

SHSE: 688211

Wayzim



**Wayzim Technology Co., Ltd.  
Annual Report 2024**

## Important Notes

**I. The Board of Directors, the Board of Supervisors, directors, supervisors, and the senior management of the Company guarantee that the Annual Report does not have any fake record, misleading statement, or major omission. They assume individual and joint liabilities for the Report's truthfulness, accuracy, and completeness.**

**II. The Company was not profitable at the time of listing and has not yet achieved profitability.**

☐ Yes ☒ No

### **III. Major risk warning**

The Company has described the possible risks in this Report. Refer to Section III.IV "Risk Factors" of Section III "Discussions and Analysis by the Management". Investors are advised to pay attention to investment risks.

**IV. All of the Company's directors attended the meeting of the Board of Directors.**

**V. KPMG Huazhen LLP has issued a standard and unqualified audit report for the Company.**

**VI. Li Gongyan, the leader of the Company, and Yao Yi, the principal of accounting work and the person in charge of the accounting office (accountant officer) declared, "We guarantee the truthfulness, accuracy, and completeness of financial accounts in the Annual Report."**

**VII. Profit distribution plans or plans of share capital increase from accumulation fund in the reporting period adopted by the Board of Directors.**

As audited by KPMG Huazhen LLP, in 2024, Wayzim achieved a net profit attributable to shareholders of the listed company of CNY -84,750,818.23, and a net profit attributable to the parent company of CNY -65,668,824.90. The parent company's accumulated undistributed profits at the beginning of the period for FY2024 were CNY 70,141,006.36, and after deducting the shareholders' dividend of CNY 10,083,734.52 for the year, the accumulated undistributed profits at the end of the period were CNY -5,611,553.06.

The profit distribution proposal of the Company is that no cash dividend is proposed to be paid, and no capital reserve will be transferred to capital or other forms of distribution in 2024. The proposal still needs to be submitted for review at the 2024 Annual General Meeting.

**VIII. Important matters such as special arrangements for corporate governance**

☐ Applicable ☒ Not applicable

**IX. Risk statement for forward-looking descriptions**

☒ Applicable ☐ Not Applicable

The forward-looking descriptions such as plans and development strategies involved in this Report do not constitute the Company's substantive commitment to investors, so please always note the investment risks.

**X. Is there any non-operating capital occupation by the controlling shareholder and its affiliates?**

No

**XI. Is there any external guarantee violating the specified decision-making procedures?**

No

**XII. Whether more than half of the directors cannot guarantee the truthfulness, accuracy, or completeness of the Annual Report disclosed by the Company.**

No

**XIII. Others**

☐ Applicable ☒ Not Applicable

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|                                   |   |
|-----------------------------------|---|
| Documents available for reference | Financial statements containing the signatures and seals of the head of the Company, the person in charge of accounting work, and the person in charge of the accounting office |
|                                   | Original audit report containing the seal of the accounting firm, and the signature and seal of the CPA   |
|                                   | All original of the Company's documents and announcements disclosed publicly during the reporting period.   |

## Section I Interpretations

### I. Interpretations

In the Report, unless the context otherwise requires, the following terms have the following meanings:

| Definitions of common terms |           |   |
|-----------------------------|-----------|---|
| Company/Wayzim Technology   | Refers to | Wayzim Technology Co., Ltd.   |
| Wayzim Limited              | Refers to | Wayzim Intelligent Manufacturing Technology Co., Ltd., the predecessor of the Company                       |
| Wayzim Anhui                | Refers to | Anhui Wayzim Logistics Equipment Manufacturing Co., Ltd., a wholly-owned subsidiary of the Company          |
| Wayzim Guangdong            | Refers to | Guangdong Wayzim Intelligent Manufacturing Technology Co., Ltd., a wholly-owned subsidiary of the Company   |
| Wayzim R&D                  | Refers to | Wayzim Artificial Intelligence Technology R&D (Jiangsu) Co., Ltd., a wholly-owned subsidiary of the Company |
| Wayzim Chengdu              | Refers to | Wayzim Automation Technology (Chengdu) Co., Ltd., a wholly-owned subsidiary of the Company                  |
| Wayzim Jiangxi              | Refers to | Wayzim Automation Technology (Jiangxi) Co., Ltd., a wholly-owned subsidiary of the Company                  |
| Zhongke Guanwei             | Refers to | Jiangsu Zhongke Guanwei Automation Technology Co., Ltd., a wholly-owned subsidiary of the Company           |
| Intelligent Sensing         | Refers to | Wayzim Intelligent Sensing Technology (Hangzhou) Co., Ltd., a wholly-owned subsidiary of the Company        |
| Zhitong Intelligent         | Refers to | Zhitong Intelligent Technology (Shanghai) Co., Ltd., a wholly-owned subsidiary of the Company               |
| Zhejiang Equipment          | Refers to | Wayzim Intelligent Equipment (Zhejiang) Co., Ltd., a wholly-owned subsidiary of the Company                 |
| Jiangxi Zhongwei            | Refers to | Jiangxi Zhongwei Intelligent Equipment Co., Ltd., a wholly-owned secondary subsidiary of the Company        |
| Jiangsu Power               | Refers to | Wayzim Power Technology (Jiangsu) Co., Ltd., a holding subsidiary of the Company                            |
| Anhui Power                 | Refers to | Anhui Wayzim Power Technology Co., Ltd., a secondary subsidiary controlled by the Company                   |

|                      |           |  |
|----------------------|-----------|--|
| Zhike Power          | Refers to | Shanghai Zhike Power Technology Co., Ltd., a secondary subsidiary controlled by the Company          |
| Fluorescent Magnet   | Refers to | Jiangxi YG Magnet Co., Ltd., a joint stock company of the Company                                    |
| Jiangxi REEMOON      | Refers to | Jiangxi REEMOON Technology Holdings Co., Ltd., a joint stock company of the Company                  |
| Anhui Zhongwei       | Refers to | Anhui Zhongwei Intelligent Equipment Co., Ltd., a wholly-owned secondary subsidiary of the Company   |
| Jiangxi Zhongwei     | Refers to | Jiangxi Zhongwei Intelligent Equipment Co., Ltd., a wholly-owned secondary subsidiary of the Company |
| Weizhizhi Automation | Refers to | Shanghai Weizhizhi Automation System Co., Ltd., a wholly-owned subsidiary of the Company             |
| Wayzim Singapore     | Refers to | WAYZIM TECHNOLOGY PTE. LTD, a wholly-owned subsidiary of the Company                                 |
| Wayzim Hong Kong     | Refers to | Wayzim Technology Hong Kong Limited, a wholly-owned subsidiary of the Company                        |
| Wayzim Malaysia      | Refers to | WAYZIM TECHNOLOGY SDN. BHD, a wholly-owned secondary subsidiary of the Company.                      |
| Wayzim Russia        | Refers to | Limited Liability Company «WAYZIM TECHNOLOGE», a wholly-owned secondary subsidiary of the Company    |
| Wayzim Thailand      | Refers to | WAYZIM TECHNOLOGY(THAILAND) CO., LTD., a wholly-owned secondary subsidiary of the Company.           |
| Wayzim UK            | Refers to | WAYZIM TECHNOLOGY LTD, a wholly-owned secondary subsidiary of the Company                            |
| Wayzim Hungary       | Refers to | WAYZIM HUNGARY KFT., a wholly-owned secondary subsidiary of the Company.                             |
| Wayzim Germany       | Refers to | WAYZIM TECHNOLOGY GmbH, a wholly-owned secondary subsidiary of the Company                           |
| Wayzim USA           | Refers to | WAYZIM TECHNOLOGY INC., a wholly-owned secondary subsidiary of the Company.                          |
| Wayzim Brazil        | Refers to | WAYZIM TECHNOLOGY BRAZIL LTDA, a wholly-owned secondary subsidiary of the Company.                   |
| Wayzim Mexico        | Refers to | WAYZIM TECHNOLOGY MEXICO S DE RL DE CV, a wholly-owned secondary subsidiary of the Company.          |
| Wayzim South Korea   | Refers to | Wayzim Tech Korea CO., LTD., a wholly-owned secondary subsidiary of the Company.                     |

|                          |           |  |
|--------------------------|-----------|--|
| Suzhou Branch            | Refers to | Suzhou Branch of Wayzim Technology Co., Ltd.   |
| Chongqing Branch         | Refers to | Chongqing Branch of Wayzim Technology Co., Ltd.  |
| Zhengzhou Branch         | Refers to | Zhengzhou Branch of Wayzim Technology Co., Ltd.  |
| Shenzhen Branch          | Refers to | Shenzhen Branch of Wayzim Technology Co., Ltd.   |
| Wayzim Yuanchuang        | Refers to | Wuxi Wayzim Yuanchuang Investment Enterprise (limited partnership), a shareholder of the Company   |
| Qunchuang Zhongda        | Refers to | Wuxi Qunchuang Zhongda Investment Partnership (limited partnership), a shareholder of the Company  |
| IoT Industry Investment  | Refers to | Wuxi IoT Industry Investment Management Partnership (Limited Partnership), a shareholder of the Company  |
| Zhongke Micro Investment | Refers to | Beijing Zhongke Micro Investment Management Co., Ltd., a shareholder of the Company  |
| IMECAS                   | Refers to | Institute of Microelectronics of the Chinese Academy of Sciences   |
| ZTO                      | Refers to | ZTO Express (Cayman) Inc. and its controlled subsidiaries  |
| SF                       | Refers to | S.F. Holding Co., Ltd. and its controlled subsidiaries   |
| J&T Express              | Refers to | J&T Express Co., Ltd. and its controlled subsidiaries  |
| China Post               | Refers to | China Post Group Co., Ltd. and its controlled subsidiaries   |
| JD                       | Refers to | JD.com, Inc. and its controlled subsidiaries   |
| STO                      | Refers to | STO Express Co., Ltd. and its controlled subsidiaries  |
| Yunda                    | Refers to | Yunda Holding Group Co., Ltd. and its controlled subsidiaries  |
| DEPPON                   | Refers to | Deppon Logistics Co., Ltd. and its controlled subsidiaries   |
| WCS                      | Refers to | The Warehouse Control System (WCS) can coordinate the operation of various logistics equipment such as conveyors, stacker cranes, shuttles, robots, and AGVs. WCS is used to optimize and decompose tasks, analyze execution paths, and provide execution support and optimization for scheduling instructions in the upper system through task engines and message engines, enabling integration, unified scheduling, and monitoring on various device system interfaces. |
| WMS                      | Refers to | The Warehouse Management System (WMS) is a management system that integrates batch management, material correspondence, inventory counting, quality inspection management, virtual warehouse management, and real-time inventory management through functions  |

|                         |           |   |
|-------------------------|-----------|---|
|                         |           | such as inbound service, outbound service, warehouse transfer, inventory transfer, and virtual warehouse management, to effectively control and track the entire logistics and cost management process of warehouse service, and provide comprehensive enterprise warehouse information management. |
| Articles of Association | Refers to | Articles of Association of Wayzim Technology Co., Ltd.  |
| SSE                     | Refers to | Shanghai Stock Exchange   |
| Company Law             | Refers to | Company Law of the People's Republic of China   |
| Securities Law          | Refers to | Securities Law of the People's Republic of China  |
| Audit firm              | Refers to | KPMG Huazhen LLP  |
| CNY (1 or 10,000)       | Refers to | Renminbi (1 or 10,000)  |
| Reporting period        | Refers to | January 1, 2024 to December 31, 2024  |



