Wuxi Lead Intelligent Equipment Co., Ltd.

2024 Annual Report Summary

SECTION I IMPORTANT NOTICE

This summary of the annual report is from the full text of the annual report. To fully understand the business performance, financial condition, and future development planning of the Company, investors should read the full text of the annual report for details.

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

The audit opinion of Baker Tilly China Certified Public Accountants to the Company is: umodified opinion

Change of accounting firm during this reporting period: The Company's accounting firm for this year is still Baker Tilly China Certified Public Accountants.

Non-standard audit opinion reminder

□ Applicable ☑ Not Applicable

The company was not profitable at the time of its listing and is currently still not profitable.

□ Applicable ☑ Not Applicable

Profit distribution plan or plan for converting capital reserve to share capital for the reporting period reviewed by the board of directors

☑Applicable □Not Applicable

The profit distribution plan approved by the board of directors this time is as follows: based on total share capital of 1,554,889,537, a cash dividend of 0.56 RMB (including tax) will be distributed to all shareholders for every 10 shares, with 0 bonus shares (including tax) given, and 0 additional shares will be issued to all shareholders for every 10 shares using capital reserves.

The profit distribution plan for preferred shares approved by the board of directors during this reporting period

□Applicable ☑Not Applicable

SECTION II COMPANY PROFILE

1. Company Profile

Stock name	LEAD INTELLIGENT	Stock code	300450
Stock exchange	Shenzhen Stock Exchange		
Contact person and means of contact	Secretary of the Board	Securities affairs representative	
Name	Yao Yao	Zhu Qi	
Office address	No. 18 Xinzhou Rd., Xinwu District, Wuxi, Jiangsu Province	No. 18 Xinzhou Rd., Xinwu District, Wuxi, Jiangsu Province	
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2. Main Business/Products of the Company during the Reporting Period

(1) Main business and products

The Company specializes in the R&D, manufacture, and sales of high-end non-standard intelligent equipment. It focuses on "new energy + high-end equipment" and is a world-leading provider of new energy intelligent manufacturing solutions. The

Company covers lithium battery intelligent equipment, photovoltaic intelligent equipment, 3C intelligent equipment, intelligent logistics, automobile intelligent production line, hydrogen energy equipment, laser precision processing equipment, etc., and is able to provide customers with smart factory turnkey solutions integrating production and service.

1. Lithium-ion battery intelligent equipment: Offers lithium battery manufacturing equipment and whole line solutions. The main products include: new slurry mixing system, dry electrode processing system, coating machine, calendaring (and slitting) machine, notching machine, winding machine, stacking machine (including cutting and stacking machine, heat lamination stacking machine), cell assembly line, formation and grading system, magnetron sputtering coating machine, electrolyte membrane forming machine, anode lithiation machine, densification machine, etc. LEAD's whole-line intelligent manufacturing solutions cover various types of batteries, including cylindrical, prismatic, pouch, solid-state, and sodium-ion batteries, and apply to the batteries of electrical vehicles, energy storage, and consumer electronics. Furthermore, LEAD's independently developed LEADACE intelligent manufacturing platform, with equipment predictive maintenance and product quality improvement at its core, helps creating intelligent factories for customers.

2. Photovoltaic intelligent equipment: Provides photovoltaic module and photovoltaic cell manufacturing equipment and whole-line solutions. LEAD's photovoltaic module intelligent equipment includes BC/0BB/SMBB stringer, cutting stringer, shingling welding machine, busbar welding machine, IBC stringer, and module production line solution, etc. The photovoltaic cell intelligent equipment includes screen printing machine, sintering machine, inspection and sorting machine, texturing/alkaline polishing/cleaning/BSG removal/PSG removal wet process machine, as well as whole-line solutions for TOPCon, HJT, XBC, perovskite, and other photovoltaic cells.

