amount of the investment and the actual consideration paid is recognized through current gains/losses.

In respect of the long-term equity investment measured with equity method, in case the remaining equity after disposal is also measured with equity method, other comprehensive income previously under owners' equity shall be accounted for in accordance with the same accounting treatment for direct disposal of relevant asset or liability by invested party on pro rata basis at the time of disposal. The owners' equity recognized due to changes in other owners' equity (excluding net gains/losses, other comprehensive income and profit distribution of invested party) shall be transferred to current gains/losses on pro rata basis.

In respect of long-term equity investment measured with cost method, in case the remaining equity is also measured with equity method after disposal, other comprehensive income recognized and measured with equity method or recognition and measurement principle before control over the invested party shall be accounted for in terms of the same accounting treatment for direct disposal of relevant asset or liability by invested party on pro rata basis at the time of disposal and shall be transferred to current gains/losses on pro rata basis; among the net assets of invested party unit recognized with equity method (excluding net gains/losses, other comprehensive income and profit distribution of invested party) shall be transferred to current gains/losses on pro rata basis.

In the event of loss of control over invested party due to partial disposal of equity investment by the group, at the time of preparing separate financial statements, the remaining equity, which can apply common control or impose significant influence over the invested party after disposal, shall be measured with equity method. Such remaining equity shall be treated as being measured with equity method since it is obtained and adjustment shall be made accordingly. The remaining equity, which cannot apply common control or impose significant influence over the invested party after disposal, shall be accounted for in accordance with the recognition and measurement principles for financial instruments. The difference between its fair value and carrying amount as at the date of losing control shall be booked into current gains/losses. In respect of other comprehensive income recognized with equity method or the recognition and measurement principles of financial instruments before the company obtains control over the invested party, it shall be accounted for in accordance with the same accounting treatment for direct disposal of relevant asset or liability by invested party at the time when the control over invested party is lost. Changes in other owners' equity than net gains/losses, other comprehensive income and profit distribution) under net asset of invested party recognized with equity method shall be transferred to current gains/losses at the time when the control over invested party is lost. Of which, for the remaining equity after disposal measured with equity method, other comprehensive income and other owners' equity shall be carried forward on pro rata basis, and for the remaining equity after disposal measured with the recognition and measurement principles of financial instruments, other comprehensive income and other owners' equity shall be fully transferred.

In the event of loss of common control or significant influence over invested party due to partial disposal of equity investment by the Group, the remaining equity after disposal shall be accounted for using the recognition and measurement standard of financial instruments. The difference between its fair value and carrying amount as at the date of losing common control or significant influence shall be included in current gains/losses. In respect of other comprehensive income recognized under previous equity investment using equity method, it shall be accounted for in accordance with the same accounting treatment for direct disposal of relevant asset or liability by invested party at the time when equity method was ceased to be used. Movement of other owners' equity (excluding net profit or loss, other comprehensive income and profit distribution under net asset of invested party accounted for and recognized using equity method) shall be transferred to current gains/losses at the time when equity method was ceased to be used.

The Group disposes its equity investment in subsidiary by a stage-up approach with several transactions until the control over the subsidiary is lost. If the said transactions belong to "package deal", each transaction shall be accounted for as a single transaction of disposing equity investment of subsidiary and loss of control. The difference between the disposal consideration for each transaction

and the carrying amount of the corresponding long-term equity investment of disposed equity before loss of control shall initially recognized as other comprehensive income, and subsequently transferred to profit or loss arising from loss of control for the current period upon loss of control.

19. Investment Properties

Measurement model of investment properties

Measured with cost method

Depreciation or amortization method

Investment properties refer to properties held for the purpose of earning rental income or capital appreciation, or both. They include leased land use rights, land use rights held for the purpose of appreciation and subsequent transfer, leased buildings, etc.

Investment properties are initially measured at cost. Subsequent expenditures related to investment properties are included in the cost of investment properties if it is highly probable that the economic benefits related to the asset will flow into the enterprise and the cost can be measured reliably. Other subsequent expenditures are recognized in current gains/losses when they occur.

The company measures subsequent investment properties with the cost model and depreciates or amortizes them in accordance with the same policies as those for buildings or land use rights.

For the impairment test methods and the methods for provision of impairment losses of investment properties, please refer to Note V. 24 “Impairment of Long-term Assets”.

When owner-occupied properties or inventories are converted into investment properties, or investment properties are converted into owner-occupied properties, the carrying value before the conversion is used as the carrying value after the conversion.

When the purpose of an investment property changes to owner-occupation, as of the date of the change, the investment property is converted into fixed assets or intangible assets. When the purpose of an owner-occupied property changes to earning rental income or capital appreciation, as of the date of the change, the fixed assets or intangible assets are converted into investment properties. Upon conversion, if the investment property is measured with the cost model after conversion, the carrying value before the conversion is used as the carrying value after the conversion; if the investment property is measured with the fair value model after conversion, the fair value on the conversion date is used as the carrying value after the conversion.

When an investment property is disposed of, or is permanently withdrawn from use and it is expected that no economic benefits can be obtained from its disposal, the investment property shall be derecognized. The disposal proceeds from the sale, transfer, scrapping or damage of an investment property, after deducting its carrying value and relevant taxes and fees, are recognized in current gains/losses.

20. Fixed Assets

(1) Recognition criteria

Fixed assets refer to tangible assets held for the production of goods, provision of services, leasing, or business management, with a useful life exceeding one accounting year. Fixed asset are recognized only when it is probable that the economic benefits associated with it will flow to the Company and its cost can be measured reliably. Fixed assets are initially measured at cost, taking into account the expected impact of decommissioning costs.

(2) Depreciation method

Category	Depreciation method	Years of depreciation	Scrap value rate	Yearly depreciation rate
Permanent ownership land	Straight-line depreciation	Indefinite		No depreciation
House and building	Straight-line depreciation	20~35	5%	2.71~4.75
Machinery equipment	Straight-line depreciation	10	5%	9.50

Transportation equipment	Straight-line depreciation	4~5	5%	19.00~23.75
Electronic and other equipment	Straight-line depreciation	3~10	5%	9.50~31.67

The expected residual value refers to the amount that the Company is currently expected to obtain from the disposal of the fixed asset after deducting the expected disposal expenses, assuming that the fixed asset has reached the end of its expected useful life and is in the expected state at that time.

(3) Impairment test methods and methods for provision of impairment losses of fixed assets

For the impairment test methods and methods for provision of impairment losses of fixed assets, please refer to Note V. 24 “Impairment of Long-term Assets”.

(4) Other explanations

Subsequent expenditures related to fixed assets are booked into the cost of the fixed assets if it is highly probable that the economic benefits related to the fixed assets will flow into the Company and their costs can be measured reliably, and the carrying value of the replaced part shall be derecognized. Subsequent expenditures other than the above are recognized in current gains/losses when they occur.

A fixed asset shall be derecognized when it is in a state of disposal or when it is expected that no economic benefits can be generated through its use or disposal. The difference between the disposal proceeds from the sale, transfer, scrapping or damage of a fixed asset and its carrying value and relevant taxes and fees shall be recognized in current gains/losses.

The Company reviews the useful life, expected residual value and depreciation method of fixed assets at least at the end of each year. If any changes occur, they will be accounted for as changes in accounting estimates.

21. Construction in Progress

The Company's construction in progress is divided into two types, built by the company or by the contracting-out method. When the construction in progress is completed and reaches the intended usable state, it is transferred to fixed assets. The criteria for determining the intended usable state shall meet one of the following situations: The physical construction (including installation) of the fixed asset has been completely finished or substantially completed; It has undergone trial production or trial operation, and the results indicate that the asset can operate normally or can stably produce qualified products, or the trial operation results show that it can operate or conduct business normally; The expenditure on the constructed fixed asset is very small or hardly occurs any more; The constructed fixed asset has met the design or contractual requirements, or is basically in line with the design or contractual requirements.

When the construction in progress reaches the intended usable state, it is transferred to fixed assets at the actual project cost. For those that have reached the intended usable state but for which the final accounts of the project have not been settled, they are first transferred to fixed assets at the estimated value, and after the final accounts of the project are settled, the original estimated value is adjusted according to the actual cost, but the originally accrued depreciation will not be adjusted.

For the impairment test methods and methods for provision of impairment losses of construction in progress, please refer to Note V. 24 Impairment of Long-term Assets.

22. Borrowing Costs

Borrowing costs include borrowing interest, amortization of discounts or premiums, auxiliary expenses, and exchange differences arising from foreign currency borrowings, etc. Borrowing costs that can be directly attributed to the acquisition, construction, or production of assets that meet the capitalization criteria shall commence to be capitalized when the asset expenditures have been made, the borrowing costs have occurred, and the necessary acquisition, construction, or production activities to bring the asset to the intended usable or sellable state have started; the capitalization shall cease when the qualifying asset under

construction or production reaches the intended usable or sellable state. The remaining borrowing costs are recognized as expenses in the period in which they occur.

For specific borrowings, the amount of interest expense actually incurred during the current period, after deducting the interest income obtained from depositing the unutilized borrowing funds in the bank or the investment income obtained from temporary investments, shall be capitalized; The capitalized amount of general borrowings shall be determined by multiplying the weighted average of the asset expenditures exceeding the specific borrowings by the capitalization rate of the general borrowings used. The capitalization rate is determined on the basis of weighted average interest rate of the general borrowings.

During the capitalization period, the exchange differences of specific foreign currency borrowings shall be capitalized in full; The exchange differences of general foreign currency borrowings shall be booked into current gains/losses.

Assets that meet the capitalization criteria refer to fixed assets, investment properties, inventories, and other assets that require a substantial period of acquisition, construction, or production activities to reach the intended usable or sellable state.

If an abnormal interruption occurs during the acquisition, construction, or production of an asset that meets the capitalization criteria and the interruption period continues for more than 3 months, the capitalization of borrowing costs shall be suspended until the acquisition, construction, or production activities of the asset resume.

Assets that meet the capitalization criteria refer to fixed assets, investment properties, inventories, and other assets that require a substantial period of acquisition, construction, or production activities to reach the intended usable or sellable state.

23. Intangible Assets

(1) Useful life and its determination basis, estimation situation, amortization method or review procedure

Intangible assets refer to identifiable non-monetary assets without physical substance that are owned or controlled by the Company.

Intangible assets are initially measured at cost. Expenditures related to intangible assets are included in the cost of intangible assets if it is highly probable that the relevant economic benefits will flow into the Company and the cost can be measured reliably. Expenditures for items other than the above are recognized in current gains/losses when they occur.

The acquired land use rights are usually accounted for as intangible assets. When constructing factories and other buildings through self-development, the expenditures for the relevant land use rights and the construction costs of the buildings are accounted for as intangible assets and fixed assets respectively. In the case of externally purchased houses and buildings, the relevant purchase price is allocated between the land use rights and the buildings. If it is difficult to make a reasonable allocation, it shall all be treated as fixed assets.

For intangible assets with a finite useful life, the original value minus the expected residual value and the cumulative amount of the provision for impairment losses already accrued shall be amortized on a straight-line basis and evenly over its expected useful life starting from the time they are available for use. Intangible assets with an indefinite useful life are not amortized.

At the end of the period, the useful life and amortization method of intangible assets with a finite useful life shall be reviewed. Changes, if any, will be accounted for as changes in accounting estimates. In addition, the useful life of intangible assets with an indefinite useful life is also reviewed. If there is evidence indicating that the period during which the intangible asset brings economic benefits to the enterprise is foreseeable, its useful life shall be estimated and such intangible assets shall be amortized in accordance with the amortization policy for intangible assets with a finite useful life.

(2) Scope of accumulation of R&D expenditures and relevant accounting treatment methods

The expenditures of the Company's internal research and development projects are divided into expenditures in the research stage and expenditures in the development stage.

Expenditures in the research stage are booked into current gains/losses when they occur.

The Company's research and development expenditures includes materials used in research and development, labor and service costs, amortization of research and development equipment, amortization of other intangible assets and fixed assets used in the development process, and expenses such as water and electricity fees.

The specific criteria for the Company to divide the expenditures of internal research and development projects into those in the research stage and those in the development stage are as follows:

The research stage refers to the stage of original and planned investigations and research activities carried out to acquire and understand new scientific or technical knowledge; the development stage implies the stage of activities in which research results or other knowledge are applied to a certain plan or design before commercial production or use, in order to produce new or substantially improved materials, devices, products, etc.

Expenditures in the development stage that meet the following conditions simultaneously are recognized as intangible assets, and expenditures in the development stage that do not meet the following conditions are recognized in current gains/losses:

- ① It is technically feasible to complete the intangible asset so that it can be used or sold;
- ② There is an intention to complete the intangible asset and use or sell it;
- ③ The way in which the intangible asset generates economic benefits, including being able to prove that there is a market for products produced with such intangible asset or that there is a market for the intangible asset itself. If the intangible asset will be used internally, it can be proved to be useful;
- ④ There are sufficient technical, financial and other resources to support the completion of the development of the intangible asset, and capable of using or selling the intangible asset;
- ⑤ Expenditures attributable to the development stage of the intangible asset can be measured reliably.

The specific conditions for capitalizing the expenditures in the development stage of the Company:

If it is impossible to distinguish between expenditures in the research stage and expenditures in the development stage, all the research and development expenditures incurred will be recognized in current gains/losses.

(3) Impairment test methods and methods for provision of impairment losses of intangible assets

For the impairment test methods and methods for provision of impairment losses of intangible assets, please refer to Note V. 24 Impairment of Long-term Assets.

24. Impairment of long-term assets

The Company will judge if there are any signs of impairment as at the balance sheet date in respect of non-current non-financial assets such as fixed assets, construction in progress, intangible assets with a finite useful life, investment properties measured at cost, and long-term equity investments in subsidiaries, joint controlled entities and associates. If there is any evidence indicating that an asset may be impaired, recoverable amount shall be estimated for impairment test. Goodwill, intangible assets with an indefinite useful life and intangible assets beyond working conditions will be tested for impairment annually, regardless of whether there is any indication of impairment.

If the impairment test result shows that the recoverable amount of an asset is less than its carrying amount, the impairment provision will be made in terms of the difference and recognized as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. An asset's fair value is the price in a sale agreement in an arm's length transaction. If there is no sale agreement but the asset is traded in an active market, fair value shall be determined based on the bid price. If there is neither sale agreement nor active market for an asset, fair value shall be estimated on the basis of the best available information. Costs of disposal are expenses attributable to disposal of the asset, including legal fee, relevant tax and surcharges, transportation fee and direct expenses incurred to prepare the asset for its intended sale. The present value of the future cash flows expected to be derived from the asset over the course of continued use and final disposal is determined as the amount discounted at an appropriately selected discount rate. Provisions for

assets impairment shall be made and recognized for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the asset group to which the asset belongs shall be defined. The asset group is the smallest group of assets capable of generating cash flows independently.

For the purpose of impairment test, the carrying amount of goodwill presented separately in the financial statements shall be allocated to the asset groups or asset group portfolio benefiting from synergy of business combination. If the recoverable amount is less than the carrying amount, the impairment loss shall be recognized. The amount of impairment loss shall first reduce the carrying amount of any goodwill allocated to the asset group or asset groups portfolio, and then reduce the carrying amount of other assets goodwill within the asset group or asset group portfolio on the basis of the carrying amount of each asset.

An impairment loss recognized on the aforesaid assets shall not be reversed in a subsequent period in respect of the part whose value can be recovered.

25. long-term deferred expenses

long-term deferred expenses refer to various expenses that have been incurred but are to be amortized over a period of more than one year and are borne by the current reporting period and subsequent periods. The long-term deferred expenses of the company mainly include decoration and renovation costs. The long-term deferred expenses are amortized with the straight - line method over the expected beneficial period.

26. Contract liabilities

Contract liabilities refer to the obligations of the company to transfer goods to customers in exchange for consideration received or receivable from customers. If the customer has paid the contract consideration or the company has obtained the unconditional right to receive payment before the company transfers the goods to the customer, the company will record the received or receivable amount as contract liability at the earlier of the actual payment date by the customer and the due payment date. Contract assets and contract liabilities under the same contract are presented on a net basis, and contract assets and contract liabilities under different contracts are not offset.

27. Employee compensation

(1) Accounting treatment for short-term compensation

During the accounting period when the staff provides service to the Company, the short-term remuneration actual occurred shall be recognized as liability and be reckoned into current gains/losses. During the accounting period when staff provides service to the Company, the actual short-term compensation occurred shall be recognized as liabilities and be reckoned into current gains/losses, except for those in line with accounting standards or being allowed to be reckoned into capital costs; the welfare occurred shall be reckoned into current gains/losses or relevant asses costs at the time of actual occurrence. The employee compensation shall be recognized as liabilities and be reckoned into current gains/losses or relevant assets costs at the time of actual occurrence. The employee benefits that belong to non-monetary benefits are measured at fair value; the social insurances including the medical insurance, work-injury insurance and maternity insurance and the housing fund that the enterprise pays for the employees as well as the labor union expenditure and employee education funds withdrawn by relevant provisions should be calculated and determined as the corresponding compensation amount and determined the corresponding liabilities in accordance with the specified withdrawing basis and proportion, and be reckoned in the current profits and losses or relevant asset costs in the accounting period that the employees provide services.

(2) Accounting treatment for post-employment benefit

The post-employment benefit includes the defined contribution plans and defined benefit plans. Post-employment benefits plan refers to the agreement about the post-employment benefits between the enterprise and employees, or the regulations or measures the

enterprise established for providing post-employment benefits to employees. The defined contribution plan refers to the post-employment benefits plan that the enterprise doesn't undertake the obligation of payment after depositing the fixed charges to the independent fund; the defined benefit plans refer to post-employment benefits plans except the defined contribution plan.

(3) Accounting treatment for retirement benefits

In case the Company terminates the employment relationship with employees before the end of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, the Company shall recognize employee compensation liabilities arising from compensation for staff dismissal and included in current gains/losses, when the Company cannot revoke unilaterally compensation for dismissal due to the cancellation of labor relationship plans and employee redundant proposals; and the Company recognize cost and expenses related to payment of compensation for dismissal and restructuring, whichever is earlier. The early retirement plan shall be accounted for in accordance with the accounting principles for compensation for termination of employment. The salaries or wages and the social contributions to be paid for the employees who retire before schedule from the date on which the employees stop rendering services to the scheduled retirement date, shall be recognized (as compensation for termination of employment) in the current profit or loss by the Group if the recognition principles for provisions are satisfied.

(4) Accounting treatment for other long-term employee benefits

Except for the compulsory insurance, the Company provides the supplementary retirement benefits to the employees satisfying certain conditions, the supplementary retirement benefits belong to the defined benefit plans, and the defined benefit liability confirmed on the balance sheet is the value by subtracting the fair value of plan assets from the present value of defined benefit obligation. The defined benefit obligation is annually calculated with the expected accumulated welfare unit method by the independent actuary on the basis of treasury bond rate with similar obligation term and currency. The service charges related to the supplementary retirement benefits (including the service costs of the current period, the previous service costs, and the settlement gains or losses) and the net interest are reckoned in the current profits and losses or other asset costs, the changes generated by recalculating the net liabilities of defined benefit plans or net assets should be reckoned in other consolidated income.

28. Anticipated liabilities

When the obligations arising from contingent events such as providing external guarantees, litigation matters, product quality warranties, and loss contracts become the present obligations of the company, and it is highly probable that the fulfillment of these obligations will lead to an outflow of economic benefits from the company, and the amount of these obligations can be reliably measured, the company will recognize these obligations as anticipated liabilities.

The company initially measures the anticipated liabilities based on the best estimate of the expenditures required to fulfill the relevant present obligations, and reviews the carrying amount of the anticipated liabilities on the balance sheet date.

If all or part of the expenditures required to settle anticipated liabilities are expected to be compensated by a third party, the compensation amount will be recognized as asset separately when it is basically certain that the compensation can be received, and the recognized compensation amount will not exceed the carrying amount of the anticipated liabilities.

29. Share-based Payments

(1) Accounting treatment methods for share-based payments

Share-based payments are transactions in which equity instruments are granted or liabilities determined based on equity instruments are assumed in order to obtain services provided by employees or other parties. Share-based payments are classified into share-based payments settled with equity instruments and share-based payments settled in cash.

① Share-based payments settled with equity instruments

For share-based payments settled by equity instruments in exchange for services provided by employees, they are measured at the fair value of the equity instruments granted to employees on the grant date. In the case where the fair value amount can only be exercised after the completion of the services during the vesting period or the achievement of the specified performance conditions, based on the best estimate of the number of exercisable equity instruments during the vesting period, it is calculated on a straight-line basis and included in the relevant costs or expenses. When the equity instruments can be exercised immediately after the grant, they are included in the relevant costs or expenses on the grant date, and the capital reserve is correspondingly increased. On each balance sheet date during the vesting period, the Company makes the best estimate based on the latest subsequent information such as changes in the number of employees who are expected to be eligible to exercise the rights, and revises the estimated number of exercisable equity instruments. The impact of the above estimates is included in the relevant costs or expenses of the current period, and the capital reserve is adjusted accordingly.

For share-based payments settled by equity instruments in exchange for services provided by other parties, if the fair value of the services provided by other parties can be reliably measured, it is measured at the fair value of the services provided by other parties on the date of acquisition. If the fair value of the services provided by other parties cannot be reliably measured, but the fair value of the equity instruments can be reliably measured, it is measured at the fair value of the equity instruments on the date of acquisition of the services, included in the relevant costs or expenses, and the shareholders' equity is correspondingly increased.

② Cash-settled share-based payment and equity instruments

Cash-settled share-based payments are measured at the fair value of the liabilities calculated and determined on the basis of shares or other equity instruments undertaken by the Company. If it's vested immediately after the grant, the fair value of the liabilities assumed on the date of the grant is included in the cost or expense, and the liability is increased accordingly. If the service within the waiting period is completed or the specified performance conditions are met, the service obtained in the current period shall be included in the relevant costs or expenses based on the best estimate of the vesting situation within the waiting period and the fair value of the liabilities assumed to increase the corresponding liabilities.

On each balance sheet date and settlement date before the settlement of the relevant liabilities, the fair value of the liabilities is remeasured, and the changes are included in the current gains/losses.

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

When the Company modifies a share-based payment plan, if the modification increases the fair value of the equity instruments granted, the Company recognizes the increase in the services received accordingly based on the increase in the fair value of the equity instruments. The increase in the fair value of the equity instruments refers to the difference between the fair values of the equity instruments before and after the modification on the modification date. If the modification reduces the total fair value of the share-based payment or adopts other methods unfavorable to employees, the Company will still continue to account for the services received as if the change had never occurred, unless the Company cancels some or all of the granted equity instruments.

During the waiting period, if the granted equity instruments are cancelled, the Company will treat the cancellation of the granted equity instruments as an acceleration of vesting, immediately recognize the amount that should be recognized in the remaining waiting period in the current gains/losses, and at the same time recognize the capital reserve. If employees or other parties are able to choose to meet the non-vesting conditions but fail to do so during the waiting period, the Company will treat it as the cancellation of the granted equity instruments.

(3) Accounting treatment for share-based payment transactions involving the company and its shareholders or controlling shareholders

For share-based payment transactions involving the Company and its shareholders or controlling shareholders, if one of the settlement enterprises and the service-receiving enterprise is within the Company's consolidation scope and the other is outside the Company's consolidation scope, the following accounting treatment will be carried out in the Company's consolidated financial statements:

① If the settlement enterprise settles with its own equity instruments, the share-based payment transaction will be treated as an equity-settled share-based payment; otherwise, it will be treated as a cash-settled share-based payment.

If the settlement enterprise is an investor of the service-receiving enterprise, it will recognize the long-term equity investment in the service-receiving enterprise based on the fair value of the equity instruments on the grant date or the fair value of the liability to be assumed, and at the same time recognize the capital reserve (other capital reserve) or liability.

② If the service-receiving enterprise has no settlement obligation or the equity instruments granted to its employees are its own equity instruments, the share-based payment transaction will be treated as an equity - settled share-based payment; if the service-receiving enterprise has a settlement obligation and the equity instruments granted to its employees are not its own equity instruments, the share-based payment transaction will be treated as a cash - settled share-based payment.

For share-based payment transactions among enterprises within the Company's consolidation scope, if the service-receiving enterprise and the settlement enterprise are not the same enterprise, the recognition and measurement of the share-based payment transaction in the individual financial statements of the service-receiving enterprise and the settlement enterprise will be handled by referring to the above principles.

30. Other financial instruments such as preferred stocks and perpetual bonds

(1) Distinction between perpetual bonds and preferred stocks

Financial instruments issued by the company, such as perpetual bonds and preferred stocks, that meet the following conditions are considered equity instruments:

- ① This financial instrument does not include contractual obligations to deliver cash or other financial assets to other parties, or to exchange financial assets or financial liabilities with other parties under potential adverse conditions;
- ② In case the financial instrument needs to be settled or can be settled using the enterprise's own equity instruments in the future, if the financial instrument is a non-derivative instrument, it does not include the contractual obligation to deliver a variable quantity of its own equity instruments for settlement; If it is a derivative instrument, the company can only settle the financial instrument by exchanging a fixed amount of its own equity instruments for a fixed amount of cash or other financial assets.

Except for financial instruments that can be classified as equity instruments according to the above conditions, other financial instruments issued by the Company should be classified as financial liabilities.