## Section II Company Profile and Key Financial Indicators

### I. Company Profile

|                                     |  |
|-------------------------------------|--|
| Company name                        | Wayzim Technology Co., Ltd.                    |
| Company name in short               | Wayzim   |
| Legal Representative of the Company | Li Gongyan                                     |
| Registered address of the Company   | No. 979, Antai 3rd Road, Xishan District, Wuxi |
| Change in the registered address    | None   |
| Office address of the Company       | No. 979, Antai 3rd Road, Xishan District, Wuxi |
| Postal code of the office address   | 214000   |
| Company website                     | www.wayzim.com                                 |
| E-mail                              | investor_relationships@wayzim.com              |

### II. Contacts and Contact Details

|                 | Secretary of Board of Directors                | Representative of the security affairs         |
|-----------------|--|--|
| Name            | Du Ping  | Zhang Die                                      |
| Contact address | No. 979, Antai 3rd Road, Xishan District, Wuxi | No. 979, Antai 3rd Road, Xishan District, Wuxi |
| Phone           | 0510-82201088                                  | 0510-82201088                                  |
| Fax             | 0510-82201088                                  | 0510-82201088                                  |
| E-mail          | investor_relationships@wayzim.com              | investor_relationships@wayzim.com              |

### III. Information Disclosure and Archiving Place

|   |   |
|---|---|
| Names and websites of the media selected by the Company to disclose the Annual Report | Shanghai Securities News (www.cnstock.com)      |
| Website of the stock exchange where the Company discloses the Annual Report           | www.sse.com.cn                                  |
| Archiving place for the Annual Report of the Company                                  | Office of the Board of Directors of the Company |

**IV. Profile of the Company's Stocks/Depository Receipts****(I) Profile of the Company's stocks**

√ Applicable □ Not Applicable

| Profile of the Company's stocks |  |                    |            |  |
|---------------------------------|--|--------------------|------------|--|
| Types of stocks                 | Stock exchange and board where the stock is listed | Stock abbreviation | Stock code | Stock abbreviation prior to the change |
| CNY ordinary shares (A shares)  | STAR Market of Shanghai Stock Exchange             | Wayzim             | 688211     | Not applicable                         |

**(II) Profile of the Company's depository receipts**

□ Applicable √ Not Applicable

**V. Other Relevant Information**

|  |   |  |
|--|---|--|
| Accounting firm engaged by the Company (China)                                       | Name                                      | KPMG Huazhen LLP   |
|  | Office address                            | 8/F, KPMG Building, Oriental Plaza, No. 1, Changan Street East, Beijing              |
|  | Name of signed accountant                 | Huang Xiaodong and Chen Yuze   |
| Sponsor performing the continuous supervision responsibility in the reporting period | Name                                      | CITIC Securities Co., Ltd.   |
|  | Office address                            | 25/F, CITIC Securities Building, No. 48 Liangmaqiao Road, Chaoyang District, Beijing |
|  | Name of the signed sponsor representative | Liang Yong and Kang Haoyu  |
|  | Period for continuous supervision         | October 26, 2021 to December 31, 2024  |

**VI. Main Accounting Data and Financial Indicators in Recent Three Years****(I) Main accounting data**

In CNY

| Main Accounting Data | 2024 | 2023             | YoY Increase or Decrease (%) | 2022             |
|----------------------|------|------------------|------------------------------|------------------|
| Operating revenue    |      | 1,957,396,951.00 | 26.42                        | 2,314,895,871.41 |

|  |                    |                    |  |                    |
|--|--------------------|--------------------|--|--------------------|
|  | 2,474,450,455.33   |                    |  |                    |
| Operating revenue after deducting business income unrelated to the main business and income without commercial substance | 2,381,028,682.69   | 1,875,819,863.78   | 26.93  | 2,194,941,056.07   |
| Net income attributed to shareholders of the listed company  | -84,750,818.23     | 20,852,700.49      | Not applicable   | -118,719,653.61    |
| Net income attributable to shareholders of the listed company net of non-recurring profits and losses                    | -132,710,097.71    | -44,981,258.27     | Not applicable   | -190,761,076.90    |
| Net cash flow from operating activities  | 261,454,750.27     | 622,485,339.64     | -58.00   | -37,440,908.80     |
|  | By the end of 2024 | By the end of 2023 | Increase/decrease at the end of the current period compared with at the end of the previous period (%) | By the end of 2022 |
| Net assets attributable to shareholders of the listed company  | 3,544,312,382.74   | 3,650,888,635.44   | -2.92  | 3,569,230,294.50   |
| Total assets   | 6,191,104,639.26   | 6,698,323,995.36   | -7.57  | 5,553,468,596.01   |

**(II) Major financial indicators**

| Major Financial Indicators   | 2024  | 2023  | YoY Increase or Decrease (%) | 2022  |
|--|-------|-------|------------------------------|-------|
| Basic earnings per share (CNY/share)   | -0.67 | 0.16  | Not applicable               | -0.90 |
| Diluted earnings per share (CNY/share)                                       | -0.66 | 0.16  | Not applicable               | -0.90 |
| Basic earnings per share net of non-recurring profits and losses (CNY/share) | -1.04 | -0.35 | Not applicable               | -1.45 |

|  |       |       |                             |       |
|--|-------|-------|-----------------------------|-------|
| Weighted average return on equity (%)  | -2.36 | 0.58  | Not applicable              | -3.15 |
| Weighted average return on net asset net of non-recurring profits and losses (%) | -3.70 | -1.25 | Not applicable              | -5.06 |
| Proportion of R&D investment in operating revenue (%)                            | 5.98  | 8.57  | Down 2.59 percentage points | 8.93  |

Explanations for main accounting data and financial indicators of the Company for the last three years as of the end of the reporting period

√ Applicable □ Not Applicable

#### 1. Operating revenue

During the reporting period, the Company achieved operating revenue of CNY 2,474,450.5 billion in 2024, a YoY increase of 26.42%. This growth was primarily driven by proactive efforts to expand market presence, explore customers' potential needs, and increase order volumes. The rise in project deliveries further solidified the Company's steady revenue growth trajectory.

#### 2. Net income attributed to shareholders of the listed company

During the reporting period, the net income attributable to shareholders of the listed company decreased by CNY 105,603.5 million YoY, mainly due to:

- 1). During the reporting period, the gross profit margin decreased by 1.68% YoY. This was primarily due to intensified industry competition and reduced demand from domestic intelligent logistics customers from 2022 to 2023. To maintain the market share, the Company actively responded to market changes by adjusting pricing strategies for certain products. These projects were gradually delivered in 2024, negatively impacting the annual gross profit margin.
  - 2). During the reporting period, the Company optimized its expense allocation, with a YoY decrease of 2.22% in the expense ratio. While reducing costs and improving efficiency, the Company further strengthened the construction of high-quality talent teams such as managers and expanded overseas sales and after-sales service teams. The wages and salaries increased by CNY 23,303.7 million YoY.
  - 3). The impairment losses increased by CNY 44,783.8 million YoY. Mainly, CNY 13,930.2 million YoY increase in write-downs for work-in-progress due to expected costs exceeding expected economic benefits and CNY 22,677.7 million YoY increase in write-downs for raw materials deemed unlikely to be used in the future.
  - 4). Government subsidies included in the current profit and loss decreased by CNY 24,052 million YoY.
3. Company's basic earnings per share, diluted earnings per share, and basic earnings per share after excluding non-recurring profits and losses all decreased, mainly due to the YoY decrease in the net income attributable to shareholders of the listed company during the period.
4. During the reporting period, net cash flows from operating activities decreased by CNY 361,030.6 million YoY. This was mainly due to the concentrated recovery of accounts receivable from 2022 and prior years in 2023. By 2024, accounts receivable collections had normalized.

**VII. Differences in Accounting Data Under Chinese and International Accounting Standards**

**(I) Discrepancy between net income and net assets attributable to shareholders of the listed company in the Financial Report disclosed under both international and Chinese accounting standards**

☐ Applicable ☒ Not Applicable

**(II) Discrepancy between net income and net assets attributable to shareholders of the listed company in the Financial Report disclosed under both overseas and Chinese accounting standards**

☐ Applicable ☒ Not Applicable

**(III) Statement on the discrepancy between the international and Chinese accounting standards:**

☐ Applicable ☒ Not Applicable

**VIII. Quarterly Key Financial Data in 2024**

In CNY

|   | Q1<br>(January to March) | Q2<br>(April to June) | Q3<br>(July to September) | Q4<br>(October to December) |
|---|--------------------------|-----------------------|---------------------------|-----------------------------|
| Operating revenue   | 344,577,070.46           | 998,704,515.89        | 457,539,527.85            | 673,629,341.13              |
| Net income attributed to shareholders of the listed company   | -41,764,489.21           | 46,291,975.83         | -16,419,091.95            | -72,859,212.90              |
| Net income attributable to shareholders of the listed company net of non-recurring profits and losses | -69,400,898.92           | 36,856,013.37         | -24,658,223.10            | -75,506,989.06              |
| Net cash flow from operating activities   | 93,684,717.58            | 59,671,598.75         | 204,369,771.34            | -96,271,337.40              |

An explanation for the discrepancy between quarterly data and those in periodic reports disclosed