3. 3C intelligent equipment: The subsidiary LeadTech provides a series of 3C production intelligent equipment featuring self-developed 3D+AI vision algorithm (HySmart), precision fluid technology (HyFluid), and integrated test platform (HyTest). Its equipment include machines for vision measurement, AI defect detection, five-axis high-speed dispensing, high volume sealing, camera test, electrical test, reliability test, and 3D assembly. The main applications cover the three major areas of consumer electronics (MR, TWS, watch, smartphone, digital stylus, tablets, etc.), intelligent vehicles (Pack & CTP, intelligent electric vehicle, intelligent cabin, intelligent driving, etc.), and digital energy (container energy storage system, ultra-fast charging station, etc.).

4. Intelligent logistics system: The subsidiary Lead Logistics focuses on "flexible manufacturing" and "smart manufacturing". It helps customers to solve problems of warehousing and production logistics management, improve the efficiency of logistics storage and transfer, and achieve digital operation. The company offers one-stop integrated logistics solutions from consulting, design, planning, manufacturing, installation, commissioning and upgrading. (1) Intelligent warehousing solutions include: stacker cranes, conveyors, shuttles/AGVs, robots, etc.; (2) Production logistics solutions include:

flexible conveyor system, palletizing and sorting machine, intelligent handling machine, etc.; (3) Distribution center solutions include: packing and unpacking robot, automatic unpacking machine, high-speed sorting machine, etc.; (4) Digital software solutions include: logistics middle interface system (LMIS), flexible manufacturing system (FMS), warehouse management system (WMS), warehouse control system (WCS), and AGV control system (ACS).

5. Automotive smart production line: Focuses on the five areas of Pack & CTP, intelligent electric vehicles, intelligent cabins, bodywork system, and intelligent driving, and provides customers with comprehensive solutions for fluid, testing, and automated assembly of related components.

6 Hydrogen energy equipment: The subsidiary LHI provides comprehensive solutions for the whole hydrogen energy industry chain, including fuel cell production machine, PEM/AEM/ALK electrolyzer production machine, hydrogen testing machine, and perovskite solar cell production machine. The core product lines include PEM and GDL production line, precision slot die coating machine for multiple substrates, MEA processing line, stack assembly line, and IDC hydrogen testing products.

7. Laser precision processing equipment: The subsidiary LeadLaser is committed to high-precision numerical control system, and offers fine micro-processing, measurement and automation solutions for semiconductor, consumer electronics, and new display industries. (1) Semiconductor groups: Provides semiconductor FE-BE, stealth dicing, marking, cutting, and special applications such as 3D TSV/TGV; (2) Consumer electronics: It offers a comprehensive solution in the traditional PCB/FPC and 3C fields; (3) New display: It applies innovative laser solutions to LCD/OLED/Micro LED.

(2) Basic industry condition

The Company specializes in the R&D, manufacture, and sales of high-end non-standard intelligent equipment. It engages in the Intelligent Equipment Manufacturing Industry, mainly involving lithium-ion battery intelligent equipment, photovoltaic intelligent equipment, 3C equipment, automobile automation production line, hydrogen energy equipment, etc. According to the "Guidelines for Industry Classification of Listed Companies" issued by the China Securities Regulatory Commission (CSRC) in October 2012, the company falls into the "C35 Special Equipment Manufacturing Industry."

(3) Industry status quo and future trends

1. Lithium-ion battery equipment industry

The lithium-ion battery includes EV, energy storage, and digital types, and the lithium-ion battery equipment industry provides specialized equipment to downstream battery manufacturers.

EV battery: 2024 witnessed the growth of the global new energy demand and industry size. However, due to the short-term mismatch between supply and demand, the production expansion of Chinese EV battery manufacturers was affected to varying degrees, and the demand for and acceptance of EV battery equipment were under pressure. In May 2024, the Ministry of Industry and Information Technology solicited public opinions on the "Specifications of the Lithium-ion Battery Manufacturing Industry

(2024 Edition)," intending to guide lithium-ion battery companies to reduce manufacturing projects that simply expand production capacity, strengthen technological innovation, improve product quality, and reduce production costs. Since the second half of 2024, with the gradual resumption of production expansion plans by leading lithium-ion battery manufacturers, the demand for EV battery equipment gradually recovered. According to the statistics from Frost & Sullivan, the global market of Li-ion battery smart equipment rebounded to 33.3 RMB billion in the second half of 2024, a growth of 28.0% compared to the first half.