If the financial instruments issued by the company are composite financial instruments, they shall be recognized as a liability based on the fair value of the liability component, and the amount received after deducting the fair value of the liability component is recognized as "other equity instruments". The transaction costs incurred in the issuance of composite financial instruments shall be allocated between the liability component and the equity component in proportion to their respective proportions of the total issuance price.

(2) Accounting treatment methods for perpetual bonds and preferred stocks

Financial instruments such as perpetual bonds and preferred stocks classified as financial liabilities, including their related interest, dividends, gains or losses, as well as gains or losses arising from redemption or refinancing, are booked into current gains/losses, except for borrowing costs that meet capitalization criteria (see Note V.22 "Borrowing Costs").

When financial instruments such as perpetual bonds and preferred stocks classified as equity instruments are issued (including refinancing), repurchased, sold, or cancelled, the Company treats them as changes in equity and deducts related transaction costs from equity. The company treats the distribution of equity instrument holders as profit distribution.

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

31. Revenue

Disclose accounting policies used for revenue recognition and measurement based on business type

When the contract signed between the company and the customer meets the following conditions simultaneously, revenue is recognized when the customer obtains control of the relevant goods: the parties to the contract have approved the contract and promise to fulfill their respective obligations; The contract specifies the rights and obligations of all parties involved in the transfer of goods

or provision of services; The contract has clear payment terms related to the transferred goods; The contract has commercial substance, that is, the performance of the contract will change the risk, time distribution or amount of the company's future cash flows; The consideration that the company is entitled to receive from transferring goods to customers is likely to be recovered.

On the commencement date of the contract, the company identifies each individual performance obligation in the contract and distributes the transaction price to each individual performance obligation based on the relative proportion of the individual selling price of the promised goods for each individual performance obligation. When determining the transaction price, factors such as variable consideration, significant financing components in the contract, non-cash consideration, and payable customer consideration shall be taken into account.

For each individual performance obligation in the contract, if one of the following conditions is met, the company will recognize the transaction price allocated to that individual performance obligation as revenue during the relevant performance period according to the performance progress: the customer obtains and consumes the economic benefits brought by the company's performance at the same time as the company's performance; Customers are able to control the goods under construction during the performance process of the company; The goods produced by the company during the performance process have irreplaceable uses, and the company has the right to collect payments for the completed performance portion throughout the entire contract period. The performance progress is determined using the input method based on the nature of the transferred goods. When the performance progress cannot be reasonably determined, if the costs already incurred by the company are expected to be compensated, revenue is recognized on the basis of the amount of costs already incurred until the performance progress can be reasonably determined.

If any of the above conditions is not met, the company will recognize the transaction price allocated to the single performance obligation as revenue when the customer obtains control of the relevant goods. When determining whether the customer has obtained control of the product, the company considers the following indications: the enterprise has the right to receive payment for the product at present, that is, the customer has a current payment obligation for the product; The enterprise has transferred the legal ownership of the product to the customer, that is, the customer already owns the legal ownership of the product; The enterprise has transferred the physical item to the customer, meaning that the customer has already physically occupied the item; The enterprise has transferred the main risks and rewards of ownership of the product to the customer, that is, the customer has obtained the main risks and rewards of ownership of the product; The customer has accepted the product; Other signs indicating that the customer has gained control of the product.

The time point for recognizing domestic sales revenue of the company is as follows: the company delivers goods according to the sales contract or order agreement. On the reconciliation date agreed with the buyer, the goods received and inspected by the buyer during the period from the previous reconciliation date to this reconciliation date are verified with the buyer. After verification by both parties, the risk and reward are transferred to the buyer. The company issues an invoice to the buyer based on the confirmed variety, quantity, and amount, and confirms the realization of sales revenue on the reconciliation date.

The recognition time point for the company's foreign sales revenue: After the customs review is completed, the company confirms the realization of sales revenue based on the export date stated on the customs declaration form.

The situation where similar businesses adopt different business models involving different revenue recognition and measurement methods

None

32. Contract Costs

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

The costs incurred by the company for the performance of a contract that simultaneously meet the following conditions are recognized as a contract performance cost asset:

- (1) The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs explicitly borne by the customer, and other costs incurred solely due to the contract;
- (2) The cost increases the resources that the enterprise will use in the future to fulfill its performance obligations;

(3) The cost is expected to be recoverable.

The incremental costs incurred by the company for obtaining a contract that are expected to be recoverable are recognized as contract acquisition cost asset; however, if the amortization period of the asset does not exceed one year, it can be recognized in current gains/losses when it occurs.

Assets related to contract costs are amortized on the same basis as the recognition of revenue from the related goods or services.

If the carrying value of an asset related to contract costs is higher than the difference between the following two items, the company will make an impairment provision for the excess amount and recognize it as an asset impairment loss:

- (1) The remaining consideration expected to be obtained from the transfer of the goods or services related to the asset;
- (2) The estimated costs to be incurred for the transfer of the related goods or services.

If the above asset impairment provision is subsequently reversed, the carrying value of the asset after the reversal shall not exceed the carrying value of the asset on the reversal date assuming no impairment provision is made.

33. Government grants

Government grants refer to monetary and non-monetary assets obtained by the Company from the government free of charge, excluding the capital invested by the government as an investor with corresponding ownership rights. Government grants are classified into asset-related government grants and income-related government grants. The Company defines government grants obtained for the construction or other formation of long-term assets as asset-related government grants; the remaining government grants are defined as income-related government grants. If the grantee is not clearly specified in the government document, the following methods are used to classify the grants into income-related government grants or asset-related government grants: (1) If the specific project to which the grant relates is specified in the government document, such grant shall be divided in terms of the relative proportion of the expenditure amount that will form assets and the expenditure amount that will be included in expenses in the budget of the specific project. This division proportion will be reviewed on each balance sheet date and changed if necessary; (2) If the government document only makes a general description of the use and does not specify a specific project, it will be regarded as income-related government grant. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants are measured at fair value; if the fair value cannot be reliably obtained, the government grants shall be measured at nominal value. Government grants measured at nominal value are directly recognized in the current gains/losses.

The Company usually recognizes and measures government grants at the actual amount received when they are actually received. However, for those where there is conclusive evidence at the end of the period indicating that the relevant conditions specified in the fiscal support policy are met and the fiscal support funds are expected to be received, they are measured at the receivable amount. Government grants measured at the receivable amount shall meet the following conditions simultaneously: (1) The amount of the receivable grant has been confirmed by the relevant government department in writing, or can be reasonably estimated according to the relevant provisions of the officially issued fiscal fund management measures, and there is no significant uncertainty in the estimated amount; (2) It is based on the officially released fiscal support projects and their fiscal fund management measures by the local fiscal department and actively disclosed in accordance with the provisions of the Regulations on the Disclosure of Government Information, and the management measures shall be universal (any qualified enterprise can apply), rather than specifically formulated for specific enterprises; (3) The relevant grant approval document has clearly promised the disbursement period, and the disbursement of the funds is guaranteed by the corresponding fiscal budget, so it can be reasonably ensured that the funds can be received within the specified period; (4) According to the specific circumstances of the Company and the grant matter, other relevant conditions (if any) shall be met.

Government grants related to assets are recognized as deferred income and amortized into the current gains/losses in a reasonable and systematic way over the useful life of the relevant assets. Government grants related to income, if they are used to compensate for relevant costs, expenses or losses in the future, are recognized as deferred income and included in the current gains/losses in the period when the relevant costs, expenses or losses are recognized; if they are used to compensate for relevant costs, expenses or losses that have already occurred, they are directly included in the current gains/losses.

Government grants that contain both parts related to assets and parts related to income are accounted for separately according to different parts; if it is difficult to distinguish, they are classified as a whole as income-related government grants.

Government grants related to the Company's daily activities are included in other income or deducted from relevant costs and expenses according to the essence of economic transactions; government grants not related to daily activities are included in non-operating income and expenses.

In case it is required to return the recognized government grants if there is a balance of relevant deferred income, the book balance of the relevant deferred income shall be written off, and the excess part is adjusted to the current gains/losses and the book value of assets; in other cases, it is directly booked into current gains/losses.

34. Deferred Income Tax Assets/Deferred Income Tax Liabilities

Based on the difference between the carrying value of assets and liabilities and their tax bases (for items that are not recognized as assets and liabilities but for which the tax base can be determined according to tax law provisions, the difference between the tax base and the book amount), deferred income tax assets or deferred income tax liabilities are calculated and recognized in terms of the applicable tax rate during the period when the asset is expected to be recovered or the liability is expected to be settled.

The recognition of deferred income tax assets is limited to the amount of taxable income that is likely to be available to offset the deductible temporary differences. At the balance sheet date, if there is conclusive evidence indicating that sufficient taxable income is likely to be obtained in future periods to offset the deductible temporary differences, the deferred income tax assets that were not recognized in previous accounting periods are recognized.

The carrying value of deferred income tax assets will be reviewed at the balance sheet date. If it is likely that sufficient taxable income will not be available in future periods to offset the benefits of the deferred income tax assets, the carrying value of the deferred income tax assets shall be written down. When it is likely that sufficient taxable income will be obtained, the written-down amount is reversed.

The current income tax and deferred income tax of the company are booked in the current gains/losses as income tax expenses or gains, except for the income tax arising from business combinations, transactions or events directly recognized in owners' equity.

When the Company has the legal right to settle on a net basis and intends to settle on a net basis or to acquire assets and settle liabilities simultaneously, the current income tax assets and current income tax liabilities of the Company are presented at the net amount after offset.

35. Leasing

(1) Accounting treatment method of leasing as a lessee

The company as the lessee

The main category of leased assets of the company is buildings.

On the commencement date of the lease term, the Company recognizes right of use assets and lease liabilities for leases other than short-term leases and low value asset leases, and separately recognizes depreciation and interest expenses during the lease term.

The company adopts the straight-line method during each period of the lease term to record the lease payments for short-term leases and low value asset leases as current expenses.

1) Right of use assets

The right of use asset refers to the lessee's right to use the leased asset during the lease term. On the commencement date of the lease term. The right of use assets is initially measured at cost. The cost includes: ① the initial measurement amount of the lease liability; ② If there is lease incentive for the lease payment made on or before the start date of the lease term, the relevant amount of the lease incentive already enjoyed shall be deducted; ③ The initial direct expenses incurred by the lessee; ④ The lessee is expected to incur the cost of dismantling and removing the leased asset, restoring the leased asset's location, or restoring the leased asset to the state specified in the lease terms.

The depreciation of the company's right of use assets is classified and provisioned with the straight-line method. For those who can reasonably determine that ownership of the leased asset will be acquired upon the expiration of the lease term, depreciation shall be accrued over the expected remaining useful life of the leased asset; For those whose ownership of the leased asset cannot be reasonably determined upon expiration of the lease term, depreciation shall be accrued during the shorter of the lease term or the remaining useful life of the leased asset.

The company determines whether the right of use assets have been impaired and performs accounting treatment in accordance with the relevant provisions of Enterprise Accounting Standard No. 8- Asset Impairment.

2) Lease liabilities

Lease liabilities are initially measured at the present value of lease payments that have not yet been paid on the lease term commencement date. The lease payment amount includes: ① fixed payment amount (including substantial fixed payment amount), and if there is a lease incentive, the relevant amount of the lease incentive shall be deducted; ② Variable lease payments based on indices or ratios; ③ The estimated amount to be paid based on the residual value of the guarantee provided by the lessee; ④ The exercise price for purchasing the option, provided that the lessee reasonably determines that the option will be exercised; ⑤ The payment required to exercise the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease;

The company adopts the implicit interest rate of leasing as the discount rate; If the implicit interest rate of the lease cannot be reasonably determined, the incremental borrowing rate of the company shall be applied as the discount rate. The company calculates the interest expenses of lease liabilities during each period of the lease term based on a fixed periodic interest rate and includes them in financial expenses. The cyclical interest rate refers to the discount rate or revised discount rate adopted by the company.

Variable lease payments that are not included in the measurement of the lease liability are recognized in the current period's gains/losses when they actually occur.

When there are changes in the evaluation results of the option to renew, terminate or purchase the lease, the present value of the lease liability shall be remeasured based on the changed lease payment amount and the revised discount rate, and the book value of the right of use asset shall be adjusted accordingly. When there are changes in the actual lease payment amount, the expected payable amount of the guarantee residual value, or the variable lease payment amount depending on the index or ratio, the lease liability shall be remeasured based on the present value calculated by the changed lease payment amount and the original discount rate, and the book value of the right of use asset shall be adjusted accordingly.

3) Short term leasing and low value asset leasing

For short-term leases (leases with a lease term of no more than 12 months on the lease commencement date) and leases of low value assets (with a value less than 2000 yuan), the Company adopts a simplified approach by not recognizing right of use assets and lease liabilities. Instead, the lease payments are recorded in the relevant asset costs or current gains/losses with straight-line method or other systematic and reasonable methods during each period of the lease term.

(2) Accounting treatment method of leasing as a lessor

The company as the lessor

- Operating lease

The company uses the straight-line method to recognize the lease receipts from operating leases as rental income for each period during the lease term. Variable lease payments related to operating leases that are not included in lease receipts are recognized in the current period's gains/losses when they actually occur.

- Financial leasing

On the commencement date of the lease term, the Company recognizes the receivable financing lease payments and terminates the recognition of financing lease assets. The financing lease payments receivable are initially measured based on the net lease investment (the sum of unsecured residual value and the present value of lease receipts not yet received on the lease commencement date discounted at the lease implicit interest rate), and interest income is recognized during the lease term based on a fixed periodic

interest rate. The variable lease payments obtained by the company that are not included in the net measurement of lease investments are recognized in the current gains/losses when they actually occur.

36. Other Important Accounting Policies and Estimates

In the process of applying accounting policies, due to the inherent uncertainty of operating activities, the company needs to make judgments, estimates, and assumptions about the book value of financial statement items that cannot be accurately measured. These judgments, estimates, and assumptions are based on the past historical experience of the company's management and have been made taking into account other relevant factors. These judgments, estimates, and assumptions will affect the reported amounts of income, expenses, assets, and liabilities, as well as the disclosure of contingent liabilities on the balance sheet date. However, the actual results resulting from the uncertainty of these estimates may differ from the current estimates of the company's management, leading to significant adjustments to the carrying amounts of future affected assets or liabilities.

The company conducts regular reviews of the aforementioned judgments, estimates, and assumptions on a going concern basis. If changes in accounting estimates only affect the current period of the change, their impact is recognized in the current period of the change; If it affects both the current and future periods of the change, its impact shall be recognized in both the current and future periods of the change.

On the balance sheet date, the Company needs to make judgments, estimates, and assumptions about the amounts of financial statement items in the following important areas:

(1) Provision for bad debts

The company uses the expected credit loss model to evaluate the impairment of financial instruments. Applying the expected credit loss model requires making significant judgments and estimates, taking into account all reasonable and evidence-based information, including forward-looking information. When making such judgments and estimates, the Company infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks, and other factors.

(2) Provision for inventory depreciation

According to inventory accounting policy, the company we measure inventory at the lower of cost and net realizable value, and make provisions for inventory impairment for those with costs higher than net realizable value, as well as for obsolete and unsold inventory. The impairment of inventory to net realizable value is based on evaluating the sellability and net realizable value of inventory. To identify inventory impairment, management shall make judgments and estimates based on obtaining conclusive evidence and considering factors such as the purpose of holding inventory and the impact of events after the balance sheet date. The difference between the actual result and the original estimate will affect the book value of inventory and the provision or reversal of inventory impairment reserves during the period when the estimate is changed.

(3) Provision for impairment of non-financial and non-current assets

On the balance sheet date, the company assesses whether there are signs of potential impairment of non-current assets other than financial assets. For intangible assets with uncertain useful lives, in addition to annual impairment tests, impairment tests are also conducted when there are signs of impairment. When there are indications that the carrying amount of non-current assets other than financial assets cannot be recovered, impairment test shall be conducted.

When the book value of an asset or asset group is higher than the recoverable amount, which is the higher of the net amount of fair value minus disposal expenses and the present value of expected future cash flows, it indicates impairment.

The net amount after deducting disposal expenses from fair value is determined by referring to the sales agreement price or observable market price of similar assets in fair transactions, and subtracting the incremental costs directly attributable to the disposal of the asset.

When estimating the present value of future cash flows, significant judgments need to be made regarding the production, sale price, related operating costs, and discount rate used in calculating the present value of the asset (or asset group). When estimating

the recoverable amount, the company will use all available relevant information, including forecasts of production, selling prices, and related operating costs based on reasonable and supportable assumptions.

The company tests at least once a year whether there is any impairment of goodwill. This requires estimating the present value of future cash flows from asset groups or portfolio of asset groups that have been allocated goodwill. When estimating the present value of future cash flows, the company needs to estimate the cash flows generated by future asset groups or portfolio of asset groups, and select an appropriate discount rate to determine the present value of future cash flows.

(4) Depreciation and amortization

The company, after considering the residual values of investment real estate, fixed assets and intangible assets, calculates and accrues depreciation and amortization using the straight-line method over their useful lives. The company regularly reviews the service life to determine the amount of depreciation and amortization expenses to be included in each reporting period. The service life is determined by the company based on past experience with similar assets and expected technological updates. If there are significant changes in previous estimates, adjustments will be made to depreciation and amortization expenses in future periods.

(5) Fair value of financial instruments

For financial instruments for which there is no active trading market to provide quotes, valuation techniques need to be adopted to determine their fair values. Valuation techniques need to be used to determine fair value for financial instruments that cannot be quoted in markets with no active trading, for example, the latest trading information in the market, discounted cash flow method, and option pricing models. The company has established a set of workflow to ensure that qualified personnel are responsible for the calculation, verification, and review of fair value. The valuation model used by the company incorporates market information as much as possible and minimizes the use of unique information of the company. It should be pointed out that some of the information used in the valuation model needs to be estimated by the management (such as discount rate and target exchange rate volatility). The company regularly reviews the above estimates and assumptions and makes adjustments as necessary.

(6) Income tax

In the normal business operations of the company, there is a certain degree of uncertainty in the final tax treatment and calculation of some transactions. Whether some items can be deducted before tax requires the approval of the tax authorities in charge. If there is a difference between the final determination result of these tax matters and the initially estimated amount, such difference will have an impact on the current income tax and deferred income tax in the period of the final determination.

37. Changes of important accounting policies and estimation

(1) Changes of important accounting policies

Applicable Not applicable

Content and reasons for changes in account policies	Name of entries subject to key influence	In RMB
		Influence amount
In December 2024, the Ministry of Finance issued the Interpretation No. 18 of Accounting Standards for Enterprises (CK [2024] No. 24), requiring that “warranty-type quality guarantees that are not individual performance obligations” shall be accounted for in accordance with the provisions of the Accounting Standards for Enterprises No. 13 Contingencies (Ck [2006] No. 3).	2023 consolidated profit statement: operation cost	88,247,974.30
	2023 consolidated profit statement: sales expense	88,247,974.30
	2023 profit statement of parent company: operation cost	17,021,842.01
	2023 profit statement of parent company: sales expense	17,021,842.01

In December 2024, the Ministry of Finance issued the No. 18 Interpretation of Accounting Standards for Business Enterprises (CK[2024] No. 24), requiring that the “warranty - type quality assurance that does not belong to a single performance obligation” be accounted for in accordance with the provisions of the Accounting Standard for Business Enterprises No. 13 Contingencies (CK [2006] No. 3), debited into “Cost of Main Business” and “Cost of Other Business” and credited into the “Anticipated Liabilities” in terms of the determined amount of the provision, and presented in the “Operating Cost” in the income statement and the “Other Current Liabilities”, “Non-current Liabilities Due within One Year”, “Anticipated Liabilities” and other items in the balance sheet accordingly. When first implementing the content of this interpretation, if the original provision for warranty-type quality assurance was booked into “Sales Expenses” and other accounts, in accordance with the relevant provisions of the “Accounting Standard for Business Enterprises No. 28 Accounting Policies, Changes in Accounting Estimates and Correction of Errors”, changes in accounting accounts and statement presentation items involved in the accounting treatment of the above-mentioned warranty-type quality assurance should be retrospectively adjusted as a change in accounting policy. This explanation shall come into force from the date of issuance, and enterprises are allowed to implement it in advance from the year of issuance.

(2) Changes in important accounting estimations

Applicable Not applicable

(3) Related entries of the financial statements at the beginning of the first year of implementing the new accounting standards since 2024

Applicable Not applicable

38. Others

None

VI. Taxation

1. Major taxes and tax rates

Tax	Basis	Tax rate
VAT	The output tax is calculated based on the taxable income, and VAT is calculated based on the difference after deducting the input tax available for deduction for the current period	25% (IRD, Denmark), 22% (VHIO, Italy), 21% (Borit, Belgium), 13%, 9%, 6%, Collection rate 5% 13%、9%、6%、25% (IRD, Denmark)、22% (VHIO, Italy)、21% (Borit, Belgium)、collection rate 5%
City maintaining & construction tax	Turnover tax payable	7%, 5%
Corporation income tax	Taxable income	15%, 20%, 21%, 22%, 25%, 24% + regional tax 3.9%
Educational surtax	Turnover tax payable	5%

Disclose reasons for different taxpaying body

Taxpaying body	Income tax rate
The company, WFJN, WFLD, WFTT, WFMA, WFAM, WFSC, WFLD(Chongqing), WFAS	15%
WFLD(Wuhan)	20%
IRD America, Borit America	21%

IRD(Denmark)	22%
WFCA, WFTR, WFDT, WFQL, VHCN, WFLD(Nanchang), WFAS, WFSS, WFLH, Borit (Belgium)	25%
VHIO(Italy)	24% + Regional tax 3.9%

2. Tax incentives

The Company, WFJN, WFLD, WFTT and WFMA are recognized as high-tech enterprises in 2023 and enjoy a preferential income tax rate of 15% from January 1, 2023 to December 31, 2025. WFAS is recognized as a high-tech enterprise in 2024 and will enjoy a preferential income tax rate of 15% from January 1, 2024 to November 30, 2027. WFAM is recognized as a high-tech enterprise in 2024 and will enjoy a preferential income tax rate of 15% from January 1, 2024 to December 31, 2026. WFSC is recognized as a high-tech enterprise in 2022 and will enjoy a preferential income tax rate of 15% from January 1, 2022 to December 31, 2024.

According to the Continuation of the Enterprise Income Tax Policies for Western Development(No.23,2020) issued together by Ministry of Finance, SAT and NDRC, from January 1, 2011 to December 31, 2030, the enterprises located in the west region and mainly engaged in the industrial projects stipulated in the Catalogue of Encouragement Industries in Western China, and whose main business income accounting for more than 60% of the total income of the enterprise in the current year can pay the corporate income tax at the tax rate of 15%. In the year of 2023, WFLD (Chongqing) paid its corporate income tax at the tax rate of 15%.

In 2024, WFLD (Wuhan) was qualified small and low-profit enterprises. According to the Announcement on Further Supporting the Development of Small and Micro Enterprises and Individual Businesses Related to Tax Policies (Announcement No. 12 of the Ministry of Finance and the State Administration of Taxation in 2023), the taxable income of small and micro profit enterprises will be calculated at a reduced rate of 25%, and the enterprise income tax policy will be paid at a tax rate of 20%, which will be extended until December 31, 2027.

3. Other

None

VII. Notes to Major Items in Consolidated Financial Statements

1. Monetary funds

In RMB

Item	Ending balance	Opening balance
Cash on hand	5,360.59	6,343.24
Cash in bank	2,217,667,887.48	2,241,980,351.17
Other monetary funds	28,927,203.45	32,785,004.73
Total	2,246,600,451.52	2,274,771,699.14
Including: total amount of funds deposited overseas	153,019,429.47	126,839,309.52

Other explanation

The ending balance of other monetary fund includes RMB 20,363,281.63 deposited in the bank acceptance deposit, cash deposit for Mastercard RMB202,231.29, guarantee deposit RMB719,003.22, IRD performance bond RMB7,583,721.64, ETC freezing RMB4,000.00 and funds in the settlement process RMB54,965.67.