☐ Applicable ☒ Not Applicable

**IX. Items and Amounts of Non-recurring Profits or Losses**

☒ Applicable ☐ Not Applicable

In CNY

| Non-recurring profits and losses item  | Amount of 2024 | Note (if applicable)     | Amount of 2023 | Amount of 2022 |
|--|----------------|--------------------------|----------------|----------------|
| Profit and loss on the disposal of non-current assets, including the write-off of the previously recognized provision for impairment of assets | -2,409,177.31  | Listed by pre-tax amount | -1,009,337.74  | -622,365.88    |
| Government subsidies recognized in the current profit and loss, excluding  | 24,039,726.75  | Listed by pre-tax amount | 48,091,746.90  | 35,212,756.09  |

|  |               |                          |               |               |
|--|---------------|--------------------------|---------------|---------------|
| those closely related to the Company's normal business operations, in compliance with the national policies, enjoyed in accordance with the specified criteria, and have a continuous impact on the Company's profit and loss  |               |                          |               |               |
| In addition to effective hedging businesses related to the normal operation businesses of the Company, gains and losses from changes in fair value of the financial assets and financial liabilities held by non-financial enterprises, as well as gains and losses from the disposal of financial assets and financial liabilities. | 23,053,503.97 | Listed by pre-tax amount | 33,257,557.92 | 53,243,408.46 |
| Fund possession cost recorded in current profit and loss charged to non-financial companies  |               |                          |               |               |
| Profits and losses from entrusting others with investment or asset management  |               |                          |               |               |
| Profits and losses from external entrusted loans   |               |                          |               |               |
| Asset losses due to force majeure, including natural disasters   |               |                          |               |               |
| Return from receivables impairment provisions tested with impairment solely  | 14,002,640.00 | Listed by pre-tax amount | 1,589,000.00  | 20,900.00     |
| Income generated since the investment cost for acquiring investments in subsidiaries, associates, or joint ventures is less than the fair value of the share in the recognizable net asset of the investee when the investment is conducted  |               |                          |               |               |
| Current net profits/losses of a subsidiary established by business combination under common control from the beginning of the period to the date of combination  |               |                          |               |               |
| Profits/losses from non-monetary assets exchange   |               |                          |               |               |
| Profits and losses related to debt restructuring   |               |                          |               |               |

|   |               |                          |               |               |
|---|---------------|--------------------------|---------------|---------------|
| The Company's one-time expenses due to the discontinuation of related businesses, including expenses for employee resettlement                              |               |                          |               |               |
| One-time impact on the current profit and loss due to adjustments in tax, accounting, and other laws and regulations  |               |                          |               |               |
| One-time share-based payment expenses due to the cancellation or modification of the Equity Incentive Plan  |               |                          |               |               |
| Profits and losses generated by the fair value changes of payrolls payable for shares settled in cash after the exercisable date.                           |               |                          |               |               |
| Profits and losses from changes in fair value of investing real estate of which the subsequent measurement is carried out by adopting the fair value method |               |                          |               |               |
| Income from trades with significantly unfair prices   |               |                          |               |               |
| Profit and loss from contingency irrelevant to the normal operations of the Company   |               |                          |               |               |
| Income from entrusted custody operation   |               |                          |               |               |
| Other non-operating income and expenditures except for the aforementioned items   | -759,913.22   | Listed by pre-tax amount | -500,054.77   | -1,724,369.37 |
| Other gains/losses items conforming to the definition of non-recurring profits or losses  |               |                          |               |               |
| Minus: Affected amount of income tax  | 9,967,500.71  | Listed by pre-tax amount | 15,594,953.55 | 14,088,906.01 |
| Amount of affected minority interests (after tax)   |               |                          |               |               |
| Total   | 47,959,279.48 |                          | 65,833,958.76 | 72,041,423.29 |

If an item that is not listed in the *No. 1 Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public—Non-recurring Profits and Losses* is identified as a non-recurring profit and loss item and the amount is significant, or if non-recurring profits and losses listed in the *No. 1 Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public—Non-recurring Profits and Losses* are classified as a recurring profit and loss item, the causes should be detailed.

☐ Applicable ☒ Not Applicable

**X. Descriptions of Financial Indicators for Accounting Standards for Non-Business Enterprises**

☐ Applicable ☒ Not Applicable

**XI. Items Measured at Fair Value**

☒ Applicable ☐ Not Applicable

In CNY

| Item                                | Beginning balance | Ending balance   | Change in the current period | Affected amount to the current profit |
|-------------------------------------|-------------------|------------------|------------------------------|---------------------------------------|
| Trading financial assets            | 1,217,980,705.57  | 1,101,036,564.26 | -116,944,141.31              | 22,216,468.87                         |
| Receivables-based financing         | 1,800,000.00      | 2,065,547.83     | 265,547.83                   |                                       |
| Other equity instruments Investment | 166,100,742.87    | 167,827,676.77   | 1,726,933.90                 |                                       |
| Other non-current financial assets  | 11,472,767.17     | 5,797,417.08     | -5,675,350.09                | -2,725,940.03                         |
| Total                               | 1,397,354,215.61  | 1,276,727,205.94 | -120,627,009.67              | 19,490,528.84                         |

**XII. Description of Information Suspension and Exemption Due to Causes Such as National Secrets and Trade Secrets**

☐ Applicable ☒ Not Applicable



## Section III Discussions and Analysis by the Management

### I. Discussion and Analysis of Operations

In recent years, the intelligent logistics equipment industry has developed rapidly. China has maintained the world's largest express delivery volume for ten consecutive years, with the express delivery industry sustaining steady growth and continuously reaching new developmental milestones. Intelligent logistics equipment manufacturers play a crucial role in this progress. As a critical backbone of the express delivery industry, intelligent logistics equipment drives industry advancement through its efficiency, precision, and automation. In 2024, propelled by technical innovation and market demands, the intelligent equipment industry continued to grow rapidly. However, market competition was also intensifying. With rapid technical advancement and diversified market demand, an increasing number of enterprises are entering this field, leading to fierce competition between international giants and domestic players. Price wars, technical barriers, and service capability contests have become industry norms, while enterprises face mounting profitability pressures and innovation challenges.

In 2024, as a leading provider of comprehensive solutions for intelligent logistics systems in China, the Company continued to deepen the strategic pattern of "One Focus with Two Wings", with intelligent warehousing logistics equipment as the main body, industrial sensors mainly based on intelligent vision, and power technologies including servos, drives, and motorized rollers as the two wings. In the pattern of "One Focus with Two Wings", the Company continuously enriched the series combination of products at the product level, deepened the vertical integration layout of the industrial chain, and strengthened the R&D of key components and systems. Customer types were becoming increasingly diverse. Mainstream express delivery customers were more concentrated, reflecting the advantages of economies of scale and the stickiness of sustainable after-sales capabilities. E-commerce companies were developing own logistics systems and integrated warehousing-distribution solutions. End-point outlet customers remained active, with strong demand for small-scale products such as narrow belt sorters. The Company has established stable partnerships with the customers such as ZTO Express, SF Express, and JD.com. While expanding its domestic top customers in the industry, the Company's overseas sales centers and customers had expanded to many countries and regions such as Southeast Asia, the Americas, and Europe. During the reporting period, the Company won bids for several airport automated sorter projects and successfully tapped into new airport-related markets, achieving diversified growth in civil aviation operations. Adapting proactively to the volatile market environment, the Company achieved steady operating revenue growth over the past year. During the reporting period, the Company achieved total operating revenue of CNY 2.474,450.5 billion, a YoY increase of 26.42%.

The Company is deeply committed to its "One Focus with Two Wings" strategy, actively exploring new application scenarios and providing customers with more efficient and intelligent logistics solutions. In the intelligent logistics equipment system field, the Company continuously enhances technical innovation and industrial collaboration, improves product performance in traditional strongholds, and enriches the Company's product portfolio. While continuously improving and optimizing express logistics sorting system efficiency and reducing error rate, the Company has further expanded the space for equipment cost reduction by independently researching, developing, and manufacturing key components and enriching industrial chain partner resources. Wayzim delivers comprehensive and efficient intelligent warehousing solutions for warehouses of all sizes and automated warehousing management of the entire industry chain. Building on proven expertise, the Company continuously optimizes and enriches its intelligent warehousing system solutions, and employs highly automated dense storage technology to enable fully automated material handling—from the inbound operation, conveying, and storage to outbound picking—helping customers boost picking efficiency, lower operation and maintenance costs, and advance industry-wide "intelligent transformation and digitization" with more flexible, efficient, and smart solutions.

Amid the wave of digitalization, Wayzim is exploring new frontiers for intelligent logistics equipment systems. Wayzim's visual platforms, including the Warehouse Management System (WMS), Warehouse Control System (WCS), and 3DMS system, enable full-process error monitoring, automated equipment supervision, and real-time data feedback through features like

visualized storage locations and live carrying data updates. These systems help users track production efficiency and demand saturation, meeting the industry's lean production requirements.

The Company deeply focuses on its "One Focus with Two Wings" strategic core. In intelligent logistics equipment systems, the Company is committed to continuously enhancing product performance in traditional strongholds and enriching its product portfolio. While continuously improving and optimizing express logistics sorting system efficiency and reducing error rate, the Company has further expanded the space for equipment cost reduction by independently researching, developing, and manufacturing key components and enriching industrial chain partner resources. Moreover, the Company further optimizes and enriches the intelligent warehousing system solutions, which can meet the warehousing integration needs of more customers in different industries.

In addition, the Company has continued to break through key technologies of key components and localized substitution through independently developed technology to reduce the cost of comprehensive solutions for customers while ensuring the stability of the supply chain. Camera technology example: The Company's in-house developed AI vision inspection technology uses lightweight deep-learning parcel positioning, classification, singulation, and position tracking technologies. Combined with built-in technologies such as "multi-camera image stitching technology" and "stacked object detection technology", the technology can enable the accurate and fast parcel positioning and singulation, parcel stacking status detection, and classification and counting of various types of parcels in logistics scenarios, with an overall accuracy rate of over 99%. Wireless power supply example: The in-house developed dynamic wireless power supply system can enhance the safety and maintenance-free operation of logistics automation equipment. The system uses a single-rail dynamic cyclic multi-section redundant power supply to ensure high reliability and meet the power needs of multiple carriers while achieving localized substitution. Warehouse scheduling example: The in-house developed multi-shuttle scheduling system is dedicated to helping customers improve the logistics automation efficiency and flexibility. Through intelligent task allocation, automated path planning, and efficient traffic control algorithms, the system can maximize warehouse utilization optimization to meet the multi-way scheduling needs for different customers and in various service scenarios. In terms of customers, the Company continued to consolidate its dominant position in express logistics and e-commerce and expand the breadth and depth of its business. The company has made breakthroughs in civil aviation airports and industrial manufacturing.

In the future, we will increase our investment in technology, R&D, and talents by further exploring the broad market demand in the express, e-commerce, civil aviation, food, pharmaceutical, household, and manufacturing industries, focusing on the frontiers of development of technologies such as conveying and sorting, intelligent warehousing, heavy-duty robots, and intelligent sensing and motion control, and devoting ourselves to building the Company into a world-leading intelligent logistics equipment and intelligent manufacturing enterprise.