In terms of overseas markets, according to EV Tank, the global total sales of new energy vehicles in 2024 reached 18,236,000 vehicles, a year-on-year increase of 24.4%; the global EV battery shipments reached 1051.2 GWh, a year-on-year growth of 21.5%. Among them, China's EV battery export stood at 133.7 GWh, up by 5.0% year on year, according to the China Automotive Power Battery Industry Innovation Alliance. In the medium to long term, the overseas battery market still offers vast demand. Top Chinese battery companies are accelerating their overseas expansion, and current overseas expansion projects have entered a substantial phase. Chinese equipment manufacturers with global competitiveness have great potential for growth in the overseas market.

In addition, the lithium-ion battery demonstrates a new technological trend featuring the application of various battery types. The solid-state battery possesses two significant advantages, high energy density and great safety, making it the preferred power source for high-end new energy vehicle models and low-altitude eVTOLs. With the development of artificial intelligence, aerospace, and other fields, solid-state batteries will have more application scenarios. According to securities firm research reports, it is predicted that the demand for pilot line equipment of solid-state batteries will significantly increase from 2025 to 2026, and mass production of solid-state batteries will begin in 2027. Besides, the tabless cylindrical battery, with its excellent charging and discharging rate, and cycling performance, is expected to penetrate emerging markets such as eVTOL and robots. According to research reports, 2025 is expected to see a significant increase in the tabless cylindrical battery production. Moreover, due to its resource abundance and rather high safety, the sodium-ion battery has attracted huge investments and research resources. It shows market potential for application in micro-cars, motorcycles, car jump starters, PHEVs, and commercial vehicles. According to statistics from the research agency SPIR, global sodium-ion battery shipments reached 3.6 GWh in 2024, a year-on-year growth of 260%.

Energy storage battery: In the context of carbon neutrality, promoting an energy revolution and building a new power system based on new energy have become a global consensus. As a crucial means to enhance the stability of the power grid, new energy storage is at the core of achieving dynamic balance between power supply and demand. In recent years, China has successively introduced multiple policies to promote the development of the new energy storage industry, such as the "Guidelines on Accelerating the Development of New Energy Storage" and the "Implementation of New Energy Storage Development in the 14th Five-Year Plan Period," which clearly define the goals and tasks of new energy storage development. Local authorities have

also introduced local policies to specify the construction of energy storage projects. Meanwhile, with the continuous increase in energy storage demand from power generation, power grid, and end users, the industrialization process of new energy storage technologies is accelerating comprehensively. According to the National Energy Administration and the China Energy Storage Alliance, the newly installed capacity of new energy storage in 2024 was approximately 101GWh. The accumulated installed capacity of new energy storage projects nationwide that have been completed and put into operation has reached 168GWh, representing a growth of over 130% compared to the end of 2023. The growth of the energy storage market has driven the increase in the shipment of energy storage batteries. According to the *China Energy Storage Battery Industry White Paper (2025)*, the global energy-storage lithium-ion battery shipments reached 369.8GWh in 2024, a year-on-year increase of 64.9%.

Consumer electronics battery: With expanding consumer electronics market, more diverse application scenarios, and increasing consumer number, China's consumer electronics lithium-ion battery industry is improving. On one hand, the lithium-ion battery has a relatively stable market size in the traditional consumer electronics sectors such as laptops and smartphones. On the other hand, it will have more opportunities in the emerging electronics sector as wearable devices, drones, Bluetooth speakers, AR/VR devices, AIPC, MR devices, and other new electronic products show rapid development. Major manufacturers are also actively developing new electronic products with the rise of AI, expecting to lead a new cycle of product innovation in the consumer electronics industry and further stimulate consumer end demand. According to SPIR, the global shipment of consumer electronics batteries in 2024 reached 66.9Wh, with a year-on-year growth of 6.9%. It is projected that the consumer electronics industry will continue to maintain a slight and steady growth in 2025, driving the global electronics battery shipments to surpass 70GWh, a year-on-year increase of 5.8%.