2. Trading financial asset

In RMB

Item	Ending balance	Opening balance
Financial assets measured at fair value and whose changes are included in current profit or loss	1,429,682,635.57	2,391,487,144.96
Including:		
SNAT		76,756,716.00
Miracle Automation	10,501,800.00	71,073,900.00
Other debt and equity instrument investments	1,419,180,835.57	2,243,656,528.96
Including:		
Total	1,429,682,635.57	2,391,487,144.96

3. Note receivable**(1) Classification of notes receivable**

In RMB

Item	Ending balance	Opening balance
Trade acceptance bill	99,914,699.81	144,976,174.84
Total	99,914,699.81	144,976,174.84

(2) Accrued bad debt reserve

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt reserve		Book value	Book value		Bad debt reserve		Book value
	Amount	Ratio	Amount	Accrued ratio		Amount	Ratio	Amount	Accrued ratio	
Including:										
Note receivable with bad debt reserve accrued on portfolio	99,914,699.81	100.00 %			99,914,699.81	144,976,174.84	100.00 %			144,976,174.84
Including:										
Portfolio 1: bank acceptance bill	99,914,699.81	100.00 %			99,914,699.81	144,976,174.84	100.00 %			144,976,174.84
Total	99,914,699.81	100.00 %			99,914,699.81	144,976,174.84	100.00 %			144,976,174.84

The bad debt reserve of note receivable is made in accordance with the general model of expected credit losses:

Applicable Not applicable

(3) Bad debt reserve accrued, collected or reversal

Major amount of bad debt reserve collected or reversal:

Applicable Not applicable

(4) Notes receivable already pledged by the Company at the end of the period

In RMB

Item	Amount pledge at period-end
Trade acceptance bill	43,071,798.39
Total	43,071,798.39

(5) Notes endorsement or discount and undue on balance sheet date

Nil

(6) Note receivable charged off in the period

Nil

4. Account receivable**(1) By account age**

In RMB

Aging	Ending book balance	Opening book balance
Within one year (One year included)	3,729,236,009.53	3,841,921,162.54
Including: within 6 months	3,641,532,161.27	3,732,178,445.50
6 months to one year	87,703,848.26	109,742,717.04
1-2 years	15,814,370.53	26,336,964.64
2-3 years	12,232,320.70	13,723,160.78
Over 3 years	21,845,527.28	57,510,391.30
3-4 years	20,693,138.00	5,607,074.80
4-5 years	663,355.37	19,615,877.12
> 5 years	489,033.91	32,287,439.38
Total	3,779,128,228.04	3,939,491,679.26

(2) Accrued of bad debt reserve

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt reserve		Book value	Book balance		Bad debt reserve		Book value
	Amount	Ratio	Amount	Accrued ratio		Amount	Ratio	Amount	Accrued ratio	
Account receivable with bad debt reserve accrued on a single basis	17,072,318.27	0.45%	17,072,318.27	100.00%		53,281,843.03	1.35%	53,281,843.03	100.00%	
Including:										

Account receivable with bad debt reserve accrued on portfolio	3,762,055,909.77	99.55%	24,402,016.74	0.65%	3,737,653,893.03	3,886,209,836.23	98.65%	28,669,878.03	0.74%	3,857,539,958.20
Including:										
Total	3,779,128,228.04	100.00%	41,474,335.01	--	3,737,653,893.03	3,939,491,679.26	100.00%	81,951,721.06	--	3,857,539,958.20

Bad debt reserve accrued on single basis: 17,072,318.27

In RMB

Name	Opening balance		Ending balance			
	Book balance	Bad debt reserve	Book balance	Bad debt reserve	Accrued ratio	Accrued causes
Hubei Meiyang Auto Industry Co., Ltd.	17,610,371.91	17,610,371.91				
Hunan Leopaard Auto Co., Ltd.	8,077,361.13	8,077,361.13				
BD bills	4,270,595.02	4,270,595.02				
Linyi Zotye Automobile Components Manufacturing Co., Ltd.	6,193,466.77	6,193,466.77	6,193,466.77	6,193,466.77	100.00%	Have difficulty in collection
Tongling Ruineng Purchasing Co., Ltd.	4,320,454.34	4,320,454.34				
Brilliance Automotive Group Holdings Co., Ltd.	3,469,091.33	3,469,091.33	2,693,280.39	2,693,280.39	100.00%	Have difficulty in collection
Dongfeng Chaoyang Diesel Co., Ltd.	1,823,262.64	1,823,262.64	1,823,262.64	1,823,262.64	100.00%	Have difficulty in collection
Jiangsu Kawei Auto Industrial Group Co., Ltd.	1,932,476.26	1,932,476.26				
Jiangsu Jintan Automobile Industry Co., Ltd.	1,059,798.43	1,059,798.43				
Tianjin Levol Engine Co., Ltd.	1,018,054.89	1,018,054.89	1,018,054.89	1,018,054.89	100.00%	Have difficulty in collection
SAIC HONGYAN Automotive Co., Ltd			2,297,240.06	2,297,240.06	100.00%	Have difficulty in collection
Other clients	3,506,910.31	3,506,910.31	3,047,013.52	3,047,013.52	100.00%	Have difficulty in collection
Total	53,281,843.03	53,281,843.03	17,072,318.27	17,072,318.27		

Bad debt reserve accrued on portfolio: 24,402,016.74

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Accrued ratio
Within 6 months	3,640,596,534.97		
6 months to one year	87,407,080.86	8,740,708.09	10.00%
1-2 years	14,549,657.71	2,909,932.32	20.00%
2-3 years	11,252,099.78	4,500,839.88	40.00%
Over 3 years	8,250,536.45	8,250,536.45	100.00%
Total	3,762,055,909.77	24,402,016.74	

Explanation on determining the basis for this portfolio

None

The bad debt reserve of accounts receivable is made in accordance with the general model of expected credit losses:

Applicable Not applicable

(3) Bad debt reserve accrued, collected or reversal

Bad debt reserve accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Charged off	Currency Translation for External Reporting	
Accrued on portfolio	53,281,843.03	2,297,240.06	4,534,967.21	33,971,797.61		17,072,318.27
Accrued on a single basis	28,669,878.03	3,338,644.80	7,398,016.99	64,436.67	144,052.43	24,402,016.74
Total	81,951,721.06	5,635,884.86	11,932,984.20	34,036,234.28	144,052.43	41,474,335.01

(4) Account receivable charged off in the Period

In RMB

Item	Amount charged off
Account receivable charged off	34,036,234.28

Major account receivable charged off:

In RMB

Name	Feature of account receivable	Amount of charged off	Reason of charged off	Procedures of charged off	Whether funds arose from associated transaction(Y/N)
Hubei Meiyang Auto Industry Co., Ltd.	Funds of goods	17,284,816.94	Unable to be recovered	Approved by the management	N
Hunan Leopaard Auto Co., Ltd.	Funds of goods	8,003,712.40	Unable to be recovered	Approved by the management	N
Total		25,288,529.34			

Explanation on account receivable charged off: Nil

(5) Top five account receivables and contract assets at ending balance by arrears party

In RMB

Name	Ending balance of account receivable	Ending balance of contract assets	Ending balance of account receivable and contract assets	Ratio in total ending balance of account receivables and contract assets	Ending balance of reserve for bad debts and contract assets
RBCD	807,220,878.29		807,220,878.29	21.36%	3,096,153.84
Robert Bosch Company	638,685,114.08		638,685,114.08	16.90%	1,347,705.10
Client 3	242,705,004.56		242,705,004.56	6.42%	79,495.99

Client 4	217,812,576.48		217,812,576.48	5.76%	2,388,883.17
Client 5	138,672,203.69		138,672,203.69	3.67%	20,358.96
Total	2,045,095,777.10		2,045,095,777.10	54.11%	6,932,597.06

5. Receivable financing

(1) Category of receivable financing

In RMB

Item	Ending balance	Opening balance
Bill receivable- bank acceptance bill	1,713,187,182.25	1,661,749,949.46
Total	1,713,187,182.25	1,661,749,949.46

(2) Notes receivable pledged by the Company at period-end

Item	Amount pledge at period-end
Bank acceptance bill	556,575,612.27
Total	556,575,612.27

(3) Notes endorsement or discount and undue on balance sheet date

Item	Amount derecognized at period-end	Amount not derecognized at period-end
Bank acceptance bill	498,067,461.92	
Total	498,067,461.92	

(4) Receivable financing charged off in current period

Nil

(5) Increase/decrease of receivable financing and changes in fair value of receivable financing in current period

Nil

(6) Other explanation

Nil

6. Other accounts receivable

In RMB

Item	Ending balance	Opening balance
Dividends receivable	5,357,758.49	
Other accounts receivable	925,171,249.08	919,684,126.81

Total	930,529,007.57	919,684,126.81
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(1) Interest receivable**1) Category of interest receivable**

Nil

2) Significant overdue interest

Nil

3) Accrued of bad debt reserveApplicable Not applicable**4) Bad debt reserve accrued, collected or reversal**

Nil

5) Interest receivable charged off in current period

Nil

(2) Dividends receivable**1) Category of dividends receivable**

In RMB

Item (or invested enterprise)	Ending balance	Opening balance
WFPM	5,357,758.49	
Total	5,357,758.49	

2) Major dividends receivable with account age over one year

Nil

3) Accrued of bad debt reserveApplicable Not applicable**4) Bad debt reserve accrued, collected or reversal in current period**

Nil

5) Dividends receivable charged off in current period

Nil

(3) Other accounts receivable**1) By nature**

In RMB

Nature	Ending book balance	Opening book balance
Intercourse funds from units	7,013,631.68	4,084,594.65
Cash deposit	10,540,482.23	10,215,094.41
Staff loans and petty cash	384,928.19	904,305.07
Social security and provident fund paid	13,024,199.29	12,537,832.68
WFTR “platform trade” business portfolio	2,542,263,370.70	2,542,263,370.70
Other	1,830,741.58	38,770.10
Total	2,575,057,353.67	2,570,043,967.61

2) By aging

In RMB

Aging	Ending book balance	Opening book balance
Within one year (One year included)	25,570,895.82	18,850,121.91
Within 6 months	21,502,060.65	18,448,595.63
6 months to one year	4,068,835.17	401,526.28
1-2 years	353,994.58	2,544,896,026.07
2-3 years	2,544,811,701.19	954,984.11
Over 3 years	4,320,762.08	5,342,835.52
3-4 years	2,607,265.87	4,524,432.51
4-5 years	1,497,670.00	801,603.01
Over 5 years	215,826.21	16,800.00
Total	2,575,057,353.67	2,570,043,967.61

3) Accrued bad debt reserveApplicable Not applicable

Expected credit loss general model for provision of bad debt reserve:

In RMB

Bad debt reserve	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2024	6,259,786.07		1,644,100,054.73	1,650,359,840.80
Balance on Jan. 1, 2024 in the period				
Current accrued	1,378,791.89			1,378,791.89

Current reversal	1,145,482.28			1,145,482.28
Current charged-off	636,710.00			636,710.00
Other changes	-70,335.82			-70,335.82
Balance on Dec. 31, 2024	5,786,049.86		1,644,100,054.73	1,649,886,104.59

Classification basis and bad debt reserve ratio for each stage

Changes in book balance of bad debt reserve whose amount has major changes in the period

Applicable Not applicable

4) Bad debt reserve accrued, collected or reversal

Bad debt reserve accrued in the period:

In RMB

Category	Opening balance	Change in current period				Ending balance
		Accrued	Collected or reversal	Charged-off	Currency Translation for External Reporting	
Bad debt reserve	1,650,359,840.80	1,378,791.89	1,145,482.28	636,710.00	-70,335.82	1,649,886,104.59
Total	1,650,359,840.80	1,378,791.89	1,145,482.28	636,710.00	-70,335.82	1,649,886,104.59

5) Other accounts charged off during the reporting period

In RMB

Item	Charged-off
Other accounts charged off	636,710.00

6) Top 5 other accounts receivable at ending balance by arrears party

In RMB

Enterprise	Nature	Ending balance	Aging	Ratio in total ending balance of other accounts receivables	Ending balance of bad debt reserve
WFTR “platform trade” business portfolio	See “Other explanations”	2,542,263,370.70	2-3 years	98.73%	1,644,068,327.93
Autocam (China) Automotive Components Co., Ltd	Deposit margin	3,559,554.52	Over 3 years	0.14%	
Robert Bosch Company	Intercourse funds from units	2,885,068.34	Within 1 year	0.11%	225,599.81
BYD	Deposit margin	1,530,000.00	With 1 year	0.06%	
Wuxi China Resources Gas Co. LTD	Deposit margin	1,364,750.00	Over 3 years	0.05%	1,026,000.00
Total		2,551,602,743.56		99.09%	1,645,319,927.74

7) Listed as other receivables due to centralized fund management

Other explanations: For details of WFTR “platform trade” business portfolio, please refer to the description in Note XVIII.7 “Other Significant Transactions and Matters Affecting Investors’ Decisions”. The ending balance of WFTR’s “platform trade” business portfolio balance include the balance of other receivables listed in Note IV. 6(3).

7. Account paid in advance**(1) By aging**

In RMB

Aging	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within one year	87,178,436.38	93.46%	56,627,071.44	74.31%
1-2 years	2,329,391.28	2.50%	17,692,490.92	23.22%
2-3 years	3,468,224.73	3.72%	1,879,201.90	2.47%
Over 3 years	307,414.10	0.33%	3,506.90	
Total	93,283,466.49		76,202,271.16	100%

Explanation on reasons why prepayments with an aging of over 1 year and significant amounts were not settled in a timely manner
Nil

(2) Top 5 accounts paid in advance at ending balance by prepayment object

In RMB

Name	Ending balance	Proportion in total ending balance of accounts paid in advance (%)
State Grid Jiangsu Electric Power Co., Ltd	14,198,703.08	15.22
Robert Bosch Company	10,933,876.91	11.72
Xiangyang Kanghao Electromechanical Engineering Co., Ltd	7,965,920.68	8.54
CITIC Taifu Steel Trading Co., Ltd	5,696,544.97	6.11
Northeast Special Steel Group Dalian Special Steel Trading Co., Ltd	5,671,492.84	6.08
Total	44,466,538.48	47.67

8. Inventory

Does the Company need to comply with disclosure requirements in the real estate industry?

No

(1) Category of inventory

In RMB

Item	Ending balance			Opening balance		
	Book balance	Inventory depreciation reserve or provision for	Book value	Book balance	Inventory depreciation reserve or provision for	Book value

		impairment of contract performance costs			impairment of contract performance costs	
Stock materials	558,770,000.24	100,525,696.37	458,244,303.87	590,057,187.69	116,560,014.49	473,497,173.20
Goods in process	555,451,953.02	28,344,427.22	527,107,525.80	463,097,639.20	30,595,290.34	432,502,348.86
Finished goods	1,468,970,529.18	145,401,957.71	1,323,568,571.47	1,336,512,057.06	173,978,548.18	1,162,533,508.88
Total	2,583,192,482.44	274,272,081.30	2,308,920,401.14	2,389,666,883.95	321,133,853.01	2,068,533,030.94

(2) Data resource recognized as inventory

None

(3) Inventory depreciation reserve or provision for impairment of contract performance costs

In RMB

Item	Opening balance	Current increase		Current decrease		Ending balance
		Accrued	Other	Reversal or write-off	Foreign currency financial statement translation	
Raw materials	116,560,014.49	51,748,772.30		67,126,264.20	656,826.22	100,525,696.37
Goods in process	30,595,290.34	12,477,042.36		14,229,339.67	498,565.81	28,344,427.22
Finished goods	173,978,548.18	97,987,663.65		126,359,973.34	204,280.78	145,401,957.71
Total	321,133,853.01	162,213,478.31		207,715,577.21	1,359,672.81	274,272,081.30

(4) Explanation on capitalization of borrowing costs in ending balance of inventory

Nil

(5) Explanation on the current amortization amount of contract performance cost

Nil

9. Non-current assets maturing within one year

In RMB

Item	Ending balance	Opening balance
Other non-current financial assets maturing within one year	50,000,000.00	
Other non-current assets maturing within one year	509,070,575.38	
Total	559,070,575.38	

(1) Debt investment maturing within one yearApplicable Not applicable**(2) Other debt investment maturing within one year**Applicable Not applicable

10. Other current assets

In RMB

Item	Ending balance	Opening balance
Receivable export tax rebates	5,356,094.47	9,103,488.70
VAT refund receivable	7,165,454.75	114,079,600.14
Prepaid taxes and VAT retained	146,820,302.41	173,908,288.11
Input tax to be deducted and certification	17,548,216.30	2,162,292.69
Other	12,098,391.53	26,655,713.47
Total	188,988,459.46	325,909,383.11

11. Other equity instrument investment

In RMB

Item	Ending balance	Opening balance	Gains recognized in other comprehensive income for the current period	Losses recognized in other comprehensive income for the current period	Accumulated gains recognized in other comprehensive income at the end of this period	Accumulated losses recognized in other comprehensive income at the end of this period	Dividends income recognized in this period	Reasons for designating fair value measurement with changes recognized in other comprehensive income
Wuxi Xichan Microchip Semiconductor	592,742,690.00	592,742,690.00						Non-trading equity instrument investment
Other	85,048,000.00	85,048,000.00						Non-trading equity instrument investment
Total	677,790,690.00	677,790,690.00						

12. Long-term equity investment

In RMB

Invested entity	Opening balance (book value)	Opening balance of impairment provision	Current changes (+/-)								Ending balance (book value)	Ending balance of depreciation reserves
			Addition investment	Capital reduction	Investment gain/loss recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Impairment accrued	Translation of Foreign Currency Financial Statements		
I. Joint venture												
II. Associated enterprise												
WFEC	915,511,847.44				215,220,266.22		1,815,176.61	122,500,000.00			1,010,047,290.27	
RBCD	3,015,307,291.83				926,483,938.86			527,829,600.44			3,413,961,630.25	
Zhonglian Electronics	1,685,502,046.73				452,288,770.52			266,000,000.00			1,871,790,817.25	
WFP M	41,464,195.65				7,331,015.58		872,715.59	5,357,758.49			44,310,168.33	
Changchun Xuyang	9,082,823.79				-609,825.85						8,472,997.94	

Precors GmbH	8,587,489.62							8,420,913.32	-166,576.30	0.00	8,223,048.38
AutoLink	182,680,857.61		30,000,000.00		41,760,354.74		39,945,647.02			210,866,149.89	
Lezhuo Bowei	89,496,954.40		110,000,000.00		66,736,182.81					132,760,771.59	
WuXi ZW			39,000,000.00		1,080,687.12					37,919,312.88	
Voith HySTech GmbH			322,277,084.93		10,290,984.20				-7,016,360.54	304,969,740.19	
Subtotal	5,947,633,507.07		501,277,084.93		1,480,845,956.46		42,633,539.22	921,687,358.93	8,420,913.32	7,182,936.84	7,035,098,878.59
Total	5,947,633,507.07		501,277,084.93		1,480,845,956.46		42,633,539.22	921,687,358.93	8,420,913.32	7,182,936.84	7,035,098,878.59

Note:

Wuxi Weifu Precision Machinery Manufacturing Co., Ltd. was renamed into Wuxi Weifu Precision Machinery Manufacturing Company Limited on February 28, 2024.

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

Applicable Not applicable

The recoverable amount is determined based on the present value of expected future cash flows

Applicable Not applicable

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment test

Nil

Reasons for significant discrepancies between the information used in the company's previous annual impairment tests and the actual situation of the current year

Nil

Other explanation:

Nil

13. Other non-current financial assets

In RMB

Item	Ending balance	Opening balance
Financial assets classified as at fair value through profit or loss (FVTPL)	747,471,349.81	804,350,120.06
Guolian Securities		1,084,000.00
Investments in other debt instruments and equity instruments held for more than one year	747,471,349.81	803,266,120.06
Minus: other non-current financial assets maturing within one year	50,000,000.00	
Total	697,471,349.81	804,350,120.06

14. Investment real estate

(1) Investment real estate measured by cost

Applicable Not applicable

In RMB

Item	House and Building	Land use right	Construction in progress	Total
I. Original book value				
1. Opening balance	95,327,686.03			95,327,686.03
2. Current increased				
(1) Outsourcing				
(2) Inventory\fixed assets\construction in process transfer-in				
(3) Increased by combination				
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	95,327,686.03			95,327,686.03
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	48,400,969.54			48,400,969.54
2. Current increased	1,965,786.10			1,965,786.10
(1) Accrued or amortization	1,965,786.10			1,965,786.10
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	50,366,755.64			50,366,755.64
III. Depreciation reserves				
1. Opening balance				
2. Current increased				
(1) Accrued				
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance				
IV. Book value				
1. Ending book value	44,960,930.39			44,960,930.39
2. Opening book value	46,926,716.49			46,926,716.49

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

Applicable Not applicable

The recoverable amount is determined based on the present value of expected future cash flows

Applicable Not applicable

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment test

Nil

Reasons for significant discrepancies between the information used in the company's previous annual impairment tests and the actual situation of the current year

Nil

Other explanation:

Nil

(2) Investment real estate measured at fair value

Applicable Not applicable

(3) Converted into investment real estate measured at fair value

Nil

(4) Investment real estate without property certification held

In RMB

Item	Book value	Reason for not obtaining the property rights certificate
Real estate of WFJN	52,182.36	Still in process of relevant property procedures

15. Fixed assets

In RMB

Item	Ending balance	Opening balance
Fixed assets	4,461,619,375.21	3,969,574,102.87
Disposal of fixed assets		
Total	4,461,619,375.21	3,969,574,102.87

(1) Fixed assets

In RMB

Item	House and Building	Machinery equipment	Transportation equipment	Electronic and other equipment	Land	Total
I. Original book value:						
1. Opening balance	2,032,107,555.67	5,006,902,151.83	42,039,805.21	1,236,400,092.39	32,275,299.13	8,349,724,904.23
2. Current increased	454,560,276.29	451,852,014.96	7,434,187.53	213,686,053.84		1,127,532,532.62
(1) Purchase	1,553,306.64	32,198,662.85	3,416,686.64	63,088,946.11		100,257,602.24
(2) Construction in progress transfer-in	453,006,969.65	419,653,352.11	4,017,500.89	150,597,107.73		1,027,274,930.38
(3) Increased by combination						
3. Current decreased	4,479,117.47	29,607,500.21	2,653,838.80	42,649,897.98		79,390,354.46
(1) Disposal or scrapping	4,479,117.47	29,607,500.21	2,653,838.80	42,649,897.98		79,390,354.46
4. Currency Translation for External Reporting	-5,741,247.31	-21,411,753.82	-2,795.00	-15,719,526.74	-1,369,719.26	-44,245,042.13
5. Ending balance	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
II. Accumulated depreciation						
1. Opening balance	605,180,085.15	2,741,676,537.83	23,008,286.27	804,954,516.26		4,174,819,425.51

2.Current increased	69,528,324.35	359,872,030.75	3,537,347.02	158,876,074.86		591,813,776.98
(1) Accrued	69,528,324.35	359,872,030.75	3,537,347.02	158,876,074.86		591,813,776.98
3.Current decreased	3,466,465.02	24,599,696.57	2,260,449.28	17,471,370.56		47,797,981.43
(1) Disposal or scrapping	3,466,465.02	24,599,696.57	2,260,449.28	17,471,370.56		47,797,981.43
4.Conversion of foreign currency financial statement	-2,712,859.44	-13,731,937.78	-9,603.52	-12,734,977.27		-29,189,378.01
5.Ending balance	668,529,085.04	3,063,216,934.23	24,275,580.49	933,624,243.29		4,689,645,843.05
III. Depreciation reserves						
1.Opening balance	14,920,553.54	152,003,807.08	73,319.90	22,287,693.43	16,046,001.90	205,331,375.85
2.Current increased		897,774.43		2,749,525.98		3,647,300.41
(1) Accrued		897,774.43		2,749,525.98		3,647,300.41
3.Current decreased		1,179,104.55		797,310.18		1,976,414.73
(1) Disposal or scrapping		1,179,104.55		797,310.18		1,976,414.73
4.Conversion of foreign currency financial statement	-633,207.72	-2,785,509.35		-545,752.23	-680,970.23	-4,645,439.53
5.Ending balance	14,287,345.82	148,936,967.61	73,319.90	23,694,157.00	15,365,031.67	202,356,822.00
IV. Book value						
1.Ending book value	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
2.Opening book value	1,412,006,916.98	2,113,221,806.92	18,958,199.04	409,157,882.70	16,229,297.23	3,969,574,102.87

(2) Temporarily idle fixed assets

In RMB

Item	Original book value	Accumulated depreciation	Impairment reserve	Book value	Note
Machinery equipment	7,506,764.39	2,450,353.80	1,399,781.22	3,656,629.37	
Other equipment	5,988,078.39	2,939,148.49	2,749,525.98	299,403.92	
Total	13,494,842.78	5,389,502.29	4,149,307.20	3,956,033.29	

(3) Fixed assets acquired by operating lease

In RMB

Item	Ending book value
Housing and building	15,536,662.70
Total	15,536,662.70

(4) Fixed assets without property certification held

In RMB

Item	Book value	Reasons for without the property certification
No. 6 R&D Building in No. 6, Huashan Road, Wuxi City	373,710,060.22	Still in process of relevant property procedures
Machine Shop 106 Factory	56,190,226.43	Still in process of relevant property procedures
WFCA - Factory and office buildings	28,023,666.10	Still in process of relevant property procedures
WFJN - Factory and office buildings	160,396.67	Still in process of relevant property procedures

Other explanation: None

(5) Impairment test of fixed assets

Applicable Not applicable

(6) Disposal of fixed assets

Nil

16. Construction in progress

In RMB

Item	Ending balance	Opening balance
Construction in progress	380,321,816.50	564,605,931.90
Total	380,321,816.50	564,605,931.90

(1) Construction in progress

In RMB

Item	Ending balance			Opening balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Renovation of Xinan Branch, No. 1 workshop of the company	4,456,868.76		4,456,868.76	148,242,724.89		148,242,724.89
Lot 103 phase VI	222,994.13		222,994.13	7,509,742.36		7,509,742.36
Production line and equipment under installation and debugging	353,665,522.78	184,615.38	353,480,907.40	391,286,034.94	184,615.38	391,101,419.56
Sporadic construction and installation projects	4,793,935.12		4,793,935.12	5,265,721.92		5,265,721.92
Software and system under installation and debugging	17,367,111.09		17,367,111.09	12,486,323.17		12,486,323.17
Total	380,506,431.88	184,615.38	380,321,816.50	564,790,547.28	184,615.38	564,605,931.90