#### **Analysis and outlook on changes in performance for accounting standards for non-business enterprises**

☐ Applicable ☒ Not Applicable

## **II. Descriptions of the Main Business, Business Model, Industry Situation, and R&D Engaged in by the Company during the Reporting Period**

### **(I) Main business, products, or services**

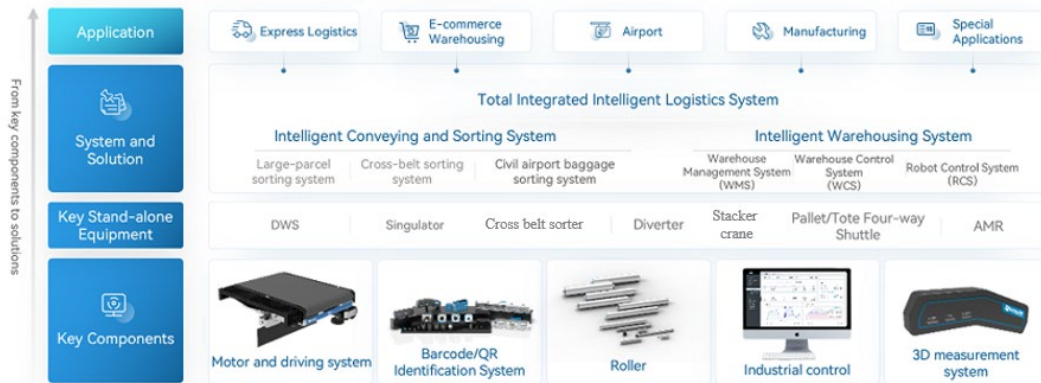
Wayzim provides comprehensive solutions using intelligent conveying, sorting, warehousing, and handling logistics equipment for express delivery, e-commerce, new energy, airport, biomedical, and manufacturing enterprises. Wayzim also provides core components required for intelligent manufacturing scenarios, such as motorized rollers, industrial visual barcode/QR code recognition, volume measurement, 2D/3D vision guided positioning, and defect detection. Wayzim is one of the few technical innovation enterprises in the same industry in China which can provide a full range of

intelligent logistics conveying and sorting systems in the industrial chain from key software and hardware to system integration.

## PRODUCTS SYSTEM



Wayzim has independently developed key technologies such as image barcode identification, visual position detection, and sorting control systems. It is one of the few technical innovation enterprises in the same industry in China which can provide a full range of intelligent logistics conveying and sorting systems in the industrial chain from key software and hardware to system integration.



### Wayzim's Product Matrix

Adhering to the spirit of "technical innovation and craftsmanship", Wayzim leads the industry in technical innovation. The product system covers four major sections: conveying, sorting, warehousing, and handling. Wayzim provides customers with integrated solutions for intelligent sorting, intelligent warehousing, and baggage sorting, as well as two key component products such as Intelligent Vision Sensors and motorized rollers. The Company's cross-belt sorter, pivot wheel sorter, narrow-belt sorter, and other stand-alone equipment for sorting have achieved comprehensive sorting from small and large parcels to heavy-duty parcels. Supporting stand-alone equipment such as stacked-parcel singulator, single-parcel singulator, and centering machines has achieved full automation of the sorting process. Moreover, stackers, shuttles, heavy-duty robots, and other stand-alone equipment for warehousing can achieve full automation of the integrated warehouse configuration process.

#### 1. Intelligent sorting solutions

The automated sorting of parcels is achieved throughout the entire process by using intelligent logistics equipment such as the 2D Bulk Flow Singulator, dynamic DWS system, and Cross Belt Sorter.

##### 1). Cross Belt Sorter

The Cross Belt Sorter has been a pivotal product supporting the rapid development of domestic express delivery and logistics industries in recent years. Also a star product of Wayzim, the equipment features stable and efficient performance, from small envelopes to heavy goods weighing up to 50 kg, the equipment can continuously and efficiently sort various types of small and medium-sized parcels such as small parcels, cartons, and boxes. The Supervisory Control and Data Acquisition (SCADA) system is used to monitor and control the Cross Belt Sorter, to ensure precise discharge of carriers and improve sorting accuracy, with a sorting accuracy of  $\geq 99.99\%$ . According to different customer requirements, Wayzim has developed a variety of standardized product models: AllType Cross Belt Sorter and heavy-duty parcel sorter. The company simultaneously provides leading solutions such as wireless power supply, automated parcel infeed, automated parcel collection, and NC sorting. These solutions improve the adaptability and economy of the Cross Belt Sorter.

##### 2). Narrow Belt Sorter

The Narrow Belt Sorter uses a modular design concept and features a compact structure. The front-end multi-dimensional visual measurement ensures adaptive adjustment of discharge postures. The equipment has strong compatibility for sorting various types of goods and can sort items in different sizes, shapes, and weights in a mixed way as needed to achieve efficient sorting within limited space. The Narrow Belt Sorter is driven by a permanent magnet linear motor. The carriers are mounted and secured through chain plates and spherical bearings to greatly enhance the service life of the mechanical components. In terms of mechanical safety design factors, more than three times the redundancy is reserved for the carrier chain plates and profile strength to ensure the stability of the overall mechanical structure.

### 3). Linear Sorter

To address the challenge of deploying large-scale automated sorting equipment in small spaces, the Linear Sorter uses a more compact mechanical structure. By replacing the circulating layout with a vertical circulating layout, higher sorting efficiency can be achieved while saving space. The equipment addresses the challenge of automated sorting in small space, with a highly modular design. The main line can run at a maximum speed of 1.5 m/s, and the sorting efficiency can reach up to 10,800 pieces per hour.

### 4). Pivot Wheel Sorter

The Pivot Wheel Sorter is a type of wheel-guided sorting equipment, mainly aimed at sorting large parcels. The equipment can be used as an independent module combined with belt conveyors, and deployed at any position of the belt conveyor to perform rough sorting/fine sorting of parcels such as large woven bags, soft packages, and cartons sorts and flexible sorting of large parcels, with a dynamic load capacity of up to 80 kg/m<sup>2</sup>. The Pivot Wheel Sorter uses distributed and bus control and communication systems and can be flexibly combined with various types of equipment, such as telescoping conveyors, belt conveyors, DWS systems, and 2D Bulk Flow Singulators, to achieve full-process automated sorting of parcels. The sorter has outstanding advantages in sorting large and heavy goods, playing an important role in sorting scenarios such as unloading areas, handling areas for non-conforming items, sorting areas for consolidation bags of small parcels, and loading areas.

### 5). 2D Bulk Flow Singulator System

The 2D Bulk Flow Singulator System provides precise detection, recognition, and positioning functions of full-category parcels through in-house developed deep learning technologies. By integrating the servo-driven control technology, the system automatically adjusts parcel singulation, creates a gap, and takes sequencing actions, so that the stacked parcels can enter the subsequent automated sorting equipment in an orderly manner by set gaps, in the form of 2D bulk flow output. The highest singulation efficiency for small parcels can reach 10,000 pcs/h, leading the industry in efficiency.

### 6). 10K 2D Bulk Flow Singulator

The 10K 2D Bulk Flow Singulator System incorporates comprehensive technical upgrades based on small-parcel 2D bulk singulation and 3D bulk singulation technologies. A wider and longer input end and more singulation modules are used to allow stacked parcels to be singulated on more falling sections. The system operates with smaller gap errors and provides better handling of piled parcels. Intelligent cameras and deep learning technology are used to conduct in-depth visual detection and calculation of parcels. The speed and route of parcels are optimized through intelligent and efficient control strategy algorithms, ensuring that the parcels can be sorted and singulated in the stricter distance control. The system is controlled by a servo system, and distinguishes it from the conventional DC motor drive method, which not only saves energy but also further enhances the stability and control precision of the system.

### 7). 3D Bulk Flow Singulator System

Focusing on the position detector, the 3D Bulk Flow Singulator accurately controls the number of parcels in each infeed area through visual perception and edge computing combined with an intelligent control system. The equipment separates the stacked large quantities of parcels to reduce stacking, squeezing, and other adverse situations, ensuring continuous and stable infeed.

## 8). Dynamic DWS System

The dynamic DWS System is a data collection system that involves dimensioning, weighing, and scanning. The equipment uses barcode scanning cameras with different resolutions and a stereo camera and integrates high-precision dynamic scales, to achieve stable recognition of barcodes on the front, rear, left, right, top, and bottom surfaces, volume measurement, and weight acquisition.

## 9). Arrival Parcel/3D Bulk Flow Detection System

The system relies on deep learning target detection and real-time multi-target tracking technologies to identify, remove, and return stacked parcels to the abnormal parcel processing area. After passing through the 3D Bulk Flow Detection System and the 2D Bulk Flow Singulator System, parcels form a stable 2D bulk flow output to enter the next process—Arrival Parcel/3D Bulk Flow Detection System. The system identifies and locates stacked parcels for flow return, solving the problem that stacked thin parcels cannot be detected by the conventional photoelectric detection methods, and effectively improving sorting accuracy.

## 10). Automated Robotic Parcel Infeed System

The Automated Robotic Parcel Infeed System uses an in-house developed RGB-D intelligent stereo camera to accurately recognize and locate the 3D spatial position, size, and pose of target parcels. It controls the robotic arm to automatically grasp parcels in both static and dynamic scenarios, efficiently and accurately recognizes parcels and calculates their spatial position information, and drives the robotic arm through the control system for all-time automated parcel infeed.

## 11). SCADA system

SCADA controls the site sorting equipment in real time. The system displays the real-time running status of all equipment on the site. When a fault occurs, the system can quickly locate the endpoint problem, thus assisting in rapid recovery of operations.

## 2. Intelligent warehousing solutions

Achieves the intelligent operation and management of an entire warehousing process by using automated handling and storage/retrieval equipment such as AMRs, stacker cranes, and shuttles.

## 1). Pallet Stacker Crane

Wayzim's Pallet Stacker Crane is designed in a modular way and made in automated welding, meeting customer demands for high load and high throughput performance. The Company has a 20,000-square-meter stacker crane production workshop at the Nanling manufacturing base, equipped with two large gantry-type milling machines and automated welding robots for streamlined production of stacker cranes.

## 2). Tote Stacker Crane

The Tote Stacker Crane is flexible. It can be combined with various forks to achieve efficient and intelligent storage/retrieval of small capacity units. The Tote Stacker Crane is ideal automated storage/retrieval equipment for the automated warehouse of small parcels. It is widely used in 3C, clothing & footwear, fresh food, beauty & cosmetics, fast-moving consumer goods, hardware, and book sectors.

## 3). Pallet Four-way Shuttle

The four-way shuttle for pallets is an intelligent handling device that integrates functions such as four-way travel, on-site track switching, automatic transportation, intelligent monitoring, and traffic dynamic management. The device boasts high flexibility and adaptability, allowing agile scheduling, with a positioning accuracy of  $\leq \pm 2$  mm. It supports the horizontal and vertical movement of goods in the racks, cooperating with vertical conveyors to achieve the maximum high-density storage.