2. Photovoltaic equipment industry

The photovoltaic equipment industry provides machines for the production of photovoltaic cells and modules.

According to the data from the National Energy Administration, China's installed capacity of PV power in 2024 was 278GW, up by 28% from the previous year, showing a slight slowdown in the growth rate. The Ministry of Industry and Information Technology solicited public opinions on the "Specifications of the Photovoltaic Manufacturing Industry (2024 Edition)." The China Photovoltaic Industry Association also encouraged mergers and reorganizations, facilitated market exit mechanisms, and strengthened efforts to crack down on selling below cost and vicious competition. A series of policy measures released by the national and local governments are expected to optimize the development environment of the photovoltaic manufacturing industry and promote its healthy and orderly development.

3. 3C equipment industry

The 3C equipment industry provides machines of visual measurement, AI defect detection, precision fluid, 3D assembly, and imaging testing for the consumer electronics, smart automobile, and digital energy industries.

Consumer electronics: In 2024, the consumer electronics industry showed a certain recovery, driving the upstream and downstream of the industrial chain to improve. According to the data from Canalys and TechInsights, the global smartphone shipments reached 1.22 billion units in 2024, with a year-on-year growth of 7%. The global laptop shipments reached 203.7 million units, a year-on-year growth of 5%. Furthermore, emerging electronic sectors such as wearable devices, consumer drones, Bluetooth speakers, and AR/VR devices continue to demonstrate rapid development trends. With the rise of AI, major electronics manufacturers are also actively exploring new opportunities to integrate with large-scale AI models, expecting to lead a new cycle of product innovation in consumer electronics, and thereby stimulating further growth in consumer demand. According to the data from Wellsenn, the global sales of AI smart glasses reached 1.52 million pairs in 2024, and are expected to grow to 3.5 million pairs in 2025, up by 230% year on year.

Smart automobile: In recent years, as China continues to introduce policies to support the commercialization of autonomous driving, the intelligent automobile industry has been developing at a faster pace. In January, 2024, the Ministry of Industry and Information Technology, the Ministry of Public Security, the Ministry of Natural Resources, the Ministry of Housing and Urban-Rural Development, and the Ministry of Transport jointly issued the "Notice on Carrying out Pilot Work on the Application of Vehicle-Road-Cloud Integration of Intelligent Connected Vehicles," promoting the large-scale industrial application of ICVs. On July 1, 2024, the Ministry of Industry and Information Technology, the Ministry of Public Security, and three other ministries identified the first batch of 20 cities as pilot cities for the vehicle-road-cloud integration application. With the orderly implementation of the pilot work, it will promote the functions and performance of ICVs, as well as the iteration of the industry ecosystem, thus promoting the high-quality development of China's ICV industry.

Digital energy: Digital energy represents the deep integration of Internet of Things technology and the energy industry. It enables the physical world to connect with the digital world through the IoT access of energy facilities. With the support of big data and AI, it enables the interaction between information flow and energy flow. This enables the breakthrough of energy categories and boundaries, amplifies the efficiency of facilities, and optimizes category coordination. It is an effective approach to support the construction of modern energy systems. According to the report *In-depth Analysis and Development Prospects of China's Digital Energy Industry from 2024 to 2029* published by the ChinaIRN, the digitalization market of the global energy sector is projected to grow to 64 billion USD by 2025. The digital technologies involved include big data, machine learning, AI, cloud computing, block chain, and more.

4. Automotive production line automation equipment industry

The automotive production line automation equipment industry provides dedicated machines for cell module assembly lines, PACK lines, and electric drive production lines.