(2) Changes of major construction in progress

In RMB

Item	Budget (ten thousand yuan)	Opening balance	Current increased	Fixed assets transfer in the Period	Other decreased in the Period	Ending balance	Proportion of project investment in budget	Progress	Accumulated amount of interest capitalization	Including: interest capitalized amount of the year	Interest capitalization rate of the year	Source of funds
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Renovation of Xinan Branch, No. 1 workshop of the company	41,245.40	148,242,724.89	237,771,416.96	381,557,273.09		4,456,868.76	93.59%	The main structure has been commissioned and operational, while ancillary works remain under installation and commissioning.				Own Fund
Lot 103 phase VI	6,309.48	7,509,742.36	49,030,863.27	56,317,611.50		222,994.13	97.68%	The main structure has been commissioned and operational, while ancillary works remain under installation and commissioning.				Own Fund
Total	47,554.88	155,752,467.25	286,802,280.23	437,874,884.59		4,679,862.89						

(3) Provision for impairment of construction in progress

In RMB

Item	Opening balance	Current increase	Current decrease	Ending balance	Reason for withdrawal
Equipment installation	184,615.38			184,615.38	
Total	184,615.38			184,615.38	--

(4) Impairment test of construction in progress

Applicable Not applicable

(5) Engineering material

Other explanation: None

17. Right-of-use assets**(1) Right-of-use assets**

In RMB

Item	Building	Mechanical equipment	Total
I. Original book value:			
1. Opening balance	54,412,701.74	26,999,713.53	81,412,415.27
2. Current increased	35,659,064.81	6,843,239.61	42,502,304.42
(1) Increased lease	35,659,064.81	6,843,239.61	42,502,304.42
3. Current decreased	5,211,032.45	4,927,821.80	10,138,854.25
(1) Disposal	5,211,032.45	4,927,821.80	10,138,854.25
4. Conversion of foreign currency financial statement	-1,571,168.06	-1,017,292.50	-2,588,460.56
5. Ending balance	83,289,566.04	27,897,838.84	111,187,404.88
II. Accumulated depreciation			
1. Opening balance	20,705,961.48	11,873,980.94	32,579,942.42
2. Current increased	14,423,574.95	7,055,000.62	21,478,575.57
(1) Accrued	14,423,574.95	7,055,000.62	21,478,575.57
3. Current decreased	5,114,977.17	4,526,797.79	9,641,774.96
(1) Disposal	5,114,977.17	4,526,797.79	9,641,774.96
4. Conversion of foreign currency financial statement	-286,125.31	-708,655.21	-994,780.52
5. Ending balance	29,728,433.95	13,693,528.56	43,421,962.51
III. Depreciation reserves			
1. Opening balance			
2. Current increased			
(1) Accrued			
3. Current decreased			
(1) Disposal			
4. Ending balance			
IV. Book value			
1. Ending Book value	53,561,132.09	14,204,310.28	67,765,442.37
2. Opening Book value	33,706,740.26	15,125,732.59	48,832,472.85

(2) Impairment test of right-of-use assets□Applicable Not applicable**18. Intangible assets****(1) Intangible assets**

In RMB

Item	Land use right	Patent	Non-patent technology	Computer software	Trademark and trademark license	Patent and non-patent technology	Total
I. Original book value							
1. Opening balance	372,945,018.62			214,863,628.61	41,597,126.47	265,193,677.79	894,599,451.49
2. Current increased	46,315,114.55			28,044,927.39			74,360,041.94
(1) Purchase	46,315,114.55			1,820,084.38			48,135,198.93
(2) Internal R&D							

(3) Increased by combination							
(4) Transfer from construction in progress				26,224,843.01			26,224,843.01
3.Current decreased				362,529.94			362,529.94
(1) Disposal or scrapping				362,529.94			362,529.94
4.Conversion of foreign currency financial statement				-747,375.93		-9,802,760.05	-10,550,135.98
5.Ending balance	419,260,133.17			241,798,650.13	41,597,126.47	255,390,917.74	958,046,827.51
II. Accumulated amortization							
1.Opening balance	113,015,433.79			160,301,847.95	9,709,000.00	109,623,226.43	392,649,508.17
2.Current increased	8,747,893.17			41,821,136.42		22,809,825.74	73,378,855.33
(1) Accrued	8,747,893.17			41,821,136.42		22,809,825.74	73,378,855.33
3.Current decreased				362,529.94			362,529.94
(1) Disposal				362,529.94			362,529.94
4.Conversion of foreign currency financial statement				-547,672.32		-4,707,335.27	-5,255,007.59
5.Ending balance	121,763,326.96			201,212,782.11	9,709,000.00	127,725,716.90	460,410,825.97
III. Depreciation reserves							
1.Opening balance				468,160.79	16,646,900.00		17,115,060.79
2.Current increased							
(1) Accrued							
3.Current decreased							
(1) Disposal							
4.Conversion of foreign currency financial statement				-19,868.13			-19,868.13
5.Ending balance				448,292.66	16,646,900.00		17,095,192.66
IV. Book value							
1.Ending book value	297,496,806.21			40,137,575.36	15,241,226.47	127,665,200.84	480,540,808.88
2.Opening book value	259,929,584.83			54,093,619.87	15,241,226.47	155,570,451.36	484,834,882.53

The proportion of intangible assets formed through internal R&D of the company to the balance of intangible assets at the end of this period: 0%.

(2) Data source recognized as intangible assets

Applicable Not applicable

(3) Land use right without property certification held

Other explanation: None

(4) Impairment test of intangible assets

Applicable Not applicable

19. Goodwill**(1) Original book value of goodwill**

In RMB

Name of invested entities or matters forming goodwill	Opening balance	Current increased		Current decreased		Ending balance
		Formed by business combination	Translation of foreign currency statements	Disposal		
Merged with WFTT	1,784,086.79					1,784,086.79
Merged with Borit	248,965,678.87		-10,680,759.95			238,284,918.92
Total	250,749,765.66		-10,680,759.95			240,069,005.71

(2) Goodwill depreciation reserve

In RMB

Name of invested entities or matters forming goodwill	Opening balance	Current increased		Current decreased		Ending balance
		Formed by business combination	Translation of foreign currency statements	Disposal		
Merged with WFTT						
Merged with Borit	128,432,946.46	86,485,586.18	-7,454,845.15			207,463,687.49
Total	128,432,946.46	86,485,586.18	-7,454,845.15			207,463,687.49

(3) Related information of asset group or asset group portfolio of goodwill

Name	Component and basis for asset group or asset group portfolio	Operation branch and basis	Is consistent with previous year (Y/N)?
WFTT	Long term assets related to the merger of WFTT's goodwill; The management made it clear that this asset group will be used and operated independently of other assets, and will generate cash inflows independently	Automotive intake system product division; Category of asset group output products	Y
Borit	Long term assets related to the merger of Borit's goodwill; The management made it clear that this asset group will be used and operated independently of other assets, and will generate cash inflows independently	Other automotive parts divisions; Category of asset group output products	Y

Changes in asset group or asset group portfolio: None

Other explanation: None

(4) Specific method of determining recoverable amount

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

Applicable Not applicable

In RMB

Item	Book value	Recoverable amount	Depreciation amount	Method of determining fair value and disposal expense	Key parameters	Basis to determine key parameters
Borit	252,193,974.48	165,708,388.30	86,485,586.18	Market method	Market multiplier	Average value of comparable company
Total	252,193,974.48	165,708,388.30	86,485,586.18			

The recoverable amount is determined based on the present value of expected future cash flows

Applicable Not applicable

In RMB

Item	Original book value	Recoverable amount	Impairment amount	Expected period	Key parameters of expected period	Key parameters of stable period	Basis to determine key parameters of stable period
WFTT	182,581,461.12	352,442,268.53		5 years	Income growth rate: 5% -26%; Profit margin: 4% -7%; Discount rate: 11.67%	Income growth rate is 0%, Profit margin: 4.90%, Discount rate: 11.67%	Considering prudence, the income growth during the stable period is 0% on the basis of prudence consideration.
Total	182,581,461.12	352,442,268.53					

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment test

Nil

Reasons for significant discrepancies between the information used in the company's previous annual impairment tests and the actual situation of the current year

Nil

(5) Completion of performance commitments and corresponding impairment of goodwill

When goodwill is formed, there is a performance commitment and the reporting period or the previous period is within the performance commitment period

Applicable Not applicable

Other explanation:

To calculate the recoverable amount of the asset group portfolio, the company referred to the evaluation results in Asset Valuation Report on the Recoverable Value of the Asset Group in Which the Goodwill Associated with the Merger of Borit NV located for the Purpose of Conducting Impairment Tests on Goodwill for Financial Reporting Purposes of WFHT issued by Wanlong (Shanghai) Asset Appraisal Co., Ltd. (WLCP (2025) No. 40025). According to the results of impairment test, the company has made an impairment provision of RMB 86485586.18 for goodwill related to this asset group in the current period.

20. Long-term deferred expense

In RMB

Item	Opening balance	Current increase	Amortized in the Period	Foreign currency financial statement translation	Ending balance

Decoration expense, etc.	24,714,632.10	7,614,754.52	9,487,894.63	-639,026.95	22,202,465.04
Total	24,714,632.10	7,614,754.52	9,487,894.63	-639,026.95	22,202,465.04

21. Deferred income tax assets/Deferred income tax liabilities

(1) Deferred income tax assets not offset

In RMB

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Unrealized profit from insider transactions	65,395,598.24	13,015,777.61	58,038,282.16	10,362,240.10
Deductible loss	1,168,677,565.93	175,301,634.90	1,021,893,078.26	153,283,961.74
Bad debt reserve	41,797,429.02	6,435,174.40	82,811,787.71	12,593,312.59
Inventory depreciation reserve	236,847,793.55	36,125,249.29	286,016,361.30	45,423,673.61
Depreciation reserves of fixed assets	96,998,034.32	17,014,413.73	95,427,114.11	16,503,823.10
Depreciation reserve of construction in progress	184,615.38	27,692.31	184,615.38	27,692.31
Depreciation reserves of intangible assets	16,646,900.00	2,497,035.00	16,646,900.00	2,497,035.00
Deferred income	149,757,581.67	22,633,752.36	182,861,766.95	27,634,668.38
Payable salary, accrued expenses etc.	917,718,552.00	145,328,224.99	787,779,009.37	148,065,821.58
Depreciation assets, amortization difference	23,208,041.96	3,527,337.81	21,482,750.97	3,311,127.10
Depreciation reserves of other non-current assets	146,615,749.63	21,992,362.44		
Lease liability	110,360,096.73	21,571,980.21	50,855,198.17	11,460,004.56
Changes in fair value	30,550,763.25	4,582,614.49	17,858,685.16	2,678,802.77
Total	3,004,758,721.68	470,053,249.54	2,621,855,549.54	433,842,162.84

(2) Deferred income tax liabilities not offset

In RMB

Item	Ending balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
The difference between the fair value and taxation basis of WFTT assets in a merger not under the same control	9,256,736.95	1,388,510.52	9,724,500.55	1,458,675.07
The difference between the fair value and taxation basis of IRD assets in a merger not under the same control	42,249,682.78	9,294,930.21	54,330,413.17	11,952,690.89
The difference between the fair value and taxation basis of Borit assets in a merger not under the same control	15,512,362.69	3,878,090.60	19,310,735.89	4,827,683.93
The difference between the fair value and taxation basis of VH business in a merger not under the same control	42,200,640.32	10,128,153.65	53,064,614.54	12,735,507.49
Change in fair value of transaction financial asset	823,158.14	123,473.72	8,339,996.55	1,259,587.67
Accelerated depreciation of fixed assets	844,054,613.82	131,777,556.75	761,694,832.59	116,424,109.44

Right-of-use assets	62,433,477.96	13,999,594.04	48,832,472.85	11,023,076.15
Others	83,354,236.41	13,578,003.30		
Total	1,099,884,909.07	184,168,312.79	955,297,566.14	159,681,330.64

(3) Deferred income tax assets and deferred income tax liabilities listed after off-set

In RMB

Item	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax assets	159,298,304.33	303,420,166.65	121,929,207.77	311,912,955.07
Deferred income tax liabilities	159,298,304.33	24,870,008.46	121,929,207.77	37,752,122.87

(4) Details of unrecognized deferred income tax assets

In RMB

Item	Ending balance	Opening balance
Bad debt reserve	1,649,563,010.58	1,649,499,774.15
Inventory depreciation reserve	37,424,287.75	35,117,491.71
Loss from subsidiary	923,958,282.87	845,349,190.11
Depreciation reserve of long-term equity investment	8,223,048.38	
Depreciation reserves of fixed assets	105,358,787.68	109,904,261.74
Depreciation reserves of intangible assets	448,292.66	468,160.79
Changes in Fair Value of Other Equity Instruments	13,600,000.00	13,600,000.00
Wages payable, withholding expense, etc.	49,304,003.51	4,572,812.40
Total	2,787,879,713.43	2,658,511,690.90

Other explanation: The reason for not recognizing the deferred income tax assets is that it is uncertain whether the loss-making subsidiaries can obtain sufficient taxable income in the future, so the deferred income tax assets have not been recognized.

(5) The deductible losses of unrecognized deferred income tax assets expired in following years

In RMB

Maturity year	Ending amount	Opening amount	Note
2024		3,792,427.29	
2025	7,635,552.89	12,140,693.54	
2026	46,267,496.16	46,418,486.84	
2027	90,932,850.34	126,802,486.76	
2028	104,023,377.77	101,104,099.31	
2029 and the following years	119,116,583.00		
No expiration date	555,982,422.71	555,090,996.37	The non-expiring portion of deductible tax losses relates to operating losses incurred by the Company's overseas subsidiaries, which qualify for indefinite carryforward under the tax regulations of their respective host jurisdictions.

Total	923,958,282.87	845,349,190.11
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Other explanation: The portion of the deductible losses without an expiration date refers to the operating losses incurred by the Company's overseas subsidiaries. According to the tax policies of the locations where the overseas subsidiaries operate, these operating losses can be offset indefinitely.

22. Other non-current assets

In RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Contract acquisition cost	4,330,621.43		4,330,621.43	11,333,809.10		11,333,809.10
Engineering equipment paid in advance	186,322,984.79		186,322,984.79	232,894,913.95		232,894,913.95
Large deposit certificates with a maturity of more than one year	689,071,260.28		689,071,260.28	1,112,512,500.00		1,112,512,500.00
Financial products	160,163,280.47		160,163,280.47			
Minus: provision for impairment of other non-current assets	146,615,749.63		146,615,749.63			
Total	893,272,397.34		893,272,397.34	1,356,741,223.05		1,356,741,223.05

Note: In this year, there were signs of impairment in one of the company's wealth management product. The Company transferred it from transactional financial assets to other non-current assets and made corresponding asset impairment provisions based on the estimated recoverable amount.

23. Assets with restricted ownership or use right

In RMB

Item	Ending				Opening			
	Book balance	Book value	Restriction type	Restriction reason	Book balance	Book value	Restriction type	Restriction reason
Monetary funds	20,363,281.63	20,363,281.63	Cash deposit	Notes pledge for bank acceptance	22,174,151.94	22,174,151.94	Cash deposit	Notes pledge for bank acceptance
Bill receivable	43,071,798.39	43,071,798.39	Pledge	Notes pledge for bank acceptance	97,820,000.00	97,820,000.00	Pledge	Notes pledge for bank acceptance
Monetary funds	7,583,721.64	7,583,721.64	Cash deposit	IRD performance bond	7,902,000.00	7,902,000.00	Cash deposit	IRD performance bond
Monetary funds	719,003.22	719,003.22	Cash deposit	Cash deposit for Mastercard			Cash deposit	Cash deposit for Mastercard

Monetary funds	202,231.29	202,231.29	Cash deposit	ETC freezing	210,720.00	210,720.00	Cash deposit	ETC freezing
Monetary funds	4,000.00	4,000.00			4,000.00	4,000.00	Freezing	Court freezing
Receivables financing	556,575,61 2.27	556,575,61 2.27	Cash deposit	Notes pledge for bank acceptance	568,256,13 4.85	568,256,13 4.85	Cash deposit	Notes pledge for bank acceptance
Account receivable					16,201,589. 48	14,581,430. 53		
Total	628,519,64 8.44	628,519,64 8.44			712,568,59 6.27	710,948,43 7.32		

24. Short-term borrowings

(1) Category of short-term borrowings

In RMB

Item	Ending balance	Opening balance
Guaranteed loan		3,000,000.00
Credit loan	392,800,433.57	818,592,983.28
Factory financing		16,201,589.48
Accrued interest	319,714.38	1,094,984.75
Total	393,120,147.95	838,889,557.51

(2) Overdue short-term loans without payment

The total amount of overdue and unpaid short-term loans at the end of this period is 0.00 yuan.

25. Note payable

In RMB

Category	Ending balance	Opening balance
Bank acceptance bill	2,014,217,247.05	1,759,062,642.60
Total	2,014,217,247.05	1,759,062,642.60

At the end of the current period, the total amount of matured but unpaid notes payable is 0.00 yuan.

26. Account payable

(1) Account payable

In RMB

Item	Ending balance	Opening balance
Operating funds payable for labor or goods	3,661,507,490.23	3,547,366,822.23
Accounts payable for engineering equipment	238,437,702.05	121,483,601.06
Total	3,899,945,192.28	3,668,850,423.29

(2) Important accounts payable with aging over 1 year or overdue

Other explanation:

Nil

27. Other account payable

In RMB

Item	Ending balance	Opening balance
Other accounts payable	44,547,794.12	108,893,486.63
Total	44,547,794.12	108,893,486.63

(1) Interest payable

Nil

(2) Dividends payable

Nil

(3) Other account payable**1) By nature**

In RMB

Item	Ending balance	Opening balance
Deposit and margin	13,909,942.25	13,422,590.66
Social insurance and reserves funds that withholding	1,301,468.22	1,282,686.66
Intercourse funds of entities	23,526,000.00	25,512,145.98
Restricted stock repurchase obligations		63,567,420.00
Other	5,810,383.65	5,108,643.33
Total	44,547,794.12	108,893,486.63

2) Important other payables with aging of over 1 year or overdue

In RMB

Item	Ending balance	Reasons for not repaying or carry-over
Ningbo Jiangbei High-tech Industrial Park Development and Construction Co., Ltd	19,026,000.00	The conditions for recognition/transfer have not yet been met
Total	19,026,000.00	

28. Accounts received in advance**(1) Accounts received in advance**

In RMB

Item	Ending balance	Opening balance
Rent received in advance	2,652,511.04	2,911,439.65
Total	2,652,511.04	2,911,439.65

(2) Significant accounts receivable in advance with aging over 1 year or overdue

Nil

29. Contract liabilities

In RMB

Item	Ending balance	Opening balance
Advance payment received	56,148,545.13	77,686,881.24
Total	56,148,545.13	77,686,881.24

30. Wage payable

(1) Wage payable

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
I. Short-term compensation	268,481,110.97	1,672,617,818.01	1,654,928,523.12	286,170,405.86
II. Post-employment welfare-defined contribution plans	27,791,996.30	226,961,486.53	226,213,062.70	28,540,420.13
III. Dismissed welfare	964,506.11	1,541,564.65	1,482,690.53	1,023,380.23
IV. Incentive funds paid within one year	18,200,000.00	67,660,000.00	18,200,000.00	67,660,000.00
V. Other short-term welfare-Housing subsidies, employee benefits and welfare funds	19,372,739.18	5,535,978.52	3,024,875.00	21,883,842.70
Total	334,810,352.56	1,974,316,847.71	1,903,849,151.35	405,278,048.92

Explanation on the Increase in Incentive Fund Payable within One Year:

The increase in the incentive fund payable within one year by RMB 67,660,000.00 during the current period is due to the reclassification of long-term employee benefits payable to short-term employee benefits payable. This reclassification amount is determined based on the company's future payment plans.

Explanation on Termination Benefits:

Termination benefits represent employee benefits payable arising from the company's internal retirement plan for staff. The amount expected to be paid in the following year is reported under this account.

(2) Short-term compensation

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Wages, bonuses, allowances and subsidies	254,165,851.19	1,397,739,831.97	1,381,132,407.81	270,773,275.35
2. Welfare for workers and staff		87,984,540.24	87,984,540.24	
3. Social insurance	323,238.00	68,200,599.38	68,211,387.35	312,450.03
Including: Medical insurance	268,640.66	55,493,751.09	55,530,658.77	231,732.98
Work injury insurance	40,482.29	6,846,893.04	6,815,499.86	71,875.47
Maternity insurance	14,115.05	5,859,955.25	5,865,228.72	8,841.58
4. Housing accumulation fund	870,058.00	85,993,696.56	86,084,841.56	778,913.00
5. Labor union expenditure and personnel education expense	9,736,105.14	17,885,315.31	18,070,241.39	9,551,179.06
6. Other short-term compensation -	3,385,858.64	14,813,834.55	13,445,104.77	4,754,588.42

social security				
Total	268,481,110.97	1,672,617,818.01	1,654,928,523.12	286,170,405.86

(3) Define contribution plans

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Basic endowment premium	8,523,565.50	173,380,714.40	173,238,271.14	8,666,008.76
2. Unemployment insurance	47,208.12	4,342,217.82	4,369,069.38	20,356.56
3. Enterprise annuity	19,221,222.68	49,238,554.31	48,605,722.18	19,854,054.81
Total	27,791,996.30	226,961,486.53	226,213,062.70	28,540,420.13

Other explanation:

Post-employment welfare- defined contribution plans:

The Company participates in the pension insurance and unemployment insurance plans established by government authorities by laws, a certain percentage of the social security fee regulated by the government will pay by the Company monthly for the plans. Other than the aforesaid monthly contribution, the Company takes no further payment obligation. For details of the Corporate Annuity Plan, please refer to Note XVIII.4 "Pension Plan".

31. Tax payable

In RMB

Item	Ending balance	Opening balance
Value-added tax	17,962,320.77	8,011,069.82
Corporation income tax	15,110,401.06	30,183,553.14
Individual income tax	6,198,892.34	7,904,270.96
City maintaining & construction tax	1,103,941.58	568,820.85
Educational surtax	798,036.26	410,526.96
Property tax	6,355,132.42	5,975,709.82
Land use tax	1,556,476.60	1,089,600.19
Stamp tax	2,469,983.52	2,219,371.95
Others	155,033.86	218,158.80
Total	51,710,218.41	56,581,082.49

32. Non-current liabilities due within one year

In RMB

Item	Ending balance	Opening balance
Long-term borrowings due within one year	200,010,680.56	24,962,319.44
Lease payments due within one year	20,693,207.97	13,122,001.66
Total	220,703,888.53	38,084,321.10

33. Other current liabilities

In RMB

Item	Ending balance	Opening balance
Rebate payable	282,435,925.87	253,258,241.31
Pending sales tax	2,950,311.81	3,881,667.29
Total	285,386,237.68	257,139,908.60

Changes in short-term bonds payable: Nil

34. Long-term borrowings

(1) Category of long-term borrowings

In RMB

Item	Ending balance	Opening balance
Credit loan	300,010,680.56	324,762,319.44
Minus: long-term borrowings maturing within one year	200,010,680.56	24,962,319.44
Total	100,000,000.00	299,800,000.00

35. Lease liability

In RMB

Item	Ending balance	Opening balance
Lease payments	73,534,246.81	56,779,079.32
Minus: financing expense not recognized	-5,524,522.36	-5,923,881.15
Minus: lease liabilities maturing within one year	20,693,207.97	13,122,001.66
Total	47,316,516.48	37,733,196.51

36. Long-term account payable

In RMB

Item	Ending balance	Opening balance
Long-term account payable	8,740,000.00	9,770,000.00
Special accounts payable	18,265,082.11	18,265,082.11
Total	27,005,082.11	28,035,082.11

(1) Long-term account payable listed by nature

In RMB

Item	Ending balance	Opening balance
Hi-tech Branch of Nanjing Finance Bureau (note ①) Financial support funds (2009)		1,030,000.00
Hi-tech Branch of Nanjing Finance Bureau (note ②) Financial support funds (2010)	960,000.00	960,000.00
Hi-tech Branch of Nanjing Finance Bureau (note ③) Financial support funds (2011)	5,040,000.00	5,040,000.00
Hi-tech Branch of Nanjing Finance Bureau (note ④) Financial support funds (2013)	2,740,000.00	2,740,000.00
Total	8,740,000.00	9,770,000.00

Other explanation:

Note to long-term accounts payable

Note ①: To encourage WFJN to enter Nanjing High-tech Technology Industry Development Zone, financial supporting capital is allotted by High-tech branch of Finance Bureau of Nanjing for supporting use, the term is from October 27, 2009 to October 27, 2024. Provided that the operation period in the zone is less than 15 years, financial supporting capital will be reimbursed. This government grant has reached the 15-year threshold as of the current period and has therefore been reclassified to other income.

Note ②: To encourage WFJN to enter Nanjing High-tech Technology Industry Development Zone, financial supporting capital is

allotted by High-tech branch of Finance Bureau of Nanjing for supporting use, the term is from December 27, 2010 to December 27, 2025. Provided that the operation period in the zone is less than 15 years, financial supporting capital will be reimbursed.

Note ③: To encourage WFJN to enter Nanjing High-tech Technology Industry Development Zone, financial supporting capital is allotted by High-tech branch of Finance Bureau of Nanjing for supporting use, the term is from December 28, 2011 to December 28, 2026. Provided that the operation period in the zone is less than 15 years, financial supporting capital will be reimbursed.