## 4). Tote Four-way Shuttle

The Tote Four-way Shuttle is an intelligent handling device that supports four-way movements, instant direction change, automatic handling, intelligent monitoring, and dynamic traffic management. The shuttle can cross aisles and layers to reach any storage location to perform storage and retrieval tasks, enabling fast storage and retrieval of various categories of goods with high

density. The maximum straight movement speed is 5 m/s, and the maximum horizontal movement speed is 2 m/s. The equipment is scalable. Clampers and shift levers can be added as required to be applicable to different warehousing scenarios.

#### 5). AGV/AMR

The forklift AMR is a fork-drawn automated guided vehicle, featuring a narrow belt design, with a small turning radius, enabling flexible movement in narrow aisles between shelves. The forklift AMR uses an advanced laser SLAM navigation system to transport goods to the designated location. It enables efficient, flexible, and dynamic obstacle avoidance and motion path planning, providing effective goods flow inside and outside the warehouse and between production lines. The positioning accuracy can be stably controlled within 10 mm, and the rated load is 1400 to 3000 kg. The forklift AMR is widely used in various automation scenarios.

#### 6). System software (WMS, WCS, and 3DMS)

As the intelligent brain of logistics dispatching, the customized development of Wayzim's software system and advanced algorithms provide customers with a new warehouse management model featuring automation, refinement, networking, visualization, and intelligence. WMS and WCS use graphical user interfaces and digital information to help warehouse managers fully understand the goods, capacity, tasks, and execution efficiency of the entire warehouse. 3DMS can display real-time and intuitive information about the current tasks performed by the equipment, the number of storage locations, task type, task status, and equipment location. The system uses color changes to highlight equipment operating statuses.

#### 3. Motorized roller products

Wayzim has established a department for motorized roller and motor production lines. This department gathers technical R&D experts in electromagnetic theoretical simulation, motor design, motor manufacturing process, servo control, circuit design, and mechanical structure. The team has effectively solved technical challenges such as high power density, efficient motors, integrated transmission, and sealed heat dissipation. Wayzim's motorized roller production line can currently provide serial and mass production. DM165 and DM216 rollers are high-power oil-immersed rollers for belt conveyors, which have significant advantages in conveying materials with large impact loads or heavy single weights. The continuous dynamic load of the belt conveyor is up to 60 kg/m<sup>2</sup> with an annual output of 30,000 to 50,000 rollers. Wayzim's rollers include rollers for warehousing, conveyor systems, Pivot Wheel Sorters, Narrow Belt Sorters, and Cross Belt Sorters. Additionally, Wayzim's rollers can be widely used in manufacturing enterprises to enable the comprehensive automation and low carbonization of production lines.

#### 4. Intelligent vision products

Wayzim's key cameras include 8K Industrial Line-scan Cameras, 3D Laser Profile Sensors, RGB-D Intelligent Stereo Cameras, Area-scan Cameras, 4K cameras, and a comprehensive series of intelligent barcode readers, which cover resolutions ranging from 2 MP to 20 MP. In the field of intelligent logistics vision, Wayzim has expanded the application of vision products, such as Six-sided Barcode Scan Tunnels, Cross Belt Sorter Five-sided Scan Tunnels, DWS Five-sided/Six-sided Scan Tunnels, and bottom-side scan tunnels for automated infeed devices. Wayzim provides comprehensive products in the field of intelligent logistics vision, such as 8K auto-zoom cameras and DOE optical volume measurement systems.

Wayzim also provides customized intelligent logistics vision solutions for customers to enable efficient and accurate industrial barcode/QR code recognition, volume measurement, and 2D/3D visual guidance and positioning in complex application scenarios.

In 2D measurement systems such as Position Detection Systems, 2D Bulk Flow Singulator systems, and 3D Bulk Flow Singulator systems, cameras can capture the information on the parcel surfaces and detect the center coordinates and stacking status of parcels through algorithms, enabling functions such as parcel offset correction and singulation. In 3D measurement systems such as AI Parcel Detection Systems and volume measurement systems, cameras can also measure parcels' heights. For example, the Line Laser Stereo Camera uses a triangulation principle and outputs the

parcel's point cloud data, length, width, height, and volume data through built-in algorithms, applicable to dynamic volume measurement scenarios such as logistics warehousing.

These vision products and systems are widely used in recognition, positioning, and measurement, and provide much support for industrial automation and intelligent manufacturing, improving logistics operation efficiency, and helping various industries enable highly automated, digitalized, and flexible production.

## 5. Automated baggage handling system

Wayzim's automated baggage handling system can provide solutions covering the entire process of baggage check-in, security check, conveyance, sorting, and retrieval for airports of different scales. Wayzim's ICS system integrates baggage conveying and sorting. The system is characterized by high conveying speed, high fault tolerance, and energy efficiency. The system uses pallets as carriers, with RFID chips embedded in the pallets. A baggage ID is bound to a pallet ID, allowing for baggage tracking during the entire process. The maximum conveying speed is 10 m/s. The intelligent return system of baggage screening baskets is used in the hand baggage security checks for airport passengers. The system uses a facial recognition system for the automated precise binding of persons and baggage, improving the traceability of baggage, with a binding rate that can reach 100%.

Wayzim also provides a full-process solution for general cargo at airport cargo stations. Containerized cargo solutions use small building space to maximize containerized cargo storage. Palletized cargo solutions ensure that cargoes are checked and suspicious cargoes are separated automatically, with a processing efficiency of up to 7.2 tons per hour. Small parcel solutions enable fully automated operation from parcel placement to the completion of security checks and automated diverting of suspicious parcels, with a processing efficiency of up to 1800 pph. These solutions effectively solve the isolation of cargo information, greatly improving the efficiency of parcels passing through security check devices and reducing manpower.

## (II) Major business modes

During the reporting period, there were no significant changes in the Company's business mode. The Company has an independent R&D, procurement, production, and sales system, with the main business models as follows:

### 1. Sales model

Wayzim's product system covers four major sections: conveying, sorting, warehousing, and handling. Wayzim also provides three major solutions for intelligent sorting, intelligent warehousing, and baggage sorting, as well as two key component products such as Intelligent Vision Sensors and motorized rollers. A customized sales model is used based on the different needs of customers.

#### 1). Sales channel model

During the reporting period, the Company used the sales mode of direct sales as the main business and distribution as the supplement according to the characteristics of downstream customers. Under the direct sales model, the Company's sales team directly participated in the centralized procurement for domestic logistics group-type enterprises (such as ZTO Express and SF Express) and cross-border e-commerce enterprises, as well as in procurement for warehousing integration projects in industries such as automotive, new energy, and pharmaceuticals, and responded quickly and precisely to their various demands. In addition, the Company arranged experienced marketing teams to participate in multiple industry exhibitions at home and abroad to expand overseas markets. The distribution model, as a complement to the direct sales model, mainly targets franchisees of express logistics group-type enterprises across various regions, as well as the sales promotion of key components and equipment for transportation, sorting, and warehousing integration projects, which helps to achieve comprehensive coverage of the Company's sales network.

#### 2). Sales process

The Company wins warehouse logistics projects through negotiation, bidding, and other methods.

For projects obtained through negotiation, the customer sends product requirements to the Company, and the Company will then initiate and design the project. After the design is completed, the Company calculates and determines the project quotation and then provides feedback to the customer, and the price of the product is determined and a contract is signed after negotiations between the two parties.

For projects won by bidding, after receiving the project information, the Company sets up a project team including sales, planning and design, software, mechanical and electronic control, and other professionals to discuss the program from the technical, commercial, and financial perspectives and form a tender or quotation. Finally, the customer will determine the winning supplier.

## **2. Production mode**

The Company supports customized products and uses the production mode of "production based on sales", which is designed, manufactured, and installed according to customers' needs. Usually, after receiving the customer's order, the Company will design the plan according to the customer's requirements, obtain the required parts through external procurement or independent production, and finally complete the installation and commissioning at the project site. The production process of the Company mainly includes the steps of software and hardware collaborative design, parts production, and on-site installation, as follows:

### **1). Software and hardware collaborative design**

The Company will design product parameters based on customer needs and initiate product project approval after defining the product direction to determine the required software and hardware requirements for the product. The Software R&D Department of the Company is responsible for the design and development of PLC, WCS, and key algorithms, mainly based on the existing software system to revise and change parameters. In terms of hardware, R&D departments such as an E&M System R&D Center and an Electrical R&D Department are responsible for the structural design of key components and management of the manufacturing process.

According to the parameters of different products, the Company enters the designed software into the hardware and conducts small-scale batch trial production. The corresponding hardware and software design will be adjusted according to the test effect of the trial products. The Company carries out mass production after the trial products are evaluated.

### **2). Component production**

The raw materials required for the Company's products are mainly divided into mechanical, electrical, sheet metal, etc. The key raw materials mainly include sorting carriers, motorized rollers, cameras, infeed conveyors, pivot wheel sorters, module sorters, dynamic scales, 2D Bulk Flow Singulators, and centering conveyors. Among them, the key raw materials such as sorting carriers, infeed conveyors, motorized rollers, cameras, pivot wheel sorters, 2D Bulk Flow Singulators, centering conveyors, and customized parts such as feeding ports are independently developed and designed by the Company.

### **3). Onsite installation**

The Project Manager conducts onsite positioning and drawing work based on the project drawings to determine the installation position of the equipment. After the equipment installation location is determined, the Company transports self-produced and purchased components to the project site for mechanical installation. Upon the mechanical installation is completed, electrical engineers and software technical support engineers will carry out electrical commissioning, software entry, and commissioning of the equipment. Onsite trial operation and project self-inspection are carried out after commissioning, and joint commissioning of equipment is carried out at the same time. The customer will be coordinated to carry out the initial inspection of the project after the joint commissioning of the equipment, and after the initial inspection is completed, a certain period of operational testing will be carried out, and the customer will carry out the final inspection after the testing is passed. Onsite installation is completed by the installation team at the customer's designated site.



### 3. Procurement mode

The Company's products are customized, and the main procurement mode is "production-based procurement". The raw materials procured include Pivot Wheel Sorters, infeed conveyors, servo motors, steel platforms, and conveyor lines.

Based on past sales and future orders, the Company sets the scope and budget of procurement and signs procurement framework agreements with major suppliers at the beginning of the year. If the materials provided by a supplier are used for the first time, the Company will consider the plan as immature, and the Company will require the supplier to produce samples for testing. After the sample test is passed, the supplied raw materials will be tested in small batches to determine whether they are qualified. After obtaining an order, the Company will determine the supplier through tendering, inquiry, and price comparison based on the procurement content, and then sign a purchase order or contract with the supplier. Since the servo motors, insulated conductor rail systems, and communication components purchased by the Company are standard components, the suppliers will stock them in small quantities to meet the company's production requirements. For customized components, the Company will determine the specifications and price of raw materials to the supplier according to the customer's requirements and the drawings provided by the R&D Department. The supplier transports materials to the designated location within the specified delivery time, and the Company's staff conducts onsite inspections. After the inspection is passed, payment will be made within the agreed time in the contract.