The automotive industry has a relatively high level of automation, and improves assembly quality and shortens the production cycle through modular production. In the past when the new energy vehicle industry was still at the growth stage, the automation level in the production and manufacturing of battery modules, PACK, and electric drives was relatively low. However, since 2020, the new energy vehicle industry at home and abroad has accelerated. Global leading car makers such as Volkswagen, BMW, and Daimler have expedited their transition to electrification, and the industry scale has rapidly expanded. This has posed higher requirements for the automation level of the entire production line. The automotive industry is building a new modular production platform based on key links such as new energy powertrains (batteries and electric drives). In particular, there is a growing demand for smarter and more automated solutions in battery module production lines, PACK production lines, electric drive production lines, and equipment upgrading of existing production lines.

5. Hydrogen energy equipment industry

The hydrogen energy equipment industry provides specialized machines for the production of fuel cells, electrolyzers, and hydrogen testing.

Hydrogen energy, clean and efficient, has a growing value for decarbonization in hard-to-abate sectors, and has attracted unprecedented attention to its role in promoting renewable energy consumption and ensuring energy security. In 2024, hydrogen energy policies continued to be strengthened, driving green transition and energy revolution. As of December 25, 2024, Hydrogen World, a hydrogen energy industry data platform, has collected a total of 556 hydrogen energy policies released by local governments, an increase of 105 policies compared to 2023, these policies cover multiple areas, including development planning, financial support, and project support. As for the production side, renewable hydrogen continues to advance and the scale of hydrogen production projects are expanding , as of December 25, 2024, Hydrogen World has included 89 renewable energy hydrogen projects in total, an increase of 30 compared to 2023, with a total capacity of 1,145.4 MW. Regarding hydrogen refueling stations, as of December 25, 2024, Hydrogen World has recorded a total of 540 stations that have been built and put into operation, an increase of 66 compared to the end of 2023.

(4) Company status in the industry

LEAD contributed to the global energy transition with the power of intelligent manufacturing in 2024. According to Frost & Sullivan, LEAD is the world's largest provider of new energy intelligent equipment and solutions in terms of the 2024 order value, with a market share of 9.1%, an increase of 3.3 percentage points from 2023. Among them, its intelligent equipment for Li-ion battery accounted for 22.4% of the global market share and 34.1% of the Chinese market. Its Li-ion battery smart logistics equipment was 23.8% of the global market. In addition, LEAD ranked first among global photovoltaic intelligent equipment providers in terms of shipment volume of XBC ultra-high speed stringer for photovoltaic module manufacturing. LEAD's self-

developed MEAR2R assembly line Generation 4 can be used for fuel cell and electrolyzer membrane manufacturing, effectively promoting the industrialization of hydrogen energy and fuel cells.

3. Major Accounting Data and Financial Indicators

(1) Major accounting data and financial indicators in the past three years

Does the Company need to retrospectively adjust or restate accounting data of previous years
□Yes ☑No

Unit: RMB

	At the end of 2024	At the end of 2023	Increase or decrease over that of the previous year	At the end of 2023
Total assets	36,182,558,952.99	35,293,330,312.84	2.52%	32,977,103,065.35
Net assets attributable to stockholders of the Company	11,597,531,383.37	11,848,337,372.87	-2.12%	11,125,213,190.76
	2024	2023	Increase or decrease over that of the previous year	2022
Operating income	11,855,098,145.55	16,628,361,009.42	-28.71%	13,932,352,081.34
Net profit attributable to stockholders of the Company	286,100,791.80	1,774,565,501.49	-83.88%	2,318,133,360.87
Net profit attributable to stockholders of the Company after deducting nonrecurring profit or loss	360,244,971.24	1,724,509,317.18	-79.11%	2,256,392,871.30
Net cash flow from the operating activities	-1,567,132,795.63	-862,790,560.80	-81.64%	1,691,030,346.50
Basic earnings per share (RMB/share)	0.1840	1.1311	-83.73%	1.4819
Diluted earnings per share (RMB/share)	0.1839	1.1323	-83.76%	1.4813
ROE	2.44%	15.31%	-12.87%	22.55%