Note ④: To encourage WFJN to enter Nanjing High-tech Technology Industry Development Zone, financial supporting capital is allotted by High-tech branch of Finance Bureau of Nanjing for supporting use, the term is from December 18, 2013 to December 18, 2028. Provided that the operation period in the zone is less than 15 years, financial supporting capital will be reimbursed.

(2) Special accounts payable

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance	Cause of formation
Removal compensation of subsidiary WFJN	18,265,082.11			18,265,082.11	Refer to the following explanation
Total	18,265,082.11			18,265,082.11	

Other explanation

In line with regulation of the house acquisition decision of People's government of Xuanwu District, Nanjing City, Ning Xuan Fu Zheng Zi (2012) No.001, part of the lands and property of WFJN needs expropriation in order to carry out the comprehensively improvement of Ming Great Wall. According to the house expropriation and compensation agreement in state-owned lands signed between WFJN and House Expropriation Management Office of Nanjing Xuanwu District, Nanjing City, 19.7067 million yuan in total were compensated, including operation losses from lessee 1.4416 million yuan in total. The above compensation was received in last period and is making up for the losses from lessee, and the above lands and property have not been collected up to December 31, 2024.

37. Long-term wages payable

(1) Long-term wages payable

In RMB

Item	Ending balance	Opening balance
I. Post-employment benefits - Defined benefit plan net liabilities	19,879,635.58	21,238,891.62
II. Dismiss welfare	11,027,155.79	12,926,873.35
III. Other long-term welfare	15,212,070.31	95,678,717.83
Total	46,118,861.68	129,844,482.80

(2) Changes in defined benefit plan

Present value of defined benefit plan

In RMB

Item	Current period	Last period
I. Opening balance	21,238,891.62	20,380,744.73
II. Cost of defined benefit plan booked into current profit and loss	652,062.46	783,750.58
1. Current service cost	652,062.46	783,750.58

III. Cost of defined benefit plan booked into other comprehensive income	-135,700.88	1,664,679.09
1. Actuarial gains (losses are represented by “-”)	-135,700.88	1,664,679.09
IV. Other changes	-1,875,617.62	-1,590,282.78
1. Welfare paid	-985,295.66	-2,780,181.37
2. Translation difference of foreign currency statements	-890,321.96	1,189,898.59
V. Ending balance	19,879,635.58	21,238,891.62

Other explanation:

According to relevant regulations in Italy, the Trattamento di Fine Rapporto (TFR) system is established. VHIT shall calculate and offer severance to employees in accordance with employees' employment period and taxable base salary when they leave or are dismissed. The plan predicts future cash outflows at the inflation rate and determines its present value at the discount rate. The above-mentioned benefit plan poses actuarial risks to VHIT, mainly including interest rate risk and inflation risk. The decrease in interest rates will lead to an increase in the present value of the defined benefit plan obligations. In addition, the present value of benefit plan obligations is related to the future payment standards of the plan, which are determined based on inflation rates. Therefore, an increase in inflation rate will also lead to an increase in planned liabilities.

38. Anticipated liability

In RMB

Item	Ending balance	Opening balance	Formation cause
Pending dispute and litigation	508,477.63	59,459.66	
Product quality assurance	121,072,840.23	26,946,035.59	
Withholding sales discounts		10,709,925.00	
Environmental protection commitment	288,233.90	301,008.27	
Total	121,869,551.76	38,016,428.52	

Note: In the previous year-end, product quality warranty fees for certain subsidiaries were accounted for and presented under accounts payable. This year, in accordance with the provisions of "Accounting Standards for Business Enterprises Interpretation No. 18" regarding "assurance-type warranties that are not considered separate performance obligations," the company has adjusted its accounting treatment to recognize and present estimated product quality warranty fees uniformly under the "provisions for liabilities" category.

39. Deferred income

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance	Cause of formation
Government grant	188,773,622.29	13,049,446.20	50,242,056.99	-161,675.76	151,419,335.74
Total	188,773,622.29	13,049,446.20	50,242,056.99	-161,675.76	151,419,335.74

Other explanation:

Item with government grants involved:

In RMB

Items of liabilities	Opening balance	New grants in the Period	Amount reckoned into other income in the period	Translation of foreign currency statements	Ending balance	Assets related/Income related
Appropriation for research and development ability of distributive high-pressure common rail system	4,755,045.84		781,651.40		3,973,394.44	Assets related

for diesel engine use and production line technological transformation project						
Fund of industry upgrade (2013)	7,252,478.13		7,252,478.13		--	Income related
R&D and industrialization of the high-pressure variable pump of the common rail system of diesel engine for automobile	1,687,274.46		998,635.05		688,639.41	Assets related
Fund of industry upgrade (2014)	36,831,000.00		3,108,958.61		33,722,041.39	Income related
New-built assets compensation after the removal of parent company	44,826,346.03		18,626,888.11		26,199,457.92	Assets related
Fund of industry upgrade (2016)	40,000,000.00		--		40,000,000.00	Income related
Guiding capital for the technical reform from State Hi-Tech Technical Commission	2,572,688.97		1,218,151.94		1,354,537.03	Assets related
Implementation of the variable cross-section turbocharger for diesel engine	2,705,753.03		1,081,642.59		1,624,110.44	Assets related
Municipal technological reform fund allocation in 2020	2,911,199.53		615,654.83		2,295,544.70	Assets related
Strategic cooperation agreement funding for key enterprise of smart manufacturing in high-tech zone	2,541,462.10		833,156.76		1,708,305.34	Assets related
The 2 nd batch of provincial special funds for industry transformation of industrial and information in 2019	648,856.50		422,844.68		226,011.82	Assets related
R&D and Industrialization Project of Membrane Electrodes for High-performance Proton Exchange Membrane Fuel Cells Used in Vehicles	3,945,523.81	9,000,000.00	6,648,683.29		6,296,840.52	Assets related
2023 Wuxi Industrial Transformation and Upgrading Fund	9,001,247.04		886,493.18		8,114,753.86	Assets related
Technical renovation and capacity optimization project for annual production of 150,000 sets of turbochargers	1,676,119.38		203,881.13		1,472,238.25	Assets related
Project on the Application of High Durability Dynamic Seal Development Machine		1,530,000.00	--		1,530,000.00	Assets related
Equipment Investment Project in the Pilot Scale Stage of Hydrogen Fuel Cell Components in 2022		1,219,446.20	637,402.84		582,043.36	Assets related
Other	28,067,483.97	1,300,000.00	7,348,379.13	-161,675.76	21,857,429.08	Assets related/Income related
Total	188,773,622.29	13,049,446.20	50,242,056.99	-161,675.76	151,419,335.74	

40. Share

In RMB

	Opening balance	Change during the year (+/-)					Ending balance
		New shares issued	Bonus share	Shares transferred from capital reserve	Other	Subtotal	
Total shares	1,002,162,793.00				- 5,176,500.0 0	- 5,176,500.0 0	996,986,293.00

Other explanation:

Decreased in share capital was due to the buy-back and cancellation of 5,176,500 restricted shares initially granted under the Restricted Shares Incentive Plan.

41. Capital reserve

In RMB

Item	Opening balance	Current increase	Current decrease	Ending balance
Capital premium (Share capital premium)	3,245,698,337.98		87,144,811.76	3,158,553,526.22
Other capital reserve	62,471,802.98	42,633,539.22	9,766.98	105,095,575.22
Total	3,308,170,140.96	42,633,539.22	87,154,578.74	3,263,649,101.44

Other explanation, including changes in the period and reasons for changes;

(1) Share capital premium decreased by 87,144,811.76 yuan in the Period, including ① share capital premium decreased by 58,390,920.00 yuan since 5,176,500.00 shares unlocked under restricted stock incentive plan were canceled by the Company. ② share capital premium of 28,753,891.76 yuan was written down as the company acquired minority shareholders' equity of subsidiary WFTT.

(2) The increase of 42,633,539.22 yuan in other capital reserves in the current period is due to changes in other equity of joint ventures, which the company enjoys in proportion to its shareholding; The decrease of 9,766.98 yuan in other capital reserves in the current period was the handling fee for buy backing shares.

42. Treasury stock

In RMB

Item	Opening balance	Current increase	Current decrease	Ending balance
Stock repurchases	469,722,092.24			469,722,092.24
Repurchase obligation of restricted stock incentive plan	63,567,420.00		63,567,420.00	
Total	533,289,512.24		63,567,420.00	469,722,092.24

Other explanations, including changes in the current period and explanations of the reasons for the changes:

The repurchase obligation of restricted stock incentive plan decreased by 63,567,420.00 yuan in the Period, which is treasury stocks amortized from the cancellation of 5,176,500 shares of restricted stocks that failed to be unlocked under the company's restricted stock incentive plan.

43. Other comprehensive income

In RMB

Item	Opening balance	Current period						Ending balance
		Account before income tax in the year	Less: written in other comprehensive income in previous period and carried forward to current gains/losses	Less: written in other comprehensive income in previous period and carried forward to retained earnings in current period	Less: income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified to gains/losses	-1,573,054.85	135,700.88				135,700.88		-
Including: Remeasure changes in defined benefit plans	-1,589,063.65	135,700.88				135,700.88		-
								1,437,353.97
								1,453,362.77

Other comprehensive income that cannot be transferred to gains/losses under equity method	16,008.80							16,008.80
II. Other comprehensive income items which will be reclassified subsequently to gains/losses	55,729,970.82	44,160,211.46				44,160,211.46		11,569,759.36
Conversion difference of foreign currency financial statement	55,729,970.82	44,160,211.46				44,160,211.46		11,569,759.36
Total other comprehensive income	54,156,915.97	44,024,510.58				44,024,510.58		10,132,405.39

44. Reasonable reserve

In RMB

Item	Opening balance	Current increase	Current decrease	Ending balance
Work safety expense	3,641,439.97	29,148,145.67	26,532,495.36	6,257,090.28
Total	3,641,439.97	29,148,145.67	26,532,495.36	6,257,090.28

Other explanation, including changes and reasons for changes:

(1) Explanation on the withdrawing of special reserves (work safety expense): According to the Administrative Measures on the Withdrawing and Use of Enterprise Safety Production Expenses (CZ [2022] No.136) jointly issued by the Ministry of Finance and the State Administration of Work Safety, in the current period, the Company adopted excess retreat method for quarterly withdrawal by taking the actual operating income of the previous period as the withdrawing basis.

(2) Among the above work safety expense, including the work safety expense accrued by the Company in line with regulations and the parts attributed to shareholders of the Company in work safety expense accrued by subsidiary in line with regulations.

45. Surplus reserve

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Statutory surplus reserves	510,100,496.00			510,100,496.00
Total	510,100,496.00			510,100,496.00

Other explanation, including changes and reasons for changes:

Pursuit to the Company Law and Article of Association, the Company withdraws statutory surplus reserve on 10% of the net profit. No more amounts shall be withdrawal if the accumulated statutory surplus reserve takes over 50% of the registered capital.

46. Retained profit

In RMB

Item	Current period	Last period
Retained profits at the end of last year before adjustment	15,054,950,398.12	13,320,021,325.90
Retained profits at the beginning of the year	15,054,950,398.12	13,320,021,325.90

after adjustment		
Add: The net profits belong to owners of patent company of this period	1,659,533,740.63	1,837,291,259.68
Less: Withdraw employee rewards and welfare funds	5,535,978.52	4,604,208.16
Less: Cash dividends payable	1,185,823,277.46	97,757,979.30
Retained profit at period-end	15,523,124,882.77	15,054,950,398.12

Details about adjusting the retained profits at the beginning of the period:

- 1) The retroactive adjustments to Accounting Standards for Business Enterprises and its relevant new regulations affect the retained profits at the beginning of the period amounting to 0 yuan.
- 2) The changes in accounting policies affect the retained profits at the beginning of the period amounting to 0 yuan.
- 3) The major accounting error correction affects the retained profits at the beginning of the period amounting to 0 yuan.
- 4) Merge scope changes caused by the same control affect the retained profits at the beginning of the period amounting to 0 yuan.
- 5) Other adjustments affect the retained profits at the beginning of the period amounting to 0 yuan.

47. Operating income and cost

In RMB

Item	Current period		Last Period	
	Income	Cost	Income	Cost
Main operating	11,010,590,101.39	9,083,542,710.99	10,926,750,670.90	9,171,432,496.07
Other business	156,673,054.46	53,624,305.40	166,391,280.08	67,128,118.97
Total	11,167,263,155.85	9,137,167,016.39	11,093,141,950.98	9,238,560,615.04

Whether the lower of the audited net profit before and after deduction of non-recurring gains and losses is negative or not?

Yes No

Breakdown information of operating income and operating cost:

In RMB

Type of contract	Segment of automotive fuel injection system		Segment of automotive after-treatment system products		Segment of automotive intake system products		Segment of other automotive parts		Total	
	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost
Business type										
Including:										
Primary business										
Including: recognize at a certain point in time	4,645.62 9,665.13	3,579.12 4,808.42	3,489.93 7,025.02	2,951.54 6,049.26	953,075. 175.48	760,429. 288.19	1,921,94 8,235.76	1,792,44 2,565.12	11,010,59 0,101.39	9,083,54 2,710.99
Recognized within a certain period of time										
Other business										
Including: recognize at a certain point in time	75,534,0 49.05	32,624,8 30.94	25,760,5 12.39	11,005,3 93.65	12,973,3 88.67	1,206,07 2.36	16,009,7 16.70	5,079,59 5.98	130,277, 666.81	49,915,8 92.93
Recognized within a certain period of time										
Lease income	23,877,4 84.28	2,596,99 7.14	2,056,32 1.10	778,320. 60	461,582. 27	333,094. 73			26,395,3 87.65	3,708,41 2.47
Total	4,745,04 1,198.46	3,614,34 6,636.50	3,517,75 3,858.51	2,963,32 9,763.51	966,510, 146.42	761,968, 455.28	1,937,95 7,952.46	1,797,52 2,161.10	11,167,26 3,155.85	9,137,16 7,016.39

48. Operating tax and extra

In RMB

Item	Current period	Last Period
City maintaining & construction tax	13,049,328.17	16,905,414.53
Educational surtax	9,351,364.94	12,088,114.70
Property tax	21,451,633.02	21,212,224.67
Land use tax	5,804,975.69	3,992,127.78
Vehicle use tax	18,416.00	29,435.60
Stamp duty	8,374,396.39	8,287,007.60
Other taxes	1,649,642.74	1,950,181.70
Total	59,699,756.95	64,464,506.58

Other explanation: Nil

Refer to Note VI taxes for the calculation and payment standards of taxes and surcharges

49. Administration expenses

In RMB

Item	Current period	Last Period
Salary and wage related expense	366,182,391.60	314,566,474.57
Depreciation charger and long-term assets amortization	127,534,031.96	109,483,887.51
Consumption of office materials and business travel charge	29,148,557.96	27,671,402.47
Share-based payment		-19,732,503.59
Other	203,745,469.77	180,107,465.13
Total	726,610,451.29	612,096,726.09

50. Sales expenses

In RMB

Item	Current period	Last Period
Salary and wage related expense	89,134,548.13	73,662,318.04
Consumption of office materials and business travel charge	13,162,540.56	12,536,232.60
Warehouse charge	27,004,714.83	21,000,061.65
Business entertainment fee	14,344,721.18	14,118,610.14
Other	29,648,076.13	21,005,989.87
Total	173,294,600.83	142,323,212.30

51. R&D expenditure

In RMB

Item	Current period	Last period
Technology development expenditure	690,258,974.54	667,871,159.95
Total	690,258,974.54	667,871,159.95

52. Financial expenses

In RMB

Item	Current period	Last Period
Interest expenses	25,385,434.57	95,145,829.10
Interest income	101,699,691.65	40,360,794.63
Gains/losses from exchange	15,276,844.52	-10,232,320.08

Handling charges	5,267,914.58	3,488,218.26
Total	-55,769,497.98	48,040,932.65

53. Other income

In RMB

Sources of income generated	Current period	Last period
Government grants with routine operation activity concerned	84,356,626.01	75,786,785.30
VAT instant refund	101,017,699.02	13,900,358.81
Tax credit for overseas subsidiaries	9,439,082.70	6,945,676.32
Refund of individual income tax handling fee	717,913.05	832,150.33
Total	195,531,320.78	97,464,970.76

Among them, the details of government subsidies are as follows:

Subsidy projects	Current amount	Previous period amount	Asset related or Income related?
Compensation for depreciation/amortization of newly built assets after the relocation of the parent company	18,626,888.11	18,616,741.70	Asset related
R&D and industrialization of the high-pressure variable pump of the common rail system of diesel engine for automobile	998,635.05	1,012,586.51	Asset related
Implementation of the variable cross-section turbocharger for diesel engine	1,081,642.59	1,548,680.15	Asset related
Transformation Guidance Funds from National High tech Management Committee Technology	1,218,151.94	1,214,425.00	Asset related
Industrial upgrading fund	10,361,436.74	11,977,713.56	Income related
Appropriation for R&D ability of distributive high-pressure common rail system for diesel engine use and production line technological transformation	781,651.40	781,651.40	Asset related
Municipal technological reform fund allocation in 2020	615,654.83	615,897.08	Asset related
The 2 nd batch of provincial special funds for industry transformation of industrial and information in 2019	422,844.68	1,200,987.63	Asset related
Subsidies for stabilizing and expanding positions	2,166,190.72	2,715,586.61	Income related
Financial Support Funds to WFJN	1,030,000.00	2,750,000.00	Income related
Top 50 Enterprises Selection in Jiangbei District, Ningbo	840,000.00	--	Income related
Strategic cooperation agreement funds for key intelligent manufacturing enterprises in High-tech zone	833,156.76	833,156.76	Income related
Talent policy subsidies	1,646,000.00	663,250.00	Income related
Special fund for intelligent transformation and digital transformation	500,000.00	2,300,000.00	Income related
2022 Headquarters Enterprise Award	--	1,000,000.00	Income related
2020 Wuxi Science and Technology Development Fund	--	4,500,000.00	Income related
Technical renovation awards and guidance funds	--	1,030,000.00	Income related
Wuxi industrial transformation and upgrading fund	7,535,176.47	11,678,229.15	Asset related/earnings
Research and Development Subsidy for the R&D and Industrialization Project of Membrane Electrodes for High - performance Proton Exchange Membrane Fuel Cells Used in Vehicles	4,500,000.00	--	Income related
2022 hydrogen energy project R&D and settlement award	11,433,123.80	--	Income related
VH project rental subsidy	3,502,124.77	--	Income related
2023 8 th batch of national manufacturing industry single champion enterprise award granted by the Economic and Information Technology Bureau of Jiangbei District, Ningbo City	1,500,000.00	--	Income related
Others	14,763,948.15	11,347,879.75	Asset/Income related

Subsidy projects	Current amount	Previous period amount	Asset related or Income related?
Total	84,356,626.01	75,786,785.30	

54. Income from change of fair value

In RMB

Sources	Current period	Last period
Changes in the fair value of tradable financial assets	-17,300,039.60	9,767,646.64
Total	-17,300,039.60	9,767,646.64

55. Investment income

In RMB

Item	Current period	Last period
Income of long-term equity investment measured with equity method	1,481,848,406.86	1,596,392,131.72
Investment income from holding of trading financial assets	43,914,146.08	94,704,109.98
Investment income from disposal of trading financial assets	16,818,201.49	13,328,675.84
Dividends income obtained from other equity instrument investments during the holding period	18,590.00	
Income from debt restructuring	-599,671.45	-323,525.00
Income from derecognition of financial assets measured at amortization cost	-3,521,058.98	
Gains/losses recognized when financing of accounts receivable is terminated for discounting	-3,439,527.22	-2,111,334.30
Total	1,535,039,086.78	1,701,990,058.24

56. Credit impairment loss

In RMB

Item	Current period	Last period
Bad debt loss of accounts receivable	6,297,099.34	-2,323,920.65
Bad debt loss of other accounts receivable	-233,309.61	-2,078,528.42
Total	6,063,789.73	-4,402,449.07

57. Asset impairment loss

In RMB

Item	Current period	Last period
1. Loss of inventory falling price and loss of contract performance cost impairment	-162,213,478.31	-205,166,872.96
2. Impairment loss of long-term equity investment	-8,420,913.32	
3. Impairment loss of fixed assets	-3,647,300.41	-502,006.79
4. Impairment loss of construction in progress		-184,615.38
5. Impairment loss of goodwill	-86,485,586.18	-125,422,037.41
6. Others	-146,615,749.63	
Total	-407,383,027.85	-331,275,532.54

58. Income from assets disposal

In RMB

Sources	Current period	Last period
Income from disposal of non-current assets	13,291,098.40	129,441,950.49
Loss from disposal of non-current assets	-2,823,757.81	-1,127,465.96
Total	10,467,340.59	128,314,484.53

59. Non-operating income

In RMB

Item	Current period	Last period	Amount reckoned into current non-recurring gains/losses
Payables that do not require payment	2,828,169.51	16,309,506.68	2,828,169.51
Penalty and compensation income	892,435.26	28,044.25	892,435.26
Other	204,273.23	774,256.31	204,273.23
Total	3,924,878.00	17,111,807.24	3,924,878.00

60. Non-operating expense

In RMB

Item	Current period	Last period	Amount reckoned into current non-recurring gains/losses
Donation	327,000.00	520,000.00	327,000.00
Non-current assets disposal losses	1,790,013.62	1,776,304.86	1,790,013.62
Including: loss on scrapping of fixed assets	1,790,013.62	1,776,304.86	1,790,013.62
Expenditure on fines and late payment penalties	2,982,546.00	1,020,551.57	2,982,546.00
Other	31,305.96	1,094,335.42	31,305.96
Total	5,130,865.58	4,411,191.85	5,130,865.58

61. Income tax expense**(1) Income tax expense**

In RMB

Item	Current period	Last period
Payable tax in current period	43,361,008.86	61,558,228.47
Deferred income tax expense	-3,317,862.74	-40,363,166.24
Total	40,043,146.12	21,195,062.23

(2) Adjustment on accounting profit and income tax expenses

In RMB

Item	Current period
Total profit	1,757,214,336.68
Income tax measured by statutory/applicable tax rate	263,582,150.50
Impact by different tax rate applied by subsidies	-18,081,302.74
Impact from adjusting the previous income tax	2,184,949.59
Impact by non-taxable revenue	-224,038,700.14
Impact on cost, expenses and losses that unable to deducted	14,052,355.65
Impact by the deductible losses of the un-recognized previous deferred income tax	-9,915,351.75
The deductible temporary differences or deductible losses of the un-recognized deferred income tax assets in the Period	67,714,618.76

Changes in last period-ending balance of deferred income tax/liability arising from the adjustment of tax rate	1,749,005.33
Impact on additional deduction	-57,204,579.08
Income tax expense	40,043,146.12

62. Other comprehensive income

See Note VII.43 Other Comprehensive Income.