### 4. R&D mode

To continuously develop new-generation technologies and products, and consolidate and enhance the Company's technological advantages, the Company has established a wholly-owned subsidiary, Wayzim R&D, to coordinate various R&D departments and allocate R&D tasks reasonably. Its subordinate R&D departments include the Intelligent Systems Laboratory, Robot Technology R&D Center, Software R&D Center, and E&M System R&D Center.

After determining the R&D direction based on its development strategy and customer needs, the Company holds a review meeting upon the project's approval. During the review meeting, the Company will determine whether it needs to cooperate with external institutions for development according to the R&D situation. All of the company's projects involving R&D are subject to phase evaluation, which is followed by review and acceptance before the production of samples eventually begins.

## (III) Industry situation

### 1. Development stage, basic characteristics, and main technical thresholds of the industry

The main business of the Company is the R&D, design, manufacturing, and sales service of intelligent logistics sorting systems, which is in the field of intelligent logistics equipment. According to the Industrial Classification for National Economic Activities (GB/T4754-2017), and the Industry Classification Guidelines for Listed Companies (Revised in 2012) issued by the China Securities Regulatory Commission, the industry to which the Company belongs is "C34 General Equipment Manufacturing". According to Order No. 23 of the National Bureau of Statistics of China on Strategic Emerging Industry Classification (2018) released on November 7, 2018, the industry in which the Company is located belongs to the "high-end equipment manufacturing industry".

#### 1). Intelligent transformation leads change: intelligent logistics equipment drives high-quality development in logistics and manufacturing

Intelligent logistics equipment serves as a foundational pillar of modern logistics systems and holds significant importance for the logistics industry. In recent years, with the deepening implementation of the "Made in China 2025" strategy, the logistics equipment industry has been undergoing a transformative upgrade from traditional mechanization to automation and intelligence. The Chinese government places high priority on the development of intelligent logistics equipment, and has successively issued a series of policies and plans to encourage the intelligent logistics equipment industry, such as the *Opinions on Promoting High-quality Development of Logistics to Foster a*

*Strong Domestic Market*, the *14th Five-Year Smart Manufacturing Development Plan*, and the *14th Five-Year Plan on Modern Logistics Development*. These initiatives have created a favorable policy environment for the development of the logistics equipment industry. Meanwhile, the rapid expansion of e-commerce and express delivery has driven stronger demand from downstream enterprises for automation and intelligent upgrades in logistics equipment and technologies.

As a critical domain of the digital economy, the intelligent logistics equipment industry has experienced rapid development in recent years, playing a vital role in advancing industrial upgrades, optimizing supply chain management, and enhancing logistics efficiency.

In the field of logistics, intelligent logistics equipment is a core component of the modern logistics industry, the foundation for organizing and implementing logistics activities, and an important condition for promoting the rapid development and efficiency upgrading of the modern logistics industry. The explosive growth of e-commerce has led to a sustained increase in demand for intelligent logistics equipment in the express logistics industry. Intelligent logistics equipment is necessary for the intelligent supply chain and is mainly used in industrial production and commercial distribution. Intelligent logistics equipment can improve the efficiency of goods production and circulation and boost the lean management of inventory, effectively reducing labor costs and achieving flexible and personalized production. The ratio of total social logistics costs to GDP is an important indicator for measuring a country's logistics efficiency and development stage. Usually, the lower the proportion of total logistics costs in society, the more mature the logistics industry in the country. From 2014 to 2023, China's total social logistics costs grew from CNY 10.6 trillion to CNY 18.2 trillion, with a compound annual growth rate of 6.19%. In the first three quarters of 2024, total social logistics costs in China reached CNY 13.4 trillion, an increase of 2.3% YoY. The ratio of the total social logistics costs to GDP stood at 14.1%, down 0.1 percentage points from the first half and 0.2 percentage points lower than the same period last year. Throughout the year, the overall logistics operation efficiency at all stages has been significantly improved. The proportion of static stages such as warehousing and storage has steadily decreased. The capital flows and logistics shifted towards dynamic stages, and the flow of the logistics elements became more active.

In the manufacturing sector, China's vast industrial ecosystem is undergoing a critical transition toward high-quality development. Amid the wave of digitalization and intelligentization, the intelligent transformation of manufacturing has raised higher requirements for logistics equipment, further fueling demand for intelligent logistics equipment. Intelligent logistics equipment plays an important role in the intelligent transformation and digital transformation of the manufacturing industry. Intelligent logistics equipment not only improves logistics efficiency, reduces costs, and optimizes supply chain management, but also promotes the intelligent transformation and high-quality development of the manufacturing industry. Intelligent logistics equipment facilitates collaborative operations within manufacturing supply chains, enabling digitalization and transparency across upstream and downstream enterprises. By establishing unified supply chain information platforms, these systems enable data sharing and coordinated decision-making, and enhance overall supply chain responsiveness and flexibility. Intelligent logistics equipment is an important force in helping to build a smart supply chain, which helps to improve the stability and flexibility of the industry supply and manufacturing chain.

Driven by robust downstream demands in the market scale and advancements in intelligent logistics technologies, the intelligent logistics equipment industry is poised for sustained growth. Looking ahead, with ongoing technical advancements and expanding market needs, the intelligent logistics equipment market is expected to embrace even broader development prospects.

## **2). The intelligent logistics equipment market sees sustained growth with expanding application ecosystems**

In the context of intelligence, China's intelligent logistics equipment market continues to maintain healthy and rapid growth. According to QYResearch, the global intelligent sorting system market was approximately USD 10.03 billion in 2024, and is expected to reach USD 22.75 billion by 2031, with a compound annual growth rate of 12.6% from 2025 to 2031. As highlighted in the *Market Panorama Research and Investment Value Evaluation Report in the China's Logistics Equipment Industry from 2024 to 2029* published by the Zhongyan Puhua Industry Research Institute, China's

intelligent logistics equipment market is expected to exceed CNY 1.2 trillion by 2029, maintaining a compound annual growth rate of over 10%.

Intelligent logistics and intelligent manufacturing have become the main directions of China's acceleration of high-quality development. The logistics equipment industry is transitioning from automation to intelligence. With technologies such as artificial intelligence, big data, and the Internet of Things (IoT), these advancements are driving higher levels of automation and intelligence in logistics equipment, helping enterprises improve quality, efficiency, and profitability while reducing resource consumption and optimizing supply chains. In this context, China's intelligent logistics equipment market is expected to maintain rapid growth. The application of intelligent logistics equipment continues to deepen across sectors including express delivery, e-commerce, intelligent manufacturing, pharmaceuticals, automotive manufacturing, cold chain logistics, and new retail. Moving forward, the express delivery and e-commerce sectors are anticipated to remain the primary demand hotspot in the intelligent logistics equipment industry. Meanwhile, rapid growth in demand for intelligent logistics equipment from the pharmaceutical and automotive industries, alongside automation and intelligence trends in high-end manufacturing, will inject new momentum into the sustained expansion of the intelligent logistics equipment industry. Moreover, driven by policies and the development of various industries towards intelligence and informatization, the market demand for intelligent logistics equipment is expected to be rapidly released. With the advancements of industry 4.0 and intelligent manufacturing, intelligent logistics equipment will play an increasingly critical role in production logistics, supporting intelligent transformation and high-quality development across industries.

### **3). High-end intelligent logistics equipment has a high technical threshold, facing dual challenges in key software/hardware capabilities and manufacturing delivery.**

In view of the intelligent logistics equipment system requires a large amount of R&D investment, integrates numerous functional modules including storage, transmission, sorting, and sensors, and requires the integration of software systems such as WCS and WMS on the basis of hardware equipment systems, high requirements are put forward for the software and hardware strength of suppliers. At present, only a few head enterprises have the integrated capability of independent R&D, production, and system integration of key systems such as sensors, drive systems, and key components. The localization opportunities for high-end equipment such as high-precision and high-speed industrial cameras, high-speed barcode recognition equipment, and lidar are expected to be gradually released.

In the era of intelligent logistics and intelligent manufacturing, the strong demand of downstream customers for intelligent and flexible warehousing and logistics solutions has led to higher requirements for suppliers' technical R&D capabilities and product capabilities. At the same time, suppliers are required to have a deep understanding and case accumulation of the specific and complex application scenarios of downstream customers' field operations and goods flow. In addition, higher demands are placed on the manufacturing capabilities of intelligent logistics equipment suppliers, who are required to be able to transform industry-leading innovative technologies and R&D results from the laboratory into products that meet design conditions and achieve mass production more quickly and effectively, to give full play to the economic benefits of R&D results.

## **2. Analysis of the industry position of the Company and its changes**

Wayzim specializes in the R&D, production, and manufacturing of intelligent warehousing and logistics equipment and key components. Benefiting from extensive case experience and leading technical capabilities, Wayzim maintains a competitive edge in the industry. Tailoring solutions for the logistics industry, Wayzim's product system covers four major sections: conveying, sorting, warehousing, and handling. Wayzim also provides three major solutions for intelligent sorting, intelligent warehousing, and baggage sorting, as well as two key component products such as Intelligent Vision Sensors and motorized rollers. As a leading integrated solution provider in China's intelligent logistics sorting systems, the Company ranks among the top-tier solution providers in the express intelligent logistics equipment market in China and is one of the largest express intelligent logistics equipment integrators in China.

Wayzim has in-house developed key technologies such as image barcode identification, visual position detection, and sorting control systems. It is one of the few technical innovation enterprises that can provide a full range of intelligent logistics conveying and sorting systems in the industrial chain from key software and hardware to system integration. In addition, Wayzim is also the only domestic enterprise with qualifications for Cross Belt Sorter integration and ICS baggage handling system integration.

Our products have been included in the list of the transfer and commercialization of sci-tech achievements released by the Chinese Academy of Sciences (CAS). We have won CAS Science and Technology Promotion and Development Award, the 23rd China Patent Excellence Award, and national “Little Giant” enterprise. We have received support from the CAS Hongguang Program for sci-tech achievements transfer and commercialization, the highest-level program under CAS.

As a leading intelligent logistics and intelligent manufacturing enterprise at home and abroad, Wayzim provides customers with comprehensive intelligent logistics solutions for sorting, warehousing, and conveying, powered by robust technical expertise and innovation, earning widespread industry recognition. Currently, Wayzim operates in multiple countries and regions worldwide, with long-term partnerships with customers such as ZTO Express and SF Express. Moving forward, Wayzim will continue to prioritize technology-driven growth, and constantly launches more innovative products and solutions to advance the intelligent and automated transformation of the logistics and warehousing industry.