(2) Major accounting data by quarters

Unit: RMB

	Q1	Q2	Q3	Q4
Operating income	3,310,928,547.41	2,441,318,963.18	3,359,410,584.45	2,743,440,050.51
Net profit attributable to stockholders of the Company	564,502,405.41	-105,250,353.12	149,227,232.10	-322,378,492.59
Net profit attributable to stockholders of the Company after deducting nonrecurring profit or loss	551,097,245.23	-103,067,303.04	140,452,457.19	-228,237,428.14
Net cash flow from the operating activities	-710,246,622.25	-1,081,803,586.47	-797,233,080.59	1,022,150,493.68

Is there any significant difference between the above financial indicators or their aggregates and the financial indicators of the disclosed quarterly reports and semi-annual reports

□Yes ☑No

4. Share Capital and Information on Shareholders

(1) Total number of holders of ordinary shares, total number of holders of preferred shares with restored voting rights, and shareholdings of top 10 shareholders

Unit: share

Total number of holders of ordinary shares at the end of the reporting period	122,246	Total number of holders of ordinary shares one month prior to the annual report disclosure date	112,196	Total number of holders of preferred shares with restored voting rights at the end of the reporting period	0	Total number of holders of preferred shares with restored voting rights one month prior to the annual report disclosure date	0	Total number of holders with shares of special voting rights shares (if any)	0

Shareholdings of the top 10 shareholders (excluding shares lent through stock pledged repo transaction)						
Name of shareholders	Nature of shareholders	Shareholding proportion	Number of shares held	Number of restricted shares held	Pledged, marked, or frozen	
					Share status	Number
Lhasa Xindao Venture Capital Co., Ltd.	Domestic non-state-owned legal person	21.46%	336,039,506.00	0.00	Not applicable	0.00
Shanghai ZhuoAo Enterprise Management (Limited Partnership)	Domestic non-state-owned legal person	5.88%	92,041,983.00	0.00	Not applicable	0.00
Contemporary Amperex Technology Co., Ltd.	Domestic non-state-owned legal person	5.00%	78,308,051.00	0.00	Not applicable	0.00
Wuxi Yuxi Technology Co., Ltd.	Domestic non-state-owned legal person	4.43%	69,414,157.00	0.00	Not applicable	0.00
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Overseas legal person	2.60%	40,765,035.00	0.00	Not applicable	0.00
Industrial and Commercial Bank of China (ICBC) - E Fund ChiNext Board Exchange Traded Index Securities Investment Fund	Others	1.94%	30,311,898.00	0.00	Not applicable	0.00
ICBC - Huatai-Pinebridge CSI 300 Exchange Traded Index Securities Investment Fund	Others	1.21%	18,912,450.00	0.00	Not applicable	0.00
China Construction Bank Corporation - E Fund CSI 300 Exchange Traded	Others	0.83%	13,053,871.00	0.00	Not applicable	0.00

Index Sponsored Securities Investment Fund						
China Construction Bank Corporation - HuaAn ChiNext 50 Exchange Traded Index Securities Investment Fund	Others	0.81%	12,638,317.00	0.00	Not applicable	0.00
Bank of Communications - ICBC Credit Suisse New Energy Vehicle Theme Mixed Securities Investment Fund	Others	0.61%	9,544,830.00	0.00	Not applicable	0.00
Explanation of associations or concerted actions of the above shareholders	Lhasa Xindao Venture Capital Co., Ltd., Shanghai ZhuoAo Enterprise Management (Limited Partnership), and Wuxi Yuxi Technology Co., Ltd. are all controlled by Wang Yanqing, the actual controller of the Company.					

The situation of shareholders with more than 5% shares, the top 10 shareholders, and the top 10 unrestricted circulating shareholders participating in stock pledged repo transactions by lending their shares