63. Items of cash flow statement

(1) Cash received in relation to operation activities

Other cash received in related to operation activities

In RMB

Item	Current period	Last period
Interest income	32,663,700.79	40,360,794.63
Government grants	46,851,928.27	38,542,836.17
Margin on operation bill	1,100,355.80	5,804,353.60
Capital inflow of WFTR “platform trade” business portfolio		199,235,761.25
Other	29,401,358.02	20,368,806.84
Total	110,017,342.88	304,312,552.49

Explanation on other cash received in relation to operation activities: Nil

Other cash paid in relation to operation activities

In RMB

Item	Current period	Last period
Cash cost	408,752,372.86	653,211,963.42
Other	9,769,220.53	19,807,691.63
Total	418,521,593.39	673,019,655.05

Explanation on other cash paid in relation to operation activities: Nil

(2) Cash in relation to investment activities

Other cash received in related to investment activities

In RMB

Item	Current period	Last period
Recovery of forward foreign exchange settlement and sales deposit		18,840,000.00
Total		18,840,000.00

Significant cash received in related to investment activities: Nil

Explanation on other cash received in related to investment activities: Nil

Cash paid in related to investment activities

In RMB

Item	Current period	Last period
Payment of foreign exchange contract deposit and loss of foreign exchange contract		13,036,225.94
Total		13,036,225.94

Significant cash paid in related to investment activities: Nil

Explanation on other cash paid in related to investment activities: Nil

(3) Cash in related to financing activities

Other cash paid in related to financing activities

In RMB

Item	Current period	Last period
Lease payments	27,764,816.39	18,319,242.80
Acquisition of the minority shareholders' equity of subsidiaries	191,118,200.00	
Shares repurchase for restricted stock incentive plan unlocked	63,567,420.00	74,368,290.00
Repurchase of A shares		71,917,549.61
Other	9,766.98	27,791.59
Total	282,460,203.37	164,632,874.00

Explanation on other cash paid in relation to financing activities: Nil

Changes in liabilities arising from financing activities

Applicable Not applicable

(4) Explanation on cash flow listed at net amount

Nil

(5) Significant activities and financial impacts that do not involve current cash inflows and outflows but affect the financial condition of the company or may affect the cash flow of the company in the future

Nil

64. Supplementary information to statement of cash flow

(1) Supplementary information to statement of cash flow

In RMB

Supplementary information	Current period	Last Period
1. Net profit adjusted to cash flow of operation activities:		
Net profit	1,717,171,190.56	1,913,149,530.09
Add: Assets impairment provision	401,319,238.12	335,677,981.61
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	592,342,504.85	529,985,637.44
Depreciation of right-of-use assets	21,478,575.57	14,870,657.15
Amortization of intangible assets	73,374,527.58	72,828,479.04
Amortization of long-term deferred expenses	9,487,894.63	7,361,781.35
Losses from disposal of fixed assets, intangible assets and other long-term assets (gains shall be filled in with the sign of "-")	-10,467,340.59	-128,314,484.53
Losses on scrapping of fixed assets (gains shall be filled in with the sign of "-")	1,790,013.62	1,791,596.04
Gains/losses of fair value changes (gains shall be filled in with the sign of "-")	17,300,039.60	-9,767,646.64
Financial expenses (gains shall be filled in with the sign of "-")	-33,424,181.14	83,562,038.16
Investment loss (gains shall be filled in with the sign of "-")	-1,542,599,344.43	-1,715,570,129.25
Decrease of deferred income tax asset (increase shall be filled in with the sign of "-")	8,492,788.42	-29,999,459.03
Increase of deferred income tax liability (decrease shall be filled in with the sign of "-")	-12,882,114.41	-10,363,707.21

Decrease of inventory (increase shall be filled in with the sign of “-”)	-401,241,175.69	14,264,964.67
Decrease of operating receivable accounts (increase shall be filled in with the sign of “-”)	234,141,091.44	-231,126,963.47
Increase of operating payable accounts (decrease shall be filled in with the sign of “-”)	500,829,903.35	804,259,836.29
Other	5,219,037.26	-26,360,199.81
Net cash flows arising from operating activities	1,582,332,648.74	1,626,249,911.90
2. Major investments and financing activities that do not involve cash receipts and payments		
debt-to-capital		
Convertible bonds maturing within one year		
Financing to lease fixed assets		
3. Net change of cash and cash equivalents:		
Balance of cash at period end	1,756,944,672.22	2,061,986,694.41
Less: Balance of cash equivalent at year-begin	2,061,986,694.41	2,277,117,604.82
Add: Balance at year-end of cash equivalents		
Less: Balance at year-begin of cash equivalents		
Net increase of cash and cash equivalents	-305,042,022.19	-215,130,910.41

(2) Net cash payment for the acquisition of subsidiaries in the period

Nil

(3) Net cash received from the disposal of subsidiaries

Nil

(4) Components of cash and cash equivalent

In RMB

Item	Ending balance	Opening balance
I. Cash	1,756,944,672.22	2,061,986,694.41
Including: Cash on hand	5,360.59	6,343.24
Bank deposit available for payment at any time	1,756,884,345.96	2,061,980,351.17
Other monetary funds available for payment at any time	54,965.67	
II. Balance of cash and cash equivalents at the period-end	1,756,944,672.22	2,061,986,694.41

(5) Items whose application scope is restricted but are still listed as cash and cash equivalents

Nil

(6) Monetary items not belonging to cash and cash equivalents

Item	Current period	Last period	Reasons for not belonging to cash and cash equivalents
Bank deposit - principal of time deposits with a maturity of more than three months	460,000,000.00	180,000,000.00	Do not meet the definition of cash and cash equivalents.
Bank deposit - Accrued interest on time bank deposits with a maturity of more than three months	783,541.52		Do not meet the definition of cash and cash equivalents.
Other monetary funds-Margin paid for bank acceptance bill	20,363,281.63	22,174,151.94	Do not meet the definition of cash and cash equivalents.
Other monetary funds-IRD performance bond	7,583,721.64	7,902,000.00	Do not meet the definition of cash and cash equivalents.
Other monetary funds- Mastercard margin	202,231.29	210,720.00	Do not meet the definition of cash and cash equivalents.
Other monetary funds- Guarantee letter margin	719,003.22		Do not meet the definition of cash

			and cash equivalents.
Other monetary funds-ETC freeze	4,000.00	4,000.00	Do not meet the definition of cash and cash equivalents.
Other monetary funds-in-transit foreign exchange funds		1,184,752.79	Do not meet the definition of cash and cash equivalents.
Other monetary funds-in-transit dividends		1,309,380.00	Do not meet the definition of cash and cash equivalents.
Total	489,655,779.30	212,785,004.73	

Other explanation: Nil

(7) Notes to other significant activities

Nil

65. Notes to changes in entries of owners' equity

Explain the items and amount at period-end adjusted for "Other" at end of the last year: Nil

66. Item of foreign currency

(1) Item of foreign currency

In RMB

Item	Ending balance of foreign currency	Rate of conversion	Ending RMB balance converted
Monetary funds			
Including: USD	13,873,061.05	7.1884	99,725,112.05
EUR	24,499,290.32	7.5257	184,374,309.16
HKD	11,187,803.18	0.9260	10,359,905.74
JPY	14,894,687.00	0.0462	688,134.54
DKK	79,733,081.38	1.0084	80,402,839.26
Account receivable			
Including: USD	2,522,502.37	7.1884	18,132,756.04
EUR	21,972,089.70	7.5257	165,355,355.46
HKD			
DKK	8,300,064.81	1.0084	8,369,785.35
Long-term borrowings			
Including: USD			
EUR			
HKD			
Other account receivables			
Including: EUR	471,259.96	7.5257	3,546,561.08
DKK	4,816,845.70	1.0084	4,857,307.20
Account payable			
Including: USD	727,116.62	7.1884	5,226,805.11
EUR	38,692,560.51	7.5257	291,188,602.63
JPY	39,079,396.00	0.0462	1,805,468.10
DKK	37,002,959.39	1.0084	37,313,784.25
CHF	233,207.55	7.9977	1,865,124.02
Other account payable			
Including: EUR	1,442,348.18	7.5257	10,854,679.70

DKK	896,659.28	1.0084	904,191.22
Non-current liabilities due within one year			
Including: USD	168,350.65	7.1884	1,210,171.81
EUR	913,722.70	7.5257	6,876,402.92
DKK	2,192,818.85	1.0084	2,211,238.53
Lease liabilities			
Including: USD	225,599.53	7.1884	1,621,699.66
EUR	3,404,995.75	7.5257	25,624,976.52
DKK	19,225,943.38	1.0084	19,387,441.30

(2) Explanation on overseas operating entities. For important overseas operating entities, it is necessary to disclose their main overseas business locations, the functional currency used for accounting and the basis for the selection. In the event that there are changes in the functional currency used for accounting, the reasons for such changes should also be disclosed.

Applicable Not applicable

Subsidiary of the Company, IRD, was established in Denmark in 1990. The 66% equity of IRD were acquired by the Company in cash in April 2019. In October 2020, the company acquired the remaining 34.00% equity of IRD in cash, thus the Company holds 100% equity of IRD. IRD is denominated in Danish krone, and IRD is mainly engaged in R&D, production and sales of fuel cell components.

Subsidiary Borit was established in Belgium in 2010. The Company acquired 100% equity of Borit in cash in November 2020. Borit is denominated in Euro and engaged in R&D, production and sales of fuel cell components.

Subsidiary VHIO was established in Italy in 2000. The Company acquired 100.00% equity of VHIO in cash in October 2022. The company is denominated in Euro and engaged in R&D, production, and sales of vacuum and hydraulic pumps.

67. Lease

(1) The company as the lessee

Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not applicable

Leasing costs of simplified handling of short-term leasing or leasing costs for low value assets

Applicable Not applicable

Leasing cost of simplified handling of short-term leasing or leasing costs for low value assets is 8,662,073.91 yuan; The total cash outflow related to leasing is 34,182,250.68 yuan.

The relevant information on the right-of-use assets can be found in Note VII. 17 Right of Use Assets.

Situations involving lease sales-back

(2) The company as the lessor

Operating lease with the company as the lessor

Applicable Not applicable

In RMB

Item	Rental income	Including: income related to variable lease payments not included in rental income
Rental of houses and equipment	26,395,387.65	
Total	26,395,387.65	

Financing lease with the company as the lessor

Applicable Not applicable

Annual un-discounted rental income for the next five years

Applicable Not applicable

Adjustment table for un-discounted rental income and net lease investments

(3) Recognize gains/losses arising from financing lease sale with the company as producer or dealer

Applicable Not applicable

68. Data resource

Nil

69. Others

Nil

VIII. R&D expenditure

In RMB

Item	Current period	Last period
Employee compensation	288,363,791.43	285,889,549.54
Direct investment	194,751,232.70	195,791,776.44
Depreciation and amortization	119,233,302.47	117,384,698.44
Other expenses	87,910,647.94	68,805,135.53
Total	690,258,974.54	667,871,159.95
Including: expensed R&D expenditure	690,258,974.54	667,871,159.95

1 . R&D items that meet capitalization conditions

Nil

2 . Important outsourced projects under research

Nil

IX. Changes in consolidation scope

1 . Enterprise combination not under the same control

1) Enterprise combines not under the same control occurred in the period

Nil

2) Consolidation cost and goodwill

Nil

3) Book value of identifiable assets and liabilities of the merged party on the merger date

Nil

4) Gains or losses arising from re-measured by fair value for the equity held before purchasing date

Whether it is a business combination realized by two or more transactions of exchange and a transaction of obtained control rights in the Period or not?

Yes No

5) Explanation on the inability to reasonably determine the merger consideration or the fair value of identifiable assets and liabilities of the acquired party on the purchase date or at the end of the merger period

Nil

6) Other explanation

Nil

2 . Enterprise combination under the same control**1) Enterprise combination under the same control that occurred in the current period**

Nil

2) Consolidation cost

Nil

3) Book value of assets and liabilities of the merged party on merger date

Nil

3 . Reverse purchase

Nil

4 . Disposal of subsidiaries

Whether there is a single disposal of an investment in a subsidiary that resulted in a loss of control or not?

Yes No

Whether there is a step-by-step disposal of investment in a subsidiary through multiple transactions and loss of control during the period or not?

Yes No

5 . Changes in the scope of consolidation due to other reasons

Nil

6 . Others

Nil

X. Equity in other entities

1. Equity in subsidiary

(1) Constitute of enterprise group

In ten thousand yuan

Subsidiary	Registered capital	Main operation place	Registered place	Business nature	Share-holding ratio		Acquired way
					Directly	Indirectly	
WFJN	34,628.68	Nanjing	Nanjing	Spare parts of internal-combustion engine	80.00%		Enterprise combines under the same control
WFLD	50,259.63	Wuxi	Wuxi	Automobile exhaust purifier, muffler	100.00%		Enterprise combines under the same control
WFMA	16,500	Wuxi	Wuxi	Spare parts of internal-combustion engine	100.00%		Investment
WFCA	21,000	Wuxi	Wuxi	Spare parts of internal-combustion engine	100.00%		Investment
WFTR	3,000	Wuxi	Wuxi	Trading	100.00%		Enterprise combines under the same control
WFSC	7,600	Wuxi	Wuxi	Spare parts of internal-combustion engine	66.00%		Investment
WFTT	11,136	Ningbo	Ningbo	Spare parts of internal-combustion engine	98.83%	1.17%	Enterprise combines not under the same control
WFAM	USD3,310	Wuxi	Wuxi	Spare parts of internal-combustion engine	51.00%		Enterprise combines not under the same control
WFLD (Wuhan)	300	Wuhan	Wuhan	Automobile exhaust purifier, muffler		60.00%	Investment
WFLD (Chongqing)	5,000	Chongqing	Chongqing	Automobile exhaust purifier, muffler		100.00%	Investment
WFLD (Nanchang)	3,000	Nanchang	Nanchang	Automobile exhaust purifier, muffler		100.00%	Investment
WFAS	16,500	Wuxi	Wuxi	Smart car equipment		66.00%	Investment
WFLH	2,000	Fuzhou	Fuzhou	Smart car equipment		40.00%	Investment
WFDT	USD2,000	Wuxi	Wuxi	Hub Motor	80.00%		Enterprise combines not under the same control
WFQL	50,000	Wuxi	Wuxi	Fuel cell components	45.00%	30.00%	Investment
VHCN	13,400	Wuxi	Wuxi	Vacuum and hydraulic pump	100.00%		Enterprise combines not under the same control
WFSS	35,000	Wuxi	Wuxi	Smart car equipment	61.43%		Investment
SPV	DKK13,009	Denmark	Denmark	Investment	100.00%		Investment
IRD	DKK12,732	Denmark	Denmark	Fuel cell components		100.00%	Enterprise combines not under the same control
IRD America	USD1,543	America	America	Fuel cell components		100.00%	Enterprise combines not under the same control
Borit	EUR1,183	Belgium	Belgium	Fuel cell components		100.00%	Enterprise combines not under the same control
Borit America	USD5	America	America	Fuel cell components		100.00%	Enterprise combines not under the same control
VHIO	EUR500	Italy	Italy	Vacuum and hydraulic pump		100.00%	Enterprise combines not under the same control

Explanation on share-holding ratio in subsidiary different from ratio of voting right: Nil

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee: Nil

Basis for inclusion in the scope of consolidation of significant structured entities, control: Nil

Basis for determining whether a company is an agent or a principal: Nil

Other explanation: Nil

2. Changes in the consolidation scope due to other reasons

In March 2024, WFAS, a holding subsidiary, jointly invested with Ningbo Mihe Technology Co., Ltd. and Qihengcheng Automotive Technology (Shanghai) Co., Ltd. to establish WFLH. The registered capital of WFLH was RMB 20.00 million, with the following equity structure: WFAS subscribed capital contribution of RMB 8.00 million, representing 40% equity ownership; Ningbo Mihe Technology Co., Ltd. subscribed capital contribution of RMB 6.00 million, representing 30% equity ownership; Qihengcheng Automotive Technology (Shanghai) Co., Ltd. subscribed capital contribution of RMB 6.00 million, representing 30% equity ownership. In accordance with WFLH's Articles of Association and investment agreements, WFAS holds control over WFLH. Consequently, the Company has consolidated WFLH into its consolidated financial statements from March 2024 onward.

In June 2024, the Company jointly invested other four parties including Boyuan (Shanghai) Private Equity Fund Management Co., Ltd. to establish WFSS. The registered capital of WFSS at the time of establishment was 350.00 million yuan. The company subscribed for a capital contribution of RMB 215.00 million, accounting for a shareholding ratio of 61.43%; Boyuan (Shanghai) Private Equity Fund Management Co., Ltd. and other shareholders jointly subscribed for a capital contribution of RMB 135.00 million, with a total shareholding ratio of 38.57%. Since June 2024, WFSS has been included in the consolidation scope of the consolidated financial statements.

3. Transactions in which the share of ownership rights and interests in a subsidiary change while the company still controls the subsidiary

(1) Description of changes in the share of ownership rights and interests in subsidiaries

In October 2024, the Company signed "Equity Transfer Agreement of Wuxi Weifu Lida Catalytic Purifier Co., Ltd." with Wuxi Industrial Group, Taking the evaluated value in the "Asset Appraisal Report on the Partial Shareholder's Equity Value Involved in the Proposed Non-public Agreement Transfer of the 5.1923% Equity of Wuxi Weifu Lida Catalytic Purifier Co., Ltd. Held by Wuxi Industrial Development Group Co., Ltd." (Beifang Yashi Appraisal Report No. [2024] 01-984) as the pricing reference for this equity transaction, after negotiation and confirmation by all parties, our company will acquire the 5.1923% equity of Weifu Lida held by Wuxi Industrial Development Group for RMB 191,118,200.

(2) Impact of the transaction on the minority shareholders' equity and the owners' equity attributable to the parent company

Item	WFLD
Purchase cost	191,118,200.00
— Cash	191,118,200.00
— Fair value of non-cash assets	--
Total purchase cost	191,118,200.00
Less: Share of the net assets of the subsidiary calculated based on acquired equity percentage	162,364,308.24
Difference	28,753,891.76
Among: Adjustment of capital reserve	28,753,891.76
Adjustment of surplus reserve	--
Adjustment of retained profit	--
Amount of minority shareholders' equity affected	162,364,308.24

(2) Important non-wholly-owned subsidiary

In RMB

Subsidiary	Share-holding ratio of minority	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority
WFJN	20.00%	24,375,325.75	22,970,720.04	232,587,892.51
WFAM	49.00%	51,539,960.04	45,807,650.00	236,981,571.11

Explanation on holding ratio different from the voting right ratio for minority shareholders: Nil

(3) Main financial information of the important non-wholly-owned subsidiary

In RMB

Subsidiary	Ending balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
WFJ	943,823	574,847	1,518,67	309,127	45,928,	355,056	800,008	763,327	1,563,33	372,678	32,816,	405,494
N	,610.32	,189.45	0,799.77	,770.07	252.37	,022.44	,834.76	,722.52	6,557.28	,469.77	414.21	,883.98
WFA	577,286	542,256	1,119,54	590,405	48,354,	638,759	499,003	555,751	1,054,75	529,047	56,622,	585,670
M	,697.67	,003.54	2,701.21	,298.73	171.56	,470.29	,254.26	,474.28	4,728.54	,969.34	120.19	,089.53

In RMB

Subsidiary	Current period				Last period			
	Operation Income	Net profit	Total comprehensive income	Cash flow from operation activity	Operation Income	Net profit	Total comprehensive income	Cash flow from operation activity
WFJN	641,568,618.84	121,876,628.75	121,876,628.75	103,197,928.04	661,256,020.17	164,076,571.71	164,076,571.71	7,886,426.15
WFAM	928,226,761.02	110,719,570.43	110,719,570.43	162,424,160.72	809,656,797.21	92,084,163.14	92,084,163.14	190,320,676.05

(4) Significant restrictions on the use of enterprise group assets and pay off debts of the enterprise group

Nil

(5) Financial or other supporting offers to structured entities included in consolidated financial statement range

Nil

2. Transactions where the share of ownership rights and interests in a subsidiary change while the company still maintains control over the subsidiary**(1) Description of situation where the share of owners' equity in subsidiaries changes**

Nil

(2) The impact of the transaction on the minority shareholders' equity and the owners' equity attributable to the parent company

Other explanation: Nil

3. Equity in joint venture and associated enterprises**(1) Important joint venture and associated enterprises**

Joint venture or associated enterprise	Main operation place	Registered place	Business nature	Share-holding ratio		Accounting treatment on investment for joint venture and associated enterprises
				Directly	Indirect	
WFEC	Wuxi	Wuxi	Catalyst		49.00%	Equity method
RBCD	Wuxi	Wuxi	Internal-combustion engine accessories	32.50%	1.50%	Equity method
Zhonglian Electronics	Shanghai	Shanghai	Internal-combustion engine accessories	20.00%		Equity method
WFPM	Wuxi	Wuxi	Internal-combustion engine accessories	20.00%		Equity method
Changchun Xuyang	Changchun	Changchun	Automobile components		34.00%	Equity method
Precors GmbH	Germany	Germany	Fuel cell components		43.39%	Equity method

AutoLink	Wuxi	Wuxi	Telematics services	9.64%		Equity method
Lezhuo Bowei	Shanghai	Shanghai	Automobile components	50.00%		Equity method
WuXi Zhuowei	Wuxi	Wuxi	Professional technical services		39.00%	Equity method
HySTech	Germany	Germany	Technical R&D of hydrogen storage systems		40.00%	Equity method

Holding shares ratio different from the voting right ratio: Nil

Has major influence with less 20% voting rights hold, or has minor influence with over 20% (20% included) voting rights hold:

AutoLink:

The Company holds 9.2837% equity of AutoLink, and appointed a director to AutoLink. Though the representative, the Company can participate in the operation policies formulation of AutoLink, and thus exercise a significant influence over AutoLink.

(2) Main financial information of important joint ventures

Other explanation: Nil

(3) Main financial information of important associated enterprises

In RMB

	Ending balance/Current period			Opening balance/Last Period		
	WFEC	RBCD	Zhonglian Electronics	WFEC	RBCD	Zhonglian Electronics
Current assets	3,041,695,695.74	12,910,623,291.25	119,577,141.22	3,309,330,261.33	13,057,353,298.24	156,804,165.22
Non-current assets	472,221,845.21	3,547,389,964.65	9,254,084,391.23	417,489,997.17	3,452,708,227.20	8,276,183,030.91
Total assets	3,513,917,540.95	16,458,013,255.90	9,373,661,532.45	3,726,820,258.50	16,510,061,525.44	8,432,987,196.13
Current liabilities	1,270,209,456.66	7,011,624,627.65	14,640,927.97	1,402,974,842.29	8,401,045,934.29	7,530,191.60
Non-current liabilities	182,387,083.75	169,080,572.93	7,102,848.04	455,453,890.82		4,983,100.68
Total liabilities	1,452,596,540.41	7,180,705,200.58	21,743,776.01	1,858,428,733.11	8,401,045,934.29	12,513,292.28
Net assets	2,061,321,000.54	9,277,308,055.32	9,351,917,756.44	1,868,391,525.39	8,109,015,591.15	8,420,473,903.85
Minority interests						
Attributable to parent company shareholders' equity	2,061,321,000.54	9,277,308,055.32	9,351,917,756.44	1,868,391,525.39	8,109,015,591.15	8,420,473,903.85
Share of net assets calculated by shareholding ratio	1,010,047,290.27	3,154,284,738.81	1,870,383,551.29	915,511,847.44	2,757,065,300.99	1,684,094,780.77
Adjustment matters						
--Goodwill		267,788,761.35	1,407,265.96		267,788,761.35	1,407,265.96
--Unrealized profit of internal trading		-8,111,869.63			-9,546,770.23	
--Other		-0.28			-0.28	
Book value of equity investment in associated enterprise	1,010,047,290.27	3,413,961,630.25	1,871,790,817.25	915,511,847.44	3,015,307,291.83	1,685,502,046.73
Fair value of equity investment for the affiliates with consideration publicly						
Operation income	3,823,507,561.86	11,262,081,616.84	32,829,998.51	3,925,439,987.43	13,269,586,309.56	30,337,704.69

Net profit	439,225,033.08	2,720,732,465.47	2,261,333,602.60	422,428,917.15	2,994,134,912.69	2,040,443,663.38
Net profit from discontinued operations						
Other comprehensive income						
Total comprehensive income	439,225,033.08	2,720,732,465.47	2,261,333,602.60	422,428,917.15	2,994,134,912.69	2,040,443,663.38
Dividends received from associated enterprise in the year	122,500,000.00	527,829,600.44	266,000,000.00	117,600,000.00	1,673,605,474.71	282,000,000.00

Other explanation

Adjustment item for other “-0.28”: the differential tail;

(4) Summary of financial information of insignificant joint ventures and associated enterprises

In RMB

	Ending balance/Current period	Opening balance/Last period
Joint venture:		
Amount based on share-holding ratio		
Associated enterprise:		
Total book value of investment	739,299,140.82	331,312,321.07
Amount based on share-holding ratio		
--Net profit	-113,113,361.13	-22,757,873.48
--Total comprehensive income	-113,113,361.13	-22,757,873.48

(5) Major limitation on capital transfer ability to the Company from joint venture or associated enterprise

Nil

(6) Excess loss occurred in joint venture or associated enterprise

Nil

(7) Unconfirmed commitment with joint venture investment concerned

Nil

(8) Intangible liability with joint venture or associated enterprise investment concerned

Nil

4. Major joint operation

Nil

5. Structured body excluding in consolidated financial statement

Relevant explanations for structured entities not included in the scope of the consolidated financial statements: Nil

6. Other

Nil

XI. Government grant

1. Government grant recognized at report ending in terms of amount receivable

Applicable Not applicable

Reasons for not receiving the expected amount of government grants at the expected time point

Applicable Not applicable

2. Liabilities involved with government grant

Applicable Not applicable

In RMB

Entities	Opening balance	Current increase in government grant	Amount booked into non-business income in current period	Amount carried forward to other income	Other changes in current period	Ending balance	Asset/income related
Deferred income	95,864,426.07	13,049,446.20		35,587,040.62		73,326,831.65	Asset related
Deferred income	2,913,862.75			205,154.12		2,708,708.63	Asset/income related
Deferred income	89,995,333.47			14,449,862.25	-161,675.76	75,383,795.46	Income related
Total	188,773,622.29	13,049,446.20		50,242,056.99	-161,675.76	151,419,335.74	

3. Government grant booked into current gains/losses

Applicable Not applicable

In RMB

Accounting title	Current period	Last period
Other revenue	84,356,626.01	75,786,785.30
Total	84,356,626.01	75,786,785.30

Other explanation: Nil

XII. Risk related to financial instruments

1. Risks from financial instruments

Main financial instrument of the Company including monetary funds, structured deposits, account receivable, equity instrument

investment, financial products, loans, and account payable etc., more details of the financial instrument can be found in relevant items of Note VII. Risks concerned with the above-mentioned financial instrument, and the risk management policy takes for lower the risks are as follow:

Aims of engaging in the risk management is to achieve equilibrium between the risk and benefit, lower the adverse impact on performance of the Company to minimum standards, and maximized the benefit for shareholders and other investors. Base on the risk management targets, the basic tactics of the risk management is to recognized and analyzed the vary risks that the Company counted, established an appropriate risk exposure baseline and caring risk management, supervise the vary risks timely and reliably in order to control the risk in a limited range.

In business process, the risks with financial instrument concerned happen in front of the Company mainly including credit exposure, market risk and liquidity risk. BOD of the Company takes full charge of the risk management target and policy-making, and takes ultimate responsibility for the target of risk management and policy. Compliance department and financial control department manager and monitor those risk exposures to ensuring the risks are control in a limited range.