### 3. The development status and future trends of new technologies, industries, formats, and models during the reporting period

**Intelligent Logistics Equipment is a pivotal link for high-quality development in logistics and manufacturing sectors:** As the key component of modern logistics systems, intelligent logistics equipment is emerging as a pivotal link in driving high-quality development across both logistics and manufacturing sectors. By deeply integrating cutting-edge technologies such as IoT, artificial intelligence, and robotics, intelligent logistics equipment is not only reshaping traditional logistics operations but also enabling intelligent upgrades in manufacturing supply chains. For the manufacturing sector, intelligent warehousing systems, unmanned handling equipment, and automated sorting lines significantly enhance raw material turnover efficiency, making flexible manufacturing feasible. For the logistics sector: Intelligent scheduling systems and visual management platforms optimize end-to-end resource allocation, reducing overall operating costs. This bidirectional synergy not only addresses the “last-mile” logistics challenges in manufacturing but also constructs a new data-interconnected industrial ecosystem that coordinates production and sales. By providing key support for digital, networked, and intelligent transformation from the manufacturing sector, intelligent logistics equipment plays a vital role in deepening integration between logistics and manufacturing, becoming a key driver of industrial upgrading and economic growth.

**The rising penetration rate of intelligent logistics equipment marks a new phase of large-scale application:** Currently, the penetration rate of intelligent logistics equipment continues to climb, signaling the industry's entry into a new phase of large-scale application. With mature IoT, AI, and robotics technologies, advanced solutions such as intelligent sorting systems, Automated Guided Vehicles (AGVs), and unmanned warehousing equipment have transitioned from pilot projects at leading enterprises to large-scale widespread application across sectors such as e-commerce logistics, intelligent manufacturing, and cold chain logistics. China's intelligent logistics equipment market continues to maintain healthy and rapid growth. According to QYResearch, the global intelligent sorting system market was approximately USD 10.03 billion in 2024, and is expected to reach USD 22.75 billion by 2031, with a compound annual growth rate of 12.6% from 2025 to 2031. As highlighted in the *Market Panorama Research and Investment Value Evaluation Report in the China's Logistics Equipment Industry from 2024 to 2029* published by the Zhongyan Puhua Industry Research Institute, China's intelligent logistics equipment market is expected to exceed CNY 1.2 trillion by 2029, maintaining a compound annual growth rate of over 10%. This trend is fueled by both the rigid demand driven by the manufacturing industry's transformation and upgrading, as well as cost reductions brought about by technical iterations – with AGVs being an example, whose single

purchase cost has already decreased by 40% compared to 2018. As penetration rates continue to soar and large-scale applications gain momentum, the intelligent logistics equipment industry will play an increasingly pivotal role in the deepening integration of logistics and manufacturing, providing strong support for the high-quality development of China's national economy.

**Technical breakthroughs and application expansion:** Currently, the intelligent logistics equipment industry is experiencing dual momentum from technical breakthroughs and deepening applications. From a technical perspective, AI algorithms enable millisecond-level response in dynamic warehouse scheduling, the 5G+edge computing technology boosts logistics robot collaboration efficiency by over 40%, and next-gen vision recognition systems achieve a 99.9% sorting accuracy. These key technical breakthroughs are driving intelligent logistics equipment from single-point automation to system intelligence. From an application perspective: Intelligent logistics solutions now span the entire manufacturing supply chains from traditional warehousing and sorting scenarios. The China Federation of Logistics & Purchasing stated in the *2023 China Intelligent Logistics Development Report* that the automation rate of intelligent logistics in the manufacturing industry has increased by approximately 12 to 18 percentage points compared to 2022. Taking machine vision as an example, GGII expects the market size to exceed CNY 120 billion by 2025, with a compound growth rate of about 12% from 2022 to 2025. The intelligent logistics equipment industry is in a critical period of technical breakthroughs and deepening applications, entering a new phase of large-scale applications. With the continuous technical advancement and the persistent growth of market demand, intelligent logistics equipment will play an important role in more fields, providing strong support for the high-quality development in logistics and manufacturing.

**It is the right time for leading domestic intelligent logistics equipment suppliers to rise:**

Currently, leading domestic intelligent logistics equipment suppliers are seizing unprecedented development opportunities, and the industry's rise is gaining momentum. Under the dual drive of national policy support and market demand, the domestic head manufacturers have accelerated the transformation of research results into products that can be oriented to different application scenarios in many fields including express, e-commerce, FMCG, and new energy, gradually realizing the substitution of localization of sensors, power systems, key components, and steadily reducing procurement costs and comprehensive delivery costs through the construction of industry chain clusters and production bases. With a wealth of case accumulation and advanced industrial technology innovation, domestic intelligent logistics equipment head suppliers not only match international brands in product performance but also win market favor through quick response, customized services, and cost advantages. In the future, the comprehensive competitiveness of domestic head suppliers is expected to be further enhanced, and their advantages in terms of solution performance, comprehensive project cost, service capability, and R&D capability will be further highlighted. The process of domestic substitution is expected to accelerate.

#### **(IV) Key technologies and R&D progress**

##### **1. Key technologies and their advancement and changes during the reporting period**

There are no significant changes in the Company's key technologies during the reporting period.

Since its establishment, the Company has adhered to the spirit of "technological innovation, craftsmanship, and quality", adhered to the business philosophy of R&D as the key and market demand-oriented, conducted in-depth research on key technologies with good development prospects in intelligent logistics and intelligent manufacturing, and achieved breakthrough progress.

Emphasizing the transformation of technological achievements, in response to industry characteristics and future downstream application market development trends, the Company has applied advanced design concepts to improve the performance and operational efficiency of intelligent equipment while effectively reducing production costs, consolidating and enhancing technological advantages to ensure the sustainable development of its main business.

##### **1) Introduction to key technologies**

| Name of Key Technology   | Features and Advancements   | Source of Technology |
|--|---|----------------------|
| High-performance general edge computing technology for industrial IoT                      | Based on DSP/FPGA/ARM/GPU and heterogeneous processor chips, this technology can establish an open and universal software and hardware platform integrating various functions such as front-end data acquisition (mainly image data), ISP, real-time computing, high-speed storage, and Ethernet communication. The computing platform has been successfully applied to various types of high-speed image processing systems for intelligent logistics, effectively reducing the result output time delay and enhancing the real-time performance of the system. This platform greatly reduces the long-distance transmission of raw data and the reliance on network bandwidth.  | In-house developed   |
| Key equipment technology to support the comprehensive integration of intelligent logistics | <p>The Company has independently developed multiple varieties and models of key equipment for supporting the comprehensive integration of intelligent logistics, including single-layer and multi-layer loop cross belt sorters, linear cross belt sorters, alignment conveyors, pivot wheel sorters, module sorters, stacker cranes, belt conveyors, and dynamic weighing equipment. They can be flexibly configured and selected according to the needs of the site, effectively improving the efficiency of comprehensive integration and reducing project costs.</p> <p>The high-speed pivot wheel sorting technology, based on Wayzim-developed drive units and embedded control systems, can be used to sort items of all categories and specifications. This technology also has an advantage in sorting complex items such as soft parcels and woven bags for parcel consolidation. The modular design and assembly are applicable to various sites. The precise control algorithm ensures accurate parcel sorting, the dynamic speed adjustment function enables energy saving and emission reduction, and the dynamic gapping function solves parcel stalling to reduce parcel return. The maximum sorting efficiency is 10000 pph.</p> <p>The automated singulation and sequencing system can automatically and intelligently de-stack, singulate, distance, and sequence mixed and stacked parcels by integrating the following technologies: multi-camera image stitching and fusion, deep-learning high-precision parcel positioning, deep-learning parcel singulation, efficient parcel singulation algorithm, real-time parcel tracking, parcel stacking motion control algorithm, sensor-based gapping compensation algorithm, multi-servo independent motion control, high-speed image transmission, adaptive energy-saving mode switching, parcel centering in multiple transmission modes, high-precision motorized roller motion control, parcel placement adjustment based on a visual algorithm, and efficient embedded control. This allows disorderly parcels to be output in a single queue with specified spacing. The maximum singulation efficiency is 10,000 pph.</p> <p>The high-speed and high-precision Dimensioning, Weighing, and Scanning (DWS) system can capture the weight, barcode, and volume data of the fast-moving parcel by integrating the following technologies: efficient dynamic dual scales, advanced intelligent barcode scanning cameras and volume measurement meters, in-house developed efficient dynamic</p> | In-house developed   |

| Name of Key Technology  | Features and Advancements  | Source of Technology |
|---|--|----------------------|
|   | <p>dual-scale weighing and dual sampling algorithm, high-precision multi-scale dynamic weighing algorithm, real-time parcel position detection based on the real-time triggering and dynamic displacement meter, and adaptive weighing.</p> <p>The high-speed cross belt sorter has undergone a high-speed upgrade on the basis of integrating all the key technologies of the cross belt sorter and has created a unique separation and flipping mechanism for the carrier body and travel wheel frame, as well as a special bending mechanical structure. Moreover, it integrates an independently developed contactless permanent magnet linear motor, contactless power supply, energy-saving drive, high-speed motorized roller, high-speed barcode scanning camera, high-speed infeed conveyor, automatic parcel alignment module, and electrically driven tidal sorting discharge point. The sorter can continuously and rapidly sort large numbers of parcels, greatly improving sorting efficiency. The main line of the Narrow Belt/Linear Sorter uses an independently developed efficient barcode reading camera system, contactless permanent magnet linear synchronous motors, and infrared controllers, which effectively saves energy and reduces maintenance costs. Combined with a precise sorting control algorithm, the sorter uses a multi-sensor verification method to discharge parcels of different sizes from the center of the discharge point at different positions. Highly stable chain plate idler structure and independent roller drive control technology provide higher stability and flexibility. For larger parcels, carriers can be combined based on the parcel length. The parcels can be efficiently and accurately sorted by precisely controlling the motion trajectories of the parcels.</p> |                      |
| High-precision barcode/QR code recognition algorithm technology based on high-resolution images | The barcode/QR code recognition algorithm uses in-house developed technologies and incorporates technologies such as “barcode/QR code positioning”, “horizontal and vertical barcode splicing”, “super-resolution reconstruction”, and “pixel-level lossless rotation” to enable high-speed barcode/QR code scanning. The algorithm can also efficiently process problems such as environmental texture interference, barcode fouling, wrinkling deformation, tilting, and blurring, with a recognition accuracy of over 99%.  | In-house developed   |
| Vision inspection technology for intelligent logistics parcels                                  | This technology uses lightweight deep-learning parcel positioning, classification, singulation, and position tracking technologies. Combined with built-in technologies such as “multi-camera image stitching technology”, “stacked object detection technology”, “point cloud plane fitting clustering and outlier filtering algorithm”, “spatial pose calculation”, and “target tracking and matching technology”, the technology can enable the accurate and fast parcel positioning and singulation, parcel stacking status detection, and classification and counting of various types of parcels in logistics scenarios, with an overall accuracy rate of over 99%.  | In-house developed   |
| OCR recognition technology for  | This technology uses a deep learning OCR technology, a text structure detection algorithm, a high-precision text positioning algorithm, a text orientation correction algorithm, and a character recognition algorithm. The technology also supports   | In-house developed   |