☑Applicable □Not Applicable

Unit: share

The situation of shareholders with more than 5% shares, the top 10 shareholders, and the top 10 unrestricted circulating shareholders participating in stock pledged repo transactions by lending their shares								
Full name of shareholders	Initial ordinary account and credit account shareholdings		Initial lending shares and yet not repaid		Ordinary account and credit account shareholding at the end of the period		Lending shares and yet not repaid at the end of the period	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
China Construction Bank Corporation - E Fund CSI 300 Exchange Traded Index Sponsored Securities Investment Fund	2,472,171	0.16%	564,600	0.04%	13,053,871	0.83%	0	0.00%
ICBC - Huitianfu China Securities New Energy Vehicle Industry Index Sponsored Securities Investment Fund (LOF)	7,508,016	0.48%	339,900	0.02%	7,667,833	0.49%	0	0.00%
China Construction Bank Corporation - HuaAn ChiNext 50 Exchange Traded Index Securities Investment Fund	8,638,804	0.55%	293,200	0.02%	12,638,317	0.81%	0	0.00%
Bank of China - Huaxia China Securities New	7,275,819	0.46%	94,400	0.01%	4,446,519	0.28%	0	0.00%

Energy Vehicle Exchange Traded Index Securities Investment Fund								
Industrial and Commercial Bank of China (ICBC) - E Fund ChiNext Board Exchange Traded Index Securities Investment Fund	14,672,816	0.94%	74,700	0.00%	30,311,898	1.94%	0	0.00%
ICBC - Huatai-Pinebridge CSI 300 Exchange Traded Index Securities Investment Fund	8,172,150	0.52%	19,500	0.00%	18,912,450	1.21%	0	0.00%

There is change in top 10 shareholders and top 10 unrestricted circulating shareholders due to stock pledged repo lending/returning.

□ Applicable ☑ Not Applicable

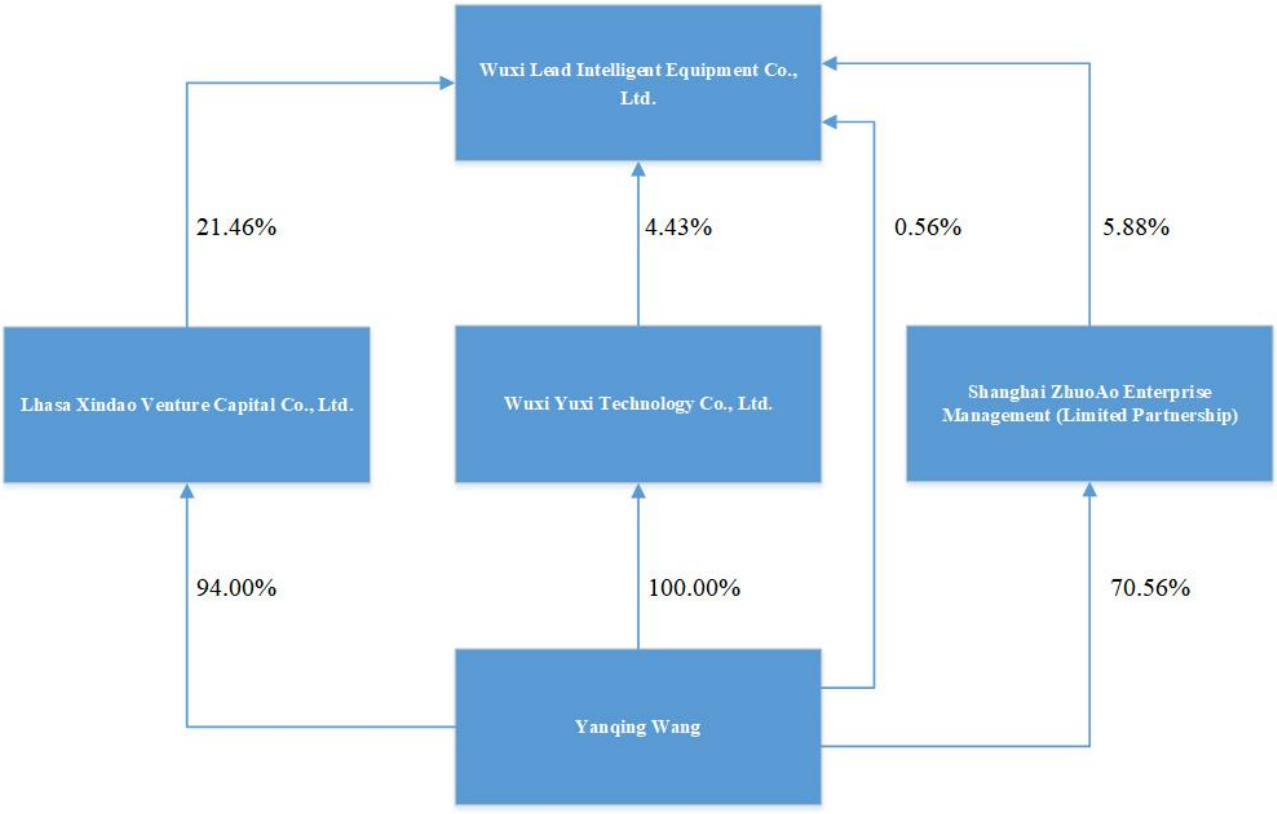
Does the company have arrangements for voting rights differences