Credit Risk

Credit risk refers to the risk that one party of a financial instrument fails to perform its obligations, and resulting in the financial loss of other party. The company's credit risk mainly comes from monetary funds, structured deposits, note receivable, account receivable, other account receivables. The management has established an appropriate credit policy and continuously monitors the exposure to these credit risks.

The monetary funds and structured deposits held by the Company are mainly deposited in financial institutions such as commercial banks, the management believes that these commercial banks have higher credit and asset status, and have lower credit risks. The Company adopts quota policies to avoid credit risks to any financial institutions.

For accounts receivable, other receivables and bills receivable, the Company sets relevant policies to control the credit risk exposure. To prevent the risks, the company has formulated a new customer credit evaluation system and an existing customer credit sales balance analysis system. The new customer credit evaluation system aims at new customers, the company will investigate a customer's background according to the established process to determine whether to give the customer a credit line and the credit line size and credit period. Accordingly, the company has set a credit limit and a credit period for each customer, which is the maximum amount that does not require additional approval. The analysis system for credit sales balance of existing customers means that after receiving a purchase order from an existing customer, the company will check the order amount and the balance of the accounts owed by the customer so far, if the total of the two exceeds the credit limit of the customer, the company can only sell to the customer on the premise of additional approval, otherwise the customer must be required to pay the corresponding amount in advance. In addition, for the credit sales that have occurred, the company analyzes and audits the monthly statements for risk warning of accounts receivable to ensure that the company's overall credit risk is within a controllable range.

The maximum credit risk exposure of the Company is the carrying amount of each financial asset on the balance sheet.

Market risk

Market risk of the financial instrument refers to the fair value of financial instrument or future cash flow due to fluctuations in the market price changes and produce, mainly includes the IRR, FX risk and other price risk.

Interest rate risk

IRR refers to the fluctuate risks on Company's financial status and cash flow arising from rates changes in market. IRR of the Company mainly related with the bank loans. In order to lower the fluctuate of IRR, the Company, in line with the anticipative change orientation, choose floating rate or fixed rate, that is the rate in future period will goes up prospectively, then choose fixed rate; if the rate in future period will decline prospectively, then choose the floating rate. In order to minor the bad impact from difference between the expectation and real condition, loans for liquid funds of the Company are choose the short-term period, and agreed the terms of prepayment in particular.

Foreign exchange risk

FX risks refer to the losses arising from exchange rate movement. The FX risk sustain by the Company mainly related with the USD, EUR, SF, JPY, HKD, DKK except for the USD, EUR, SF, JPY, HKD and DKK carried out for the equipment purchasing of parent company and WFAS, material purchasing of parent company, technical service and trademark usage costs of parent company, the import and export of WFTR, operation of IRD, operation of Borit, and operation of VHIO and other main business of the Company are pricing and settle with RMB (yuan). As the foreign financial assets and liabilities takes minor ratio in total assets, the Company has small FX risk of the financial instrument, considered by management of the Company.

End as December 31, 2024, except for the follow assets or liabilities listed with foreign currency, assets and liabilities of the Company are carried with RMB.

- Foreign currency assets of the Company till end of December 31, 2024:

Item	Ending foreign currency balance	Convert rate	Ending RMB balance converted	Ratio in assets (%)
Monetary funds				
Including: USD	13,873,061.05	7.1884	99,725,112.05	0.35
EUR	24,499,290.32	7.5257	184,374,309.16	0.65
HKD	11,187,803.18	0.9260	10,359,905.74	0.04
JPY	14,894,687.00	0.0462	688,134.54	--
DKK	79,733,081.38	1.0084	80,402,839.26	0.28
Account receivable				
Including: USD	2,522,502.37	7.1884	18,132,756.04	0.06
EUR	21,972,089.70	7.5257	165,355,355.46	0.58
DKK	8,300,064.81	1.0084	8,369,785.35	0.03
Other account receivables				
Including: EUR	471,259.96	7.5257	3,546,561.08	0.01
DKK	4,816,845.70	1.0084	4,857,307.20	0.02
Total ratio in assets				2.02

- Foreign currency liability of the Company till end of December 31, 2024:

Item	Ending foreign currency balance	Convert rate	Ending RMB balance converted	Ratio in assets(%)
Account payable				
Including: USD	727,116.62	7.1884	5,226,805.11	0.07
EUR	38,692,560.51	7.5257	291,188,602.63	3.69
JPY	39,079,396.00	0.0462	1,805,468.10	0.02
DKK	37,002,959.39	1.0084	37,313,784.25	0.47
CHF	233,207.55	7.9977	1,865,124.02	0.02
Other account payable				
Including: EUR	1,442,348.18	7.5257	10,854,679.70	0.14
DKK	896,659.28	1.0084	904,191.22	0.01
Non-current liabilities due within one year				
Including: USD	168,350.65	7.1884	1,210,171.81	0.02
EUR	913,722.70	7.5257	6,876,402.92	0.09
DKK	2,192,818.85	1.0084	2,211,238.53	0.03
Leasing liabilities				
Including USD	225,599.53	7.1884	1,621,699.66	0.02

Item	Ending foreign currency balance	Convert rate	Ending RMB balance converted	Ratio in assets(%)
EUR	3,404,995.75	7.5257	25,624,976.52	0.32
DKK	19,225,943.38	1.0084	19,387,441.30	0.25
Total ratio in liabilities				5.15

Other pricing risk

The equity instrument investment held by the Company with classification as transaction financial asset and other non-current financial assets are measured on fair value of the balance sheet date. The fluctuation of expected price for these investments will affect the gains/losses of fair value changes for the Company.

Furthermore, on the premise of deliberated and approved in 8th meeting of 10th session of the BOD, the Company exercise entrust financing with the self-owned idle capital; therefore, the Company has the risks of collecting no principal due to entrust financial products default. Aims at such risk, the Company formulated the *Management Mechanism of Capital Financing*, and well-defined the authority to entrust financial management, audit process, reporting system, Choice of trustee, daily monitoring and verification and investigation of responsibility, etc. In order to lower the adverse impact from unpredictable factors, the Company choose short-term and medium period for investment and investment product's term is up to 5 years in principle; The variety of investment includes bank financial products, trust plans of trust companies, asset management plans of asset management companies, various products issued by securities companies, fund companies and insurance companies, etc.

Liquidity risk

Liquidity risk refers to the capital shortage risk occurred during the clearing obligation implemented by the enterprise in way of cash paid or other financial assets. The Company aims at guarantee the Company has rich capital to pay the due debts, therefore, a financial control department is established for collectively controlling such risks. On the one hand, the financial control department monitoring the cash balance, the marketable securities which can be converted into cash at any time and the rolling forecast on cash flow in future 12 months, ensuring the Company, on condition of reasonable prediction, owes rich capital to paid the debts; on the other hand, building a favorable relationship with the banks, rationally design the line of credit, credit products and credit terms, guarantee a sufficient limit for bank credits in order to satisfy vary short-term financing requirements.

2. Hedge

(1) Risk management for hedge business

Applicable Not applicable

(2) The company conducts eligible hedging business and applies hedging accounting

Nil

(3) The company conducts hedging business for risk management purposes and expects to achieve the risk management objectives, but has not applied hedging accounting.

Applicable Not applicable

3. Financial assets

(1) By transfer manner

Applicable Not applicable

In RMB

Transfer method	Nature of transferred financial assets	Amount of transferred financial asset	Derecognized or not	Judgment basis for derecognition
Bill endorsement	Bank acceptance bills in accounts receivable financing that have not yet matured	240,728,655.13	Derecognized	Almost all of its risks and rewards have been transferred
Bill discounting	Bank acceptance bills in accounts receivable financing that have not yet matured	391,089,658.92	Derecognized	Almost all of its risks and rewards have been transferred
Assignment of accounts receivable	Assignment of accounts receivable without recourse	6,340,800.00	Derecognized	Almost all of its risks and rewards have been transferred
Total		638,159,114.05		

(2) Financial assets derecognized due to assignmentApplicable Not applicable

In RMB

Item	Methods of transferring financial assets	Amount of derecognized financial assets	Gains/losses related to de-recognition
Accounts receivable financing	Bill endorsement	240,728,655.13	
Accounts receivable financing	Bill discounting	391,089,658.92	3,439,527.22
Accounts receivable	Assignment of credit	6,340,800.00	3,651,225.00
Total		638,159,114.05	7,090,752.22

(3) Financial assets which are assigned and involved continuouslyApplicable Not applicable**XIII. Disclosure of fair value****1. Ending fair value of the assets and liabilities measured at fair value**

In RMB

Item	Ending fair value			
	First level	Second level	Third level	Total
I. Sustaining measured at fair value	--	--	--	--
(1) Trading financial assets				
1. Financial assets measured at fair value and whose changes are included in current profit or loss	10,501,800.00		1,419,180,835.57	1,429,682,635.57
(1) Investment in equity instrument	10,501,800.00			10,501,800.00
(2) Investment in other liability instruments and equity instrument			1,419,180,835.57	1,419,180,835.57
(2) Other non-current financial assets				
1. Financial assets designated to be measured at fair value and whose changes are included			747,471,349.81	747,471,349.81

in current profit or loss				
(1) Investment in equity instrument			747,471,349.81	747,471,349.81
(3) Receivable financing				
1. Financial assets measured at fair value and whose changes are included in other comprehensive income			1,713,187,182.25	1,713,187,182.25
(4) Other equity instrument investment				
1. Financial assets measured at fair value and whose changes are included in current gains/losses			677,790,690.00	677,790,690.00
Total amount of assets measured at fair value on an ongoing basis	10,501,800.00		4,557,630,057.63	4,568,131,857.63
II. non-persistent measure of fair value	--	--	--	--

2. Recognized basis for the market price sustaining and non-persistent measured at fair value on first level

On December 31, 2024, the financial assets available for sale, equity instrument investments held by the Company Miracle Automation (Stock code: 002009). The fair value at the end of the period is determined at the closing price as of December 31, 2024.

3. The qualitative and quantitative information for the valuation technique and critical parameter that sustaining and non-persistent measured by fair value on second level

(1) Financing of receivable

For this portion of financial assets, the company uses the discounted cash flow valuation technique to determine their fair value. Among them, the important unobservable input values mainly include the discount rate, the maturity period of the contractual cash flows, etc. For the cash flows with a contractual maturity period within 12 months (inclusive), no discounting is carried out, and the cost is taken as their fair value.

(2) Investments in other equity instruments

For this portion of financial assets, due to the lack of market liquidity, the company uses the replacement cost method to determine their fair value. Among them, the important unobservable input values mainly include the financial data of the invested company, etc.

(3) Investments in other debt instruments and equity instruments

For this portion of financial assets, the company uses the valuation technique of discounted cash flows to determine them. Among them, the important unobservable input values mainly include the expected annualized rate of return, the risk coefficient, etc.

4. The qualitative and quantitative information for the valuation technique and critical parameter that sustaining and non-persistent measured by fair value on third level

Nil

5. Continuous third-level fair value measurement items, adjustment information between the opening and closing book value and sensitivity analysis of unobservable parameters

Nil

6. Continuous fair value measurement items, if there is a conversion between various levels in the current period, the reasons for the conversion and the policy for determining the timing of the conversion

Nil

7. Changes in valuation technology during the current period and reasons for the changes

Nil

8. The fair value of financial assets and financial liabilities not measured by fair value

Nil

9. Other

Nil

XIV. Related party and related party transactions

1. Parent company of the enterprise

Parent company	Registration place	Business nature	Registered capital	Share-holding ratio on the enterprise for parent company	Voting right ratio on the enterprise
Wuxi Industry Group	Wuxi	Operation of state-owned assets	6,008,531,000.00	21.25%	21.25%

Explanation of the Parent Company's Shareholding Ratio in the Company

As of December 31, 2024, Wuxi Industrial Group held a 21.25% stake in the company. By February 21, 2025, Wuxi Industrial Group cumulatively acquired an additional 3,859,501 A-shares of the company through centralized bidding on the Shenzhen Stock Exchange, representing 0.38% of the company's total equity. Following this shareholding increase, Wuxi Industrial Group now holds 213,202,199 A-shares of the company, with its total stake rising to 21.38%.

Explanation on parent company of the company

Wuxi Industry Group is an enterprise controlled by the State-owned Assets Management Committee of Wuxi Municipal People's Government. Its business scope includes foreign investment by using its own assets, house leasing services, self-operating and acting as an agent for the import and export business of various commodities and technologies (Except for goods and technologies that are restricted by the state or prohibited for import and export), domestic trade (excluding national restricted and prohibited items). (Projects that are subject to approval in accordance with the law can be operated only after being approved by relevant departments).

Ultimate controller of the Company is the State-owned Assets Supervision & Administration Commission of Wuxi Municipality of Jiangsu Province.

Other explanation: Nil

2. Subsidiary of the Company

For more details of the Company's subsidiaries, please refer to X. 1(1). Equity in subsidiary.

3. Joint venture and associated enterprise

For more details, please refer to Note X. 3. Equity in Joint Venture and Associated Enterprises.

Other associated enterprises or joint ventures which have related transaction with the Company in the current period or previous periods: Nil

4. Other related party

Other related party	Relationship with the Company
Robert Bosch Company	Second largest shareholder of the Company
Guokai Metals	Enterprise controlled by the parent company
Urban Public Distribution	Enterprise controlled by the parent company
FAILCONTECH	Enterprise controlled by the parent company
Jiangsu Huilian Aluminum Industry Co., Ltd. (hereinafter referred to as "Huilian Aluminum Industry")	Enterprise controlled by the parent company
Wuxi IoT Innovation Center Co., Ltd. (hereinafter referred to as "Wuxi IoT")	Enterprise controlled by the parent company
Hebei Machinery Import and Export Co., Ltd. (hereinafter referred to as "Hebei Machinery")	Controlled by affiliated parties of our company's former directors/senior management
Hebei Deshuang Trade Co., Ltd (hereinafter referred to as "Hebei Deshuang")	Company controlled by Hebei Machinery
Hebei Jinda Import and Export Co., Ltd. (hereinafter referred to as "Hebei Jinda")	Company controlled by Hebei Machinery
Hebei Lanpai Technology Co., Ltd. (hereinafter referred to as "Hebei Lanpai")	Company controlled by Hebei Machinery
Hebei Mianzhuo Mechanical and Electrical Equipment Sales Co., Ltd. (hereinafter referred to as "Hebei Mianzhuo")	Company controlled by Hebei Machinery
Jiangsu Wuxi National Grain Reserve Depot Co., Ltd. (hereinafter referred to as "Wuxi Grain Depot")	Enterprise controlled by the parent company
Wuxi Security Service Co., Ltd. (hereinafter referred to as "Wuxi Security")	Enterprise controlled by the parent company
Eleventh Design and Research Institute of Information Industry Electronic Science and Technology Engineering Co., Ltd. (hereinafter referred to as the "Eleventh Institute of Science and Technology")	Enterprise directly or indirectly controlled by Taiji Industry Co., Ltd. Fang Tao, a related natural person of the company, serves as the chairman, and Li Jiayi serves as a director.
Key management	Directors, supervisors, and senior executives of the company

5. Related transaction

(1) Goods purchasing, labor service providing and receiving

Goods purchasing/labor service receiving

In RMB

Related party	Content of related transaction	Current period	Approved transaction limit	Whether more than the transaction limit (Y/N)	Last Period
WFEC	Goods and labor	800,690,587.70	1,198,000,000.00	N	955,325,713.19
RBCD	Goods and labor	254,181,294.44	313,000,000.00	N	266,965,044.36
Robert Bosch Company	Goods and labor	245,990,950.13	222,000,000.00	Y	199,404,542.49
WFPM	Goods and labor	33,594,562.90	45,000,000.00	N	41,669,848.47
FAILCONTECH	Goods and labor	77,747.81		Y	50,600.00
Eleventh Institute of Science and Technology	Goods and labor	71,698.12		Y	
Wuxi Security	Goods and labor	3,362.26		Y	

GuokaiMetals	Goods and labor				15,867,033.58
Huilian Aluminum Industry	Goods and labor				515,250.00

Goods sold/labor service providing

In RMB

Related party	Content of related transaction	Current period	Last Period
Robert Bosch Company	Goods and labor	2,078,120,537.08	1,868,727,976.48
RBCD	Goods and labor	1,352,740,802.27	1,673,734,280.25
Lezhuo Bowei	Goods and labor	10,940,310.56	9,695,369.27
Changchun Xuyang	Goods and labor	5,761,578.80	1,011,193.02
WFPM	Goods and labor	1,201,055.62	532,192.80
WFEC	Goods and labor	550,946.52	7,290,384.61
WuXi ZW	Goods and labor	113,776.50	
Wuxi Grain Depot	Goods and labor	214,601.77	

Description of related transactions in the purchase and sale of goods, provision and acceptance of labor services: Nil

(2) Related trusteeship management/contract & entrust management/ outsourcing

Nil

(3) Related lease

The company as lessor:

In RMB

Lessee	Assets type	Lease income recognized in the Period	Lease income recognized at last Period
WFEC	Workshop	2,006,634.05	2,006,634.03
Robert Bosch Company	Equipment	38,532.00	
RBCD	Parking lost	499,200.00	234,000.00
Lezhuo Bowei	Workshop and equipment	3,148,672.50	2,715,935.47

Explanation on related lease

WFLD entered into a house leasing contract with WFEC. The plant locating at No.9 Linjiang Road, Wuxi Xinwu District, owed by WFLD, was rented out to WFEC. WFLD recognized that the rental income in the year of 2024 was 2,006,634.05 yuan.

WFJN signed a house leasing contract with Lezhuo Bowei. Lezhuo Bowei leases a portion of WFJN's plant located at No. 12 Liuzhou North Road, Pukou District, Nanjing City. The lease term is from January 1, 2024 to December 31, 2024. WFJN has confirmed the rental income of 2,875,072.50 yuan for the year 2024; Lezhuo Bowei also rented some equipment from WFJN, and WFJN confirmed equipment rental income of 273,600.00 yuan in 2024.

The company as lessee:

Name of lessor	Types of leased assets	Simplified handling of rental expenses for short-term leases and low value asset leases (if applicable)		Variable lease payment not included in the measurement of lease liabilities (if applicable)		Rent paid		Interest expenses on lease liabilities undertaken		Increased right of use assets	
		Current amount	Last amount	Current amount	Last amount	Current amount	Last amount	Current amount	Last amount	Current amount	Last amount
Wuxi AautoLink Intelligent	Houses and equipm					2,698,200.00					

Manufacturing Co., Ltd	ent										
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Explanation on related leasing:

WFSS signed a lease contract with Wuxi AutoLink Intelligent Manufacturing Co., Ltd. The latter leased as a whole package its property located at No. 8 Huayun Road, Wuxi City (including workshops, parking lots and supporting office furniture, facilities, equipment, etc.) to WFSS. The lease term is from June 1, 2024, to May 31, 2026. Based on this, WFSS recognized the property lease expenses of RMB 2,698,200.00 for the period from June to December 2024.

(4) Connected guarantee

The company as guarantor

In RMB

Guarantee	Guarantee amount	Guarantee start date	Guarantee expiration date	Has the guarantee been fully fulfilled?
VHWX	10,000,000.00	2022-12-12		No
VHIO	77,840,000.00	2023-07-18		No
VHIO	53,090,000.00	2023-07-18		No
VHIO	307,060,000.00	2024-04-09		No

Explanation on related - party guarantees:

- ① The Company shall assume the guarantee liability for all the debts (including the principal creditor's rights and the interests thereon, liquidated damages, damages for losses, and the expenses for realizing the creditor's rights) under the sales contract signed between our wholly-owned subsidiary VHWX and Shenzhen BYD Supply Chain Management Co., Ltd., with the total guarantee amount not exceeding RMB 10 million. The guarantee period shall be from the date of signing of the main contract to two years after the expiration date of the performance period of the debts under the main contract, or until December 30, 2026 (including that day) (whichever of the two aforementioned dates comes earlier).
- ② The Company provides three guarantees for VHIO, a wholly-owned subsidiary. The details are as follows: On July 18, 2023, a guarantee amount of RMB 77.84 million was provided. The guarantee period is three years from the date when the Italian tax authority accepts the guarantee letter. On November 16, 2023, a guarantee amount of RMB 53.09 million was provided. The guarantee period is six months from the maturity date of each guaranteed debt, but not later than June 30, 2028. On April 9, 2024, a guarantee amount of RMB 307.06 million was provided. The guarantee period is two years from the date when VHIO fulfills all its obligations to suppliers or when it meets the indicator requirements stipulated in the letter of guarantee.

(5) Related party's borrowed/lending funds

Nil

(6) Related party's assets transfer and debt reorganization

Nil

(7) Remuneration of key management

In ten thousand yuan

Item	Current period	Last period
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Remuneration of key manager	10,790,000.00	6,620,000.00
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(8) Associated transaction of "Platform trade"

Name of associated party	Current period		Last period	
	Sales income received	Purchase payment paid	Sales income received	Purchase payment paid
Hebei Machinery	--	--	--	--
Hebei Jinda	--	--	--	-56,753,804.02
Hebei Deshuang	--	--	--	--
Hebei Lanpai	--	--	--	--
Hebei Mianzhuo	--	--	--	--
Total	--	--	--	-56,753,804.02

Other explanations: Due to being jointly controlled by Hebei Machinery and based on the essence of the "platform trade" business, WFTR presents the difference between the "purchase payments" paid to Hebei Jinda, Hebei Deshuang, Hebei Lanpai, and Hebei Mianzhuo in the "platform trade" business and the "sales income" received from Hebei Machinery as other receivables.

(9) Other related transactions

In RMB

Related party	Contents of item	Current period	Last Period
WFPM	Purchase of fixed assets	3,000.00	186,000.00
RBCD	Purchase of fixed assets	--	283,185.85
Robert Bosch Company	Payable for technical services	193,000.00	--
Robert Bosch Company	Technology royalties paid etc.	2,724,741.59	2,517,526.28
Robert Bosch Company	Purchase of fixed assets	9,212,449.26	20,337,308.56
Robert Bosch Company	Sales of fixed assets	2,774,443.00	10,066,665.81
Robert Bosch Company	Providing of technical services, etc.	--	2,601,403.49
Urban public distribution	Purchase cafeteria ingredients	2,470,675.30	2,074,056.16
Wuxi Industry Group	Providing of technology service, etc.	752,122.64	160,613.21
WFEC	Payable for technical services	589,056.60	33,396.23
WFEC	Utilities payable	1,125,244.70	1,217,617.88
WFEC	Providing of technology service, etc.	641,320.75	--
WFEC	Sales of fixed assets	--	253,046.93
Eleventh Institute of Science and Technology	Purchase canteen ingredients, etc	25,471.70	--
Lezhuo Bowei	Providing of technology service, etc.	82,722.27	110,344.34
Wuxi IOT	Purchase of fixed assets	68,867.93	602,233.50

6. Receivable/payable items of related parties**(1) Receivable item**

In RMB

Item	Related party	Ending balance	Opening balance
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		Book balance	Bad debt reserve	Book balance	Bad debt reserve
Account receivable	WFPM	253,087.10		170,770.59	
Account receivable	RBCD	807,220,878.29	3,096,153.84	686,424,501.80	1,017,817.82
Account receivable	Robert Bosch Company	638,685,114.08	1,347,705.10	596,846,772.56	782,592.70
Account receivable	Lezhuo Bowei	5,234,363.76	0.03	3,520,841.22	
Account receivable	WFEC	2,599,809.56		1,787,498.57	
Account receivable	Changchun Xuyang	9,644,850.41		220,134.29	
Account receivable	Wuxi Grain Depot	242,500.00			
Other account receivable	Robert Bosch Company	2,885,068.34	225,599.82	2,500,307.00	
Other non-current assets	Wuxi AutoLink Intelligent Manufacturing Co., Ltd.	449,700.00			
Dividends receivable	WFPM	5,357,758.49			
Prepayments	Robert Bosch Company	10,933,876.91			
Other non-current assets	Robert Bosch Company	7,513,200.00		470,000.00	
Other non-current assets	Wuxi Industry Group	5,452,800.00		5,452,800.00	
Total		1,496,473,006.94	4,669,458.79	1,297,393,626.03	1,800,410.52

(2) Payable item

In RMB

Item	Related party	Ending book balance	Opening book balance
Account payable	WFPM	7,803,153.23	15,511,126.97
Account payable	WFEC	581,475,733.94	480,670,597.42
Account payable	RBCD	67,673,428.74	49,028,994.76
Account payable	Robert Bosch Company	28,113,764.28	18,947,846.60
Account payable	Autolink	1,478,079.00	
Account payable	Eleven Technology Co., Ltd.	46,000.00	
Other current liabilities	RBCD	0.05	0.05
Other account payable	WFEC	9,859.30	
Contract liability	WFPM	26,394.04	
Contract liability	WFPM	29,000.00	29,000.00
Contract liability	Robert Bosch Company	41,380.29	
Contract liability	WFPM	203,031.12	
Other current liabilities	RBCD	0.36	0.36
Other current liabilities	Robert Bosch Company	325,299.33	6,986,398.10
Other current liabilities	WFEC	75,840.73	
Rent liability	Wuxi AutoLink Intelligent Manufacturing Co., Ltd.	2,228,404.32	
Total		689,529,368.73	571,173,964.26

(3) Related claims of “platform trade” business

In RMB

Item	Related party	Ending balance	Opening balance
Other receivables	Hebei Machinery	-2,125,487,770.72	-2,125,487,770.72
Other receivables	Hebei Jinda	1,958,470,484.57	1,958,470,484.57
Other receivables	Hebei Deshuang	1,436,757,179.96	1,436,757,179.96
Other receivables	Hebei Lanpai	609,404,930.22	609,404,930.22
Other receivables	Hebei Mianzhuo	479,253,260.75	479,253,260.75
Total		2,358,398,084.78	2,358,398,084.78

Note: Due to being jointly controlled by Hebei Machinery and based on the essence of the "platform trade" business, WFTR presented the difference of RMB 2,358,398,084.78 between the "purchase payments" made to Hebei Jinda, Hebei Deshuang, Hebei Lanpai and Hebei Mianzhuo in the "platform trade" business and the "sales income" received from Hebei Machinery as other receivables. As of December 31, 2024, the balance of the bad debt provision made by the company for the balance of these other receivables was RMB 1,448,358,922.04. This balance of the bad debt provision was calculated by the company. It was obtained by multiplying the proportion of 88.10% (the balance of other receivables of Hebei Machinery and the companies it controls, which was RMB 2,415,151,888.80 as of December 31, 2022, accounting for the balance of other receivables of the "platform trade" business portfolio of WFTR, which was RMB 2,741,499,131.95 as of December 31, 2022) by the bad debt provision of RMB 1,644,068,327.93 made for the balance of other receivables of the "platform trade" business portfolio of WFTR.

7. Undertakings of related party

Nil

8. Other

Nil

XV. Share-based payment**1. Overall situation of share-based payment**Applicable Not applicable

In RMB

Category of grant object	Granted in current period		Executed in current period		Unlocked in current period		Expired in current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Sales staff							4,275,300.00	111,585,330.00
Administrative staff							216,300.00	5,645,430.00
R&D staff							180,000.00	4,698,000.00
Production staff							504,900.00	13,177,890.00
Total							5,176,500.00	135,106,650.00

Stock options or other equity instruments issued to the public at the end of the period

Applicable Not applicable

Other explanation: Nil

2. Share-based payment settled by equity

Applicable Not applicable

In RMB

Method for determining the fair value of equity instruments on the grant date	Determine based on the closing price of the restricted stock on the grant date
Basis for determining the number of vesting equity instruments	Unlocking conditions
Reasons for the significant difference between estimate in the current period and estimate in the prior period	Not applicable
Cumulative amount of equity-settled share-based payments included in the capital reserve	81,051,840.00
Total amount of expenses confirmed by equity-settled share-based payments in the current period	0.00

3. Share-based payment settled by cash

Applicable Not applicable

4. Current share-based payment expenses

Applicable Not applicable

5. Modification and termination of share-based payment

Nil

6. Other

Nil

XVI. Undertakings or contingency

1. Important undertakings

Important undertakings on balance sheet date

Nil

2. Contingency

(1) For the important contingency unnecessary to disclosed by the Company, explained reasons

1. Contingent liabilities formed by providing debt guarantees for other entities and their financial impacts

Guarantee for subsidiary: As of December 31, 2024, the Company provided a guarantee for all debts arising from the performance of contracts by its subsidiary VHWX and Shenzhen BYD Supply Chain Management Co., Ltd., with the guaranteed amount being RMB 10 million.

As of December 31, 2024, the Company provided a guarantee amount of RMB 717.99 million to its grand-subsiary VHIO. The scope of the guarantee includes, but is not limited to, financing-related guarantees arising from the application for financing businesses (including businesses such as loans, bank acceptance bills, foreign exchange derivative transactions, letters of credit, guarantee letters, etc.) and performance-related guarantees occurring in daily operations.

2. Other contingent liabilities and their financial impacts

The Company has no other significant contingent matters that require disclosure.

(2) Other information required by the Guidelines for Information Disclosure of Automobile Manufacturing Related Industries

The Company need to comply with the disclosure requirement on related industry of automobile manufacturing in the *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No.3 - Disclosure of Industry Information*

Mortgage sales, financial leasing and other models of sales accounted for more than 10% of operating income

Applicable Not applicable

The company's guarantee to the dealer

Applicable Not applicable

3. Other

Nil

XVII. Undertakings or contingency

1. Important undertakings

In RMB

Item	Content	Impact on financial condition and operating results	Reason for the inability to estimate the number of impacts
Issuance of stocks and bonds	Nil	Nil	Nil
Major external investment	Nil	Nil	Nil
Major debt restructuring	Nil	Nil	Nil
Natural calamities	Nil	Nil	Nil
Significant changes in foreign exchange rates	Nil	Nil	Nil

2. Profit distribution

Cash dividends for every 10 shares proposed to be distributed (yuan)	9
Share bonus for every 10 shares proposed to be distributed (shares)	0
Transfer of capital reserve into share capital (per10 shares) proposed	0
Cash dividends for every 10 shares declared to be distributed(yuan)	9
Share bonus for every 10 shares declared to be distributed (shares)	0
Transfer of capital reserve into share capital (per 10 shares) approved	0
Profit distribution plan	Based on the latest total share capital of the company (996,986,293 shares), excluding the number of A-shares held in the company's repurchase special account (25,000,000 shares) (971,986,293 shares) (according to the

	<p>provisions of the Company Law, listed companies do not have the right to participate in profit distribution and capital reserve conversion into share capital by repurchasing the company's shares held in the special securities account), a cash dividend of RMB9.00 (including tax) will be distributed for every 10 shares, without bonus shares or capital reserve conversion into share capital. The remaining undistributed profits will be carried forward to the next year. The total planned cash dividend for this round is 874,787,663.70 yuan (including tax). If there is a change in the total share capital of the company before the implementation of the distribution plan, the company will distribute according to the principle of unchanged distribution ratio and adjusted total distribution amount. The profit distribution plan still needs to be submitted for review at the 2024 Annual Shareholders' Meeting.</p>
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3. Return of sales

Nil

4. Other events after balance sheet date

Nil

XVIII. Other important events

1. Previous accounting errors correction

(1) Retrospective restatement

Nil

(2) Prospective application

Nil

2. Debt restructuring

Nil

3. Asset replacement

(1) Non-monetary asset replacement

Nil

(2) Other asset replacement

Nil

4. Pension plan

The *Enterprise Annuity Plan under the name of WFHT* has deliberated and approved by 8th meeting of 7th session of the BOD: in order to mobilize the initiative and creativity of the employees, established a talent long-term incentive mechanism, enhance the cohesive force and competitiveness in enterprise, the Company carried out the above mentioned annuity plan since the date of reply of plans reporting received from labor security administration department. Annuity plans are: the annuity fund are paid by the enterprise and employees together; the enterprise's contribution shall not exceed 8% of the gross salary of the employees of the enterprise per year, the combined contribution of the enterprise and the individual employee shall not exceed 12% of the total salary of the employees of the enterprise. In accordance with the State's annuity policy, the Company will adjusted the economic benefits in due time, in principle of responding to the economic strength of the enterprise, the amount paid by the enterprise at current period control in the 8% of the total salary of last year, the maximum annual allocation to employees shall not exceed five times the average allocation to employees and the excess shall not be counted towards the allocation. The individual contribution is limited to 1% of one's total salary for the previous year. Specific paying ratio later shall be adjusted correspondingly in line with the operation condition of the Company.

In December 2012, the Company received the *Reply on annuity plans reporting under the name of WFHT* from labor security administration department, later, the Company entered into the *Entrusted Management Contract of the Annuity Plan of WFHT* with PICC.

5. Termination of operation

Not applicable

6. Segment

(1) Recognition basis and accounting policy for reportable segment

Determine the operating segments in line with the internal organization structure, management requirement and internal reporting system. Operating segment of the Company refers to the followed components that have been satisfied at the same time:

- ① The component is able to generate revenues and expenses in routine activities;
- ② Management of the Company is able to assess the operation results regularly, and determine resources allocation and performance evaluation for the component;
- ③ Being analyzed, financial status, operation results and cash flow of the components are able to require by the Company

If two or more operating segments have similar economic characteristics and meet certain conditions, they can be merged into one operating segment.

The company considers the principle of importance and determines the reporting segments based on the operating segments. The reporting segment of the company is a business unit that provides different products or services or operates in different regions. Due to the need for different technologies and market strategies in various businesses or regions, the company independently manages the production and operation activities of each reporting segment, evaluates their operating results individually, and decides to allocate resources to them and evaluate their performance. The company mainly produces products related to automotive internal combustion engine fuel systems, fuel cell components, automotive parts, mufflers, purifiers, vacuum and hydraulic pumps, etc. The company determines the reporting segments based on the products or service content. However, due to the mixed operation of related businesses, the total assets, total liabilities, and period expenses have not been allocated.

(2) Financial information for reportable segment

In RMB

Item	Automotive fuel injection system	Automotive post processing system segment	Air management system segment	Other automotive components segment	Offsetting between segments	Total
Revenue	4,745,041,198.46	3,517,753,858.51	966,510,146.42	1,937,957,952.46		11,167,263,155.85
Cost	3,614,346,636.50	2,963,329,763.51	761,968,455.28	1,797,522,161.10		9,137,167,016.39

(3) If the company has no reportable segments or is unable to disclose the total assets and liabilities of each reportable segment, it should state the reasons

The company is mainly devoted to producing automotive internal combustion engine fuel system products, automotive components, muffler, purifier, vacuum and hydraulic pump and other related products. It determines the reporting segments based on product or service contents, but due to the mixed operation of related businesses, the total assets, total liabilities and period expenses have not been allocated.

(4) Other explanations

Nil

7. Major transaction and events influencing investor's decision

(1) In March 2023, the Company reported the contract fraud case involving our subsidiary WFTR to the Xinwu Branch of the Wuxi Public Security Bureau. On April 12, 2023, the Xinwu Branch of the Wuxi Public Security Bureau issued a "Case Filing Notification," and launched a criminal investigation into the contract fraud that occurred during the process of Wufu International Trade's "platform trade" business (for details, please refer to the company's Announcement No. 2023-007 disclosed on April 13, 2023 on information disclosure websites such as the Chinaclear Information Network). The case has gone through stages such as investigation, prosecution, and trial. In April 2025, the Company received the "Criminal Judgment" ((2024) Su 02 Xing Chu 22) served by the Intermediate People's Court of Wuxi City, Jiangsu Province. The Intermediate People's Court of Wuxi City, Jiangsu Province heard the case in which the Wuxi People's Procuratorate accused the defendant Liu of the crime of contract fraud. On April 11, 2025, the first-instance judgment was made, convicting the defendant Liu of the crime of contract fraud, and the property seized, sealed, and frozen in the case shall be handled by the public security organs in accordance with the law.

(2) Based on the "platform trade" business's background, transaction chain, sales and purchase contract signing, transaction process, physical flow and so on, the company carefully analyzed and made comprehensive judgment, finds that the probability of this business not belonging to normal trade business is extremely high. In terms of accounting treatment, the company follows the principle of substance over form and does not treat it as normal trade business, but according to the receipt and payment of funds, prudently counts as claims and liabilities, respectively, purchases actually paid to "suppliers" and sales collected from "customers", Other receivables are reported on a net basis in the financial statements as a "platform trading" portfolio. As of December 31, 2024, the balance of the "Platform Trade" business portfolio was RMB2,542,263,400 yuan, and an expected credit loss of RMB1,644,068,300.00 has been provisioned. Based on the comprehensive judgment of information from authorized departments, the company has determined that there has been no significant change in the recoverable amount of debt in the "platform trade" business portfolio, and there is no need for further provision or significant reversal of expected credit losses.

8. Other

Nil

XIX. Principal notes of financial statements of parent company**1. Account receivable****(1) By account aging**

In RMB

Aging	Ending book balance	Beginning book balance
Within one year(inclusive)	1,482,006,067.41	1,376,943,595.48
Including: within six months	1,460,455,344.98	1,365,664,197.96
Six months to one year	21,550,722.43	11,279,397.52
1-2 years	6,409,424.43	9,348,871.78
2-3 years	8,408,261.89	732,334.63
Over three years	1,242,046.26	6,457,957.26
3 - 4 years	546,653.26	1,522,747.95
4 - 5 years	583,255.45	101,188.83
Over 5 years	112,137.55	4,834,020.48
Total	1,498,065,799.99	1,393,482,759.15

(2) Accrued of bad debt reserve

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt reserve		Book value	Book balance		Bad debt reserve		Book value
	Amount	Ratio	Amount	Accrued ratio		Amount	Ratio	Amount	Accrued ratio	
Account receivable with bad debt reserve accrued on a single basis	1,439,571.54	0.10%	1,439,571.54	100.00%		4,774,540.26	0.34%	4,774,540.26	100.00%	
Including:										
Account receivable with bad debt reserve accrued on portfolio	1,496,626,228.45	99.90%	6,690,538.40	0.45%	1,489,935,690.05	1,388,708,218.89	99.66%	4,648,838.01	0.33%	1,384,059,380.88
Including:										
Including: receivables from customers	1,331,265,647.15	88.87%	6,690,538.40	0.50%	1,324,575,108.75	1,219,857,129.33	87.54%	4,648,838.01	0.38%	1,215,208,291.32
Receivables from internal related parties	165,360,581.30	11.04%			165,360,581.30	168,851,089.56	12.12%			168,851,089.56
Total	1,498,065,799.99	100.00%	8,130,109.94		1,489,935,690.05	1,393,482,759.15	100.00%	9,423,378.27		1,384,059,380.88

Bad debt reserve accrued on single basis: 1,439,571.54

In RMB

Name	Beginning balance		Ending balance			
	Book balance	Bad debt reserve	Book balance	Bad debt reserve	Accrued ratio	Accrued causes
SAIC HONGYAN Automotive Co., Ltd			935,626.30	935,626.30	100.00%	Have difficulty in collection
Tianjin Leiwo Engine Co., Ltd.	503,945.24	503,945.24	503,945.24	503,945.24	100.00%	Have difficulty in collection
BD bills	4,270,595.02	4,270,595.02				
Total	4,774,540.26	4,774,540.26	1,439,571.54	1,439,571.54		

Bad debt reserve accrued on portfolio: 6,690,538.40

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Accrual ratio
Within 6 months	1,299,653,216.02		
6 months to one year	19,040,810.06	1,904,081.00	10.00%
1-2 years	3,425,258.16	685,051.63	20.00%
2-3 years	8,408,261.89	3,363,304.75	40.00%
Over 3 years	738,101.02	738,101.02	100.00%
Total	1,331,265,647.15	6,690,538.40	

Explanation on determining the basis of this portfolio:

③ In the portfolio, accounts receivable from internal related parties:

In RMB

Name of related party	Amount	Ratio of bad debt reserve (%)
WFTR	66,062,548.94	--
WFSC	44,309,810.50	--
WFSS	24,029,089.51	--
VHWX	24,573,198.62	--
WFTT	3,962,004.48	--
WFQL	2,420,516.65	--
WFAS	3,412.60	--
Total	165,360,581.30	--

If the provision for bad debts of accounts receivable is made according to the general model of expected credit losses:

Applicable Not applicable

(3) Bad debt reserve accrued, collected or reversal

Bad debt reserve accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	
Accrued on single basis	4,774,540.26	935,626.30	4,270,595.02			1,439,571.54
Accrued on portfolio	4,648,838.01	2,041,700.39				6,690,538.40
Total	9,423,378.27	2,977,326.69	4,270,595.02			8,130,109.94

Important bad debt reserve collected or reversal: Nil

(4) Account receivable charged off in the Period

Nil

(5) Top 5 receivables and contract assets at ending balance by arrears party

In RMB

Name	Ending balance of account receivable	Ending balance of contract assets	Ending balance of account receivable and contract assets	Ratio in total ending balance of account receivable and contract assets	Ending balance of bad debt reserve and impairment reserve of contract assets
RBCD	807,220,878.29		807,220,878.29	53.88%	3,096,153.84
Robert Bosch Company	255,800,409.73		255,800,409.73	17.08%	1,107,994.46
Client 3	88,287,995.25		88,287,995.25	5.89%	3,721.12
WFTR	66,062,548.94		66,062,548.94	4.41%	
WFSC	44,309,810.50		44,309,810.50	2.96%	
Total	1,261,681,642.71		1,261,681,642.71	84.22%	4,207,869.42

2. Other accounts receivable

In RMB

Item	Ending balance	Opening balance
Interest receivable	6,702,396.94	842,323.12
Dividends receivable	5,357,758.49	
Other account receivables	1,417,306,880.03	1,369,807,069.16
Total	1,429,367,035.46	1,370,649,392.28

(1) Interest receivable**1) Category of interest receivable**

In RMB

Item	Ending balance	Opening balance
Interest receivable of subsidiary	6,702,396.94	842,323.12
Total	6,702,396.94	842,323.12

2) Significant overdue interest

Other explanation: Nil

3) Accrued bad debt reserveApplicable Not applicable

4) Bad debt reserve accrued, collected or reversal

Nil

5) Interest receivable charged off during the reporting period

Nil

(2) Dividends receivable**1) Category of dividends receivable**

In RMB

Investee	Ending balance	Opening balance
WFPM	5,357,758.49	
Total	5,357,758.49	

2) Important dividends receivable with account age over one year

Nil

3) Accrued bad debt reserveApplicable Not applicable**4) Bad debt reserve accrued, collected or reversal**

Nil

5) Dividends receivable charged off during the reporting period**(3) Other account receivable****1) Other account receivables classification by nature**

In RMB

Nature	Ending book balance	Opening book balance
Staff loans and petty cash	330,080.00	520,080.00
Balance of related party in the consolidate scope	3,051,023,208.99	3,006,132,546.93
Margin	3,097,870.78	3,920,799.33
Social security and provident fund paid	6,199,417.67	6,119,110.70
Other	3,051,521.21	371,066.21
Total	3,063,702,098.65	3,017,063,603.17

2) By account age

In RMB

Account age	Ending book balance	Beginning book balance
Within one year (One year included)	216,098,598.61	365,322,657.63
Including: within 6 months	38,421,387.82	134,688,758.70
6 months to one year	177,677,210.79	230,633,898.93
1-2 years	279,688,422.50	2,648,713,049.33
2-3 years	2,566,161,181.33	218,000.00
Over 3 years	1,753,896.21	2,809,896.21
3-4 years	50,000.00	2,794,070.00
4-5 years	1,688,070.00	8,626.21
Over five years	15,826.21	7,200.00
Total	3,063,702,098.65	3,017,063,603.17

3) Accrued of bad debt reserve

Provision for bad debt reserve based on the general model of expected credit losses:

In RMB

Bad debt reserve	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of Jan. 1, 2024	3,188,206.08		1,644,068,327.93	1,647,256,534.01
Balance of Jan. 1, 2024 in the period				
Current accrual	274,166.89			274,166.89
Current reversal	1,135,482.28			1,135,482.28
Balance on Dec. 31, 2024	2,326,890.69		1,644,068,327.93	1,646,395,218.62

Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable**4) Bad debt reserve accrued, collected or reversal**

Bad debt reserve accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	
Bad debt reserve	1,647,256,534.01	274,166.89	1,135,482.28			1,646,395,218.62
Total	1,647,256,534.01	274,166.89	1,135,482.28			1,646,395,218.62

Including the important bad debt reserve reversal or collected in the period: Nil

5) Other receivables charged off during the reporting period

Nil

6) Top 5 other receivables at ending balance by arrears party

In RMB

Name of enterprise	Nature	Ending balance	Account age	Ratio in total ending balance of other receivables	Ending balance of bad debt reserve
WFTR	Balance of related party in the consolidate scope	2,758,260,000.00	Within 1 year 2-3 years	90.03%	1,644,068,327.93
IRD	Balance of related party in the consolidate scope	136,847,488.60	Within 1 year 1-2 years	4.47%	
WFCA	Balance of related party in the consolidate scope	109,570,000.00	Within 1 year 1-2 years	3.58%	
BORIT	Balance of related party in the consolidate scope	45,544,681.16	Within 1 year 1-2 years	1.49%	
WFAM	Balance of related party in the consolidate scope	6,281,901.73	Within 1 year	0.21%	
Total		3,056,504,071.49		99.78%	1,644,068,327.93

7) Those booked into other account receivables due to centralized fund management

Nil

3. Long-term equity investments

In RMB

Item	Ending balance			Opening balance		
	Book balance	Provision for impairment loss	Book value	Book balance	Provision for impairment loss	Book value
Investment in subsidiary	3,846,281,133.43		3,846,281,133.43	3,116,879,242.19		3,116,879,242.19
Investment in associates and joint venture	5,533,108,674.14		5,533,108,674.14	4,891,133,182.10		4,891,133,182.10
Total	9,379,389,807.57		9,379,389,807.57	8,008,012,424.29		8,008,012,424.29

(1) Investment in subsidiary

In RMB

Investee	Opening balance (book value)	Opening balance of provision for impairment loss	Changes in current period				Ending balance (book value)	Ending balance of depreciation reserves
			Additional Investment	Negative Investment	Provision for impairment loss	Other		
WFJN	185,704,551.82						185,704,551.82	

WFLD	467,856,451.80		191,118,200.00					658,974,651.80	
WFMA	170,986,195.35							170,986,195.35	
WFCA	222,664,737.01							222,664,737.01	
WFTR	33,726,511.51							33,726,511.51	
WFSC	51,116,685.47							51,116,685.47	
WFTT	238,063,380.00							238,063,380.00	
WFAM	82,454,467.99							82,454,467.99	
WFDT	54,012,820.23							54,012,820.23	
SPV	1,240,910,511.02		323,278,388.44					1,564,188,899.46	
WFLD(Chongqing)	191,160.00							191,160.00	
WFAS	631,890.00							631,890.00	
WFQL	225,000,000.00							225,000,000.00	
VHWX	143,559,879.99							143,559,879.99	
WFSS			215,005,302.80					215,005,302.80	
Total	3,116,879,242.19		729,401,891.24					3,846,281,133.43	

(2) Investment in associated enterprises and joint venture

In RMB

Investee	Opening balance (book value)	Opening balance of provision for impairment loss	Current changes (+/-)							Ending balance (book value)	Ending balance of depreciation reserves	
			Additional investment	Capital reduction	Investment gain/loss recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Impairment Accrued			Other
I. Joint venture												
II. Associated enterprise												
RBCD	2,892,038,981.78				885,900,981.78				504,543,000.42		3,273,396,963.14	
Zhonglian Electronics	1,685,502,046.73				452,288,770.52				266,000,000.00		1,871,790,817.25	
WFPM	41,414,341.58				7,364,673.59			872,715.59	5,357,758.49		44,293,972.27	
AutoLink	182,680,857.61		30,000,000.00		-41,760,354.74			39,945,647.02			210,866,149.89	
Lezhuo Bowei	89,496,954.40		110,000,000.00		-66,736,182.81						132,760,771.59	
Subtotal	4,891,133,182.10		140,000,000.00		1,237,057,888.34			40,818,362.61	775,900,758.91		5,533,108,674.14	
Total	4,891,133,182.10		140,000,000.00		1,237,057,888.34			40,818,362.61	775,900,758.91		5,533,108,674.14	

	133,18		000.00		7,888.34		8,362	758.91			108,6	
	2.10						.61				74.14	

The recoverable amount is determined on the basis of the net amount after deducting disposal expenses from fair value

Applicable Not applicable

The recoverable amount is determined on the basis of the present value of expected future cash flows

Applicable Not applicable

(3) Other explanations

Nil

4. Operating income and cost

In RMB

Item	Current period		Last period	
	Income	Cost	Income	Cost
Main business	3,175,428,485.74	2,585,384,392.97	3,398,402,921.46	2,784,710,364.77
Other business	221,947,252.49	163,133,107.97	169,604,704.58	92,512,697.03
Total	3,397,375,738.23	2,748,517,500.94	3,568,007,626.04	2,877,223,061.80

5. Investment income

In RMB

Item	Current period	Last Period
Investment income from holding transaction financial asset	38,210,665.77	89,973,294.02
Investment income from disposing of trading financial assets	16,818,201.49	13,352,570.85
Dividends income of other equity instruments during holding period	18,590.00	
Investment income in subsidiaries	139,560,230.16	76,552,430.32
Investment income in joint ventures and associated enterprises	1,237,057,888.34	1,372,133,258.69
Income from derecognizing of financial assets measured at amortization cost	-312,015.98	
Revenue from debt restructuring	-133,897.16	-12,000.00
Total	1,431,219,662.62	1,551,999,553.88

6. Others

Nil

XX. 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	10,467,340.59	
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)	48,616,030.83	
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	-4,002,897.09	
Gains/losses of assets delegation on others' investment or management	43,914,146.08	
Reserve for impairment of receivables separately tested for impairment transfer back	4,534,967.21	
Gains/losses of debt restructuring	-599,671.45	
Other non-operating income and expenditure except for the aforementioned items	8,230,931.23	
Other gains/losses that meet the definition of non-recurring gains/losses	707,494.88	
Accounts receivable charged off in previous years and recovered in current year		
Less: Impact on income tax	30,138,725.92	
Impact on minority shareholders' equity (After tax)	1,305,351.90	
Total	80,424,264.46	

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	8.47%	1.71	1.71
Net profits belong to common stock stockholders of the Company after deducting nonrecurring gains and losses	8.06%	1.62	1.62

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: _____

18 April 2025