□ Applicable ☑ Not Applicable

(2) Total number of preferred shareholders and top 10 preferred shareholders of the Company

There is no shareholding of preferred shareholders at the reporting period.

(3) Diagram of the equity and controlling relationship between the Company and the defector controller



5. Corporate Bond

□ Applicable ☑ Not Applicable

SECTION III IMPORTANT EVENTS

1. On February 2, 2024, the Company held the first employee representative meeting of the year. Mr. Hua Wei was elected as the employee supervisor of the Company's 5th Board of Supervisors, with a term the same as the 5th Board of Supervisors.

2. On February 19, 2024, the Company held the first extraordinary shareholders meeting of the year. Wang Yanqing, Wang Jianxin, You Zhiliang, and Wang Lei were elected as non-independent directors of the 5th Board of Directors. Zhang Mingyan, Dai Jianjun, and Guo Xiasheng were elected as independent directors of the 5th Board of Directors. Bian Fenxiang and Wang Qingyan were elected as non-employee representative supervisors of the 5th Board of Supervisors, with a term of three years from the date of approval. On the same day, the Company held the first meeting of the 5th Board of Directors and the first meeting of the 5th Board of Supervisors, respectively approving resolutions about the election of the Chairman, the members of various committees of the Board of Directors, and the chairman of the Board of Supervisors, as well as the appointment of senior management personnel and securities affairs representative.

3. On February 19, 2024, the Company held the first extraordinary shareholders meeting of the year, approving resolutions such as "Resolution on the Issuance Plan for Additional Domestic Underlying Shares in Connection with the Company’s Overseas GDR Offering", and the promotion of GDR offering on the Swiss Stock Exchange.

4. On April 24, 2024, the Company held the second meeting of the 5th Board of Directors and the second meeting of the 5th Board of Supervisors, approving the *Resolution on the Profit Distribution Plan for 2023*. It was also approved at the 2023 annual general meeting held on May 16, 2024. On July 1, 2024, the Company completed equity distribution for the year 2023.

5. From October 30, 2023 to April 29, 2024, Mr. Wang Yanqing increased his shareholding by 5,925,877 shares through call auction, representing 0.3811% of the total share capital of the Company, with a total of 150,018,062 RMB, and an average price of 25.32 RMB/share. During the reporting period, Mr. Wang's shareholding increase plan was successfully completed.

6. As of June 11, 2024, the Company had repurchased a total of 11,273,497 shares through call auction via the stock repurchase special securities account, representing 0.7198% of the total share capital of the Company. The highest transaction price was 36.61 RMB/share, and the lowest transaction price was 22.75 RMB/share. The total transaction amount was 350,019,486.68 RMB (excluding transaction fees). Thus far, the Company's share repurchase program was fully implemented, and this repurchase complies with the company's repurchase proposal and relevant laws and regulations.

7. On September 30, 2024, the Company held the sixth meeting of the 5th Board of Directors and the fifth meeting of the 5th Board of Supervisors, reviewing and approving the *Resolution on the 2024 Restricted Stock Incentive Plan (Draft) and its Summary*. On October 18, the second extraordinary shareholders meeting also approved the resolution. The resolution granted 9,110,300 shares to 745 incentive recipients at a grant price of 9.25 RMB/share.