| Name of Key Technology  | Features and Advancements  | Source of Technology |
|---|--|----------------------|
| intelligent logistics   | customized algorithms, such as the extraction of three-segment codes on waybills, detection of the production dates on food packages, and postal code recognition. The recognition accuracy can reach 99%.   |                      |
| Visual localization and object detection technology based on deep learning                      | This technology uses lightweight deep-learning parcel positioning, classification, singulation, and position tracking technologies. Combined with built-in technologies such as “multi-camera image stitching”, “stacked object detection”, “point cloud plane fitting clustering and outlier filtering algorithm”, “spatial pose calculation”, and “target tracking and matching”, the technology can enable the accurate and fast parcel positioning and singulation, parcel stacking status detection, and classification and counting of various types of parcels in logistics scenarios, with an overall accuracy rate of over 99%.   | In-house developed   |
| Image sensing and processing technology for intelligent logistics and intelligent manufacturing | The image sensing and processing systems include a 2 MP/5 MP/12 MP/20 MP omnidirectional area scan barcode recognition system with a large depth of field, a barcode recognition system based on adaptive focusing high-resolution 8K line scan image sensor, a volume measurement system based on image and diffraction optical system fusion, a volume measurement system based on laser triangulation, an image recognition system for parcel position detection, a parcel classification recognition system based on AI algorithm, an automated infeed system based on deep learning image processing and robotic arm combination, and a static volume measurement system based on deep learning. Among them, the recognition rate and stability of the barcode recognition system based on adaptive focusing high-resolution 8K line scan image sensors have reached the industry's advanced level. For logistics items in motion, the system enables accurate image information collection with a maximum line scanning frequency of 35 kHz at a motion speed of $\geq 4.5$ m/s. The single recognition time of a million-pixel perception image is $\leq 150$ ms, and the automatic omnidirectional recognition accuracy of logistics item barcodes/QR codes is greater than 99%. | In-house developed   |
| 3D volume measurement technology for dynamic and static objects                                 | The technology includes high-precision dynamic object volume measurement and positioning algorithm technologies based on speckle structural light encoding and line structured light and an RGBD static volume measurement algorithm based on active binocular vision. The dynamic volume measurement algorithm uses a three-dimensional geometric monocular vision triangulation algorithm and in-house developed built-in technologies such as "highly robust dictionary design", "inter-frame encoding matching", "laser line fast tracking and extraction", "iterative filtering fitting", and "multi-angle correction". The dynamic volume measurement algorithm can measure parcel dimensions, calculate parcel volumes, position parcels, and perform integral volume fitting on objects such as irregular parcels, soft parcels, and woven parcels to enable high-precision real-time measurement and positioning with an accuracy of $\pm 5$ mm. The static volume measurement technology incorporates deep learning segmentation and 3D point cloud segmentation   | In-house developed   |



| Name of Key Technology                                   | Features and Advancements  | Source of Technology |
|--|--|----------------------|
|  | algorithms and multiple built-in technologies such as “multi-camera stitching algorithm”, “contour smoothing algorithm”, and “flying point denoising algorithm”, to flexibly meet measurement requirements of different field of views and process envelopes and black parcels, with a measurement accuracy of $\pm 10$ mm and the maximum accuracy of $\pm 5$ mm.   |                      |
| Technology for measuring logistics parcels               | The light curtain system based on the through-beam photoelectric sensor integrates the photoelectric sensor, analog conditioning circuit, noise reduction circuit, high-order band-pass filter circuit, and low-power processor into an integrated system for measuring the position, shape, and dimensions of logistics parcels.  | In-house developed   |
| Integrated drive and control technology for servo motors | <p>The integrated drive and control system integrates the traditional control and drive components into one. The drive is controlled by a high-speed DSP + ARM dual-core. The ARM core is responsible for handling the interaction with the upper system, decoding and logic control of command information, processing peripheral signals and other coordination work, and interacting with the DSP core in real-time. The DSP core is responsible for the digital vector control algorithm of the permanent magnet servo motor, the sampling of the high-speed AD, the motor encoder resolution, the PWM output, etc. The driving section uses an isolated drive, and the module uses a high-efficiency integrated IGBT, with low heat generation. The power supply uses a flyback on-board multi-isolation power supply with a wide input voltage range. The overall structure of the system is compact, with strong anti-interference ability. The system uses multiple protections to adapt to complex environments such as high voltage fluctuations and lightning strikes.</p> <p>The integration and control technology of the motorized roller integrates the motor and reducer into the drum, making it compact and integrated and easy to install. The motorized roller is controlled by a servo frequency converter and features a fast start/stop speed, a large load capacity, and a strong overload capability.</p> | In-house developed   |
| Wireless power supply technology                         | The contactless power supply system uses a contactless magnetic field coupling power supply, which is an ideal power supply method for the automated sorting system. To break the foreign technical monopoly and solve the problems of insufficient reliability, limited installation space, and inconvenient capacity expansion, a segmented and distributed excitation structure, a resonant synchronous rectification technology, a multi-machine parallel numeral control technology, high and low rail excitations, and low ampere-turn density U-shaped collectors are used to ensure efficient transmission. By real-time monitoring of operating parameters, power supply problems can be predicted in advance to ensure reliable system operation. The automated sorting system using a contactless power supply has advantages such as safety, high speed, maintenance-free, silent operation, and long service life.  | In-house developed   |
| Electrical control system                                | The Company's existing sorting products all contain complex control systems, which are designed in a distributed and   | In-house developed   |

| Name of Key Technology                                     | Features and Advancements  | Source of Technology |
|--|--|----------------------|
| technology based on a modular and distributed architecture | modular way to ensure continuous technological advancement. The main control system uses a PLC + embedded system + industrial PC architecture to provide efficient safety protection, command execution control and communication protocol conversion, computational decision-making, and system monitoring. The control subsystems are interconnected by using Ethernet, CAN, RS-485 cable, leaky-wave cable, and other multimedia communication methods, which facilitates the free tailoring and expansion of the system and realizes the flexible configuration of the control system.   |                      |
| Remote fault diagnosis technology                          | This technology enables log analysis, automatic monitoring, and advance warning. Specific functions include automatic monitoring, analysis, and alerting of the operation of on-site automated sorting equipment delivered by the Company, for example, analyzing whether the message-sending timing of each subsystem of various automated sorting equipment is correct, whether there are skip codes in the barcode reader, and whether there is an increase in mechanical resistance and other abnormal information. With this technology, it is possible to understand the fault situation of each sorter and promptly arrange technical personnel to repair and resolve faults just before the equipment malfunctions, to avoid equipment damage and serious faults.  | In-house developed   |
| Integrated warehousing and distribution technology         | The integrated warehousing and distribution technology is mainly reflected in the development and design of WCS, WMS, and MES. The WCS provides functions such as information collection, decision control, and status monitoring to receive real-time information from various subsystems, enabling system status computation and sorting task decision-making. It monitors the operation status of each execution system in real-time and visually displays various faults or potential faults of components or subsystems. The WMS provides functions such as order management, inbound/outbound management, inventory management, and storage space optimization. It can improve inventory turnover rate, outbound/inbound efficiency, and system accuracy, enabling digital, flexible, and efficient warehouse management. The MES is used to establish a unified production and operation collaborative control platform for express hub transfer centers or warehouse distribution centers. The system enables the real-time monitoring, data analysis, and remote control of on-site production operations. The centralized control system of the equipment is customized for the express hub transfer center or warehouse distribution center and enables real-time collection of sorting information, sorting rates, recognition rates, and alarms, and the display of the collected information to facilitate timely handling of errors on the site. By comparing current data with historical data, the system dynamically analyzes information such as total sorting number, sorting rate, recognition rate, errors, and item video tracking, and provides early warning alerts. The four-way shuttle technology integrates a self-developed advanced intelligent traffic dynamic management and control system, with built-in warehouse maps to achieve functions such as automatic information recording and feedback, autonomous | In-house developed   |

| Name of Key Technology  | Features and Advancements  | Source of Technology |
|---|--|----------------------|
|   | route optimization and update, and real-time feedback of warehouse and equipment status. The industry-leading ultra-thin body design enables higher-density storage. Based on self-developed embedded control systems and visual systems, combined with RFID, servo motors, high-precision sensors, etc., it can achieve precise positioning and stable control of carriers, greatly improving the accuracy and efficiency of goods transportation in the intelligent warehouse. Moreover, Multi-layer human-machine interaction interface design increases the flexibility of control scheduling.   |                      |
| Design methodology and application technology for integrated solution planning of intelligent logistics | In terms of planning and design methodology, the company has mastered customer demand-oriented integrated solution planning and design, 3D simulation and virtual reality technology-based planning and design scheme simulation, feasibility verification & optimal design, analytical research on integrating various types of logistics equipment into Building Information Modeling (BIM) in specific projects. In the technical application of specific projects, through an informatized supervision method across the entire process, the technology can facilitate the transparent management of the engineering refinement design, equipment R&D, supply chain, on-site construction, project acceptance & rectification, equipment use, and training processes in logistics integrated projects.   | In-house developed   |
| Intelligent ICS sorting technology for airports   | The ICS is a highly integrated system designed for efficient baggage handling and sorting. The ICS includes various subsystems such as SMCS, SCADA, MIS, CCTV, MES, EBS, TMS, and MMIS. The SMCS determines parcel destinations and movement paths based on parcel flight information, sorting plans, parcel and pallet binding relationships, and equipment status, and notifies the underlying equipment to sort parcels. SCADA is responsible for obtaining parcels and equipment status from the sorting system and displaying them. It can generate alarm alerts, display monitoring videos, and set general parameters. The MIS displays real-time information such as flight information, KPI, and system occupancy rate. It is used to manage sorting plans, generate queries and statistical reports for parcels and equipment, and manage equipment and pallets. The CCTV provides video monitoring for all equipment on the site. MES is responsible for operations such as barcode complement, discharge point complement, and removal of non-conforming parcels. The EBS system is used to manage and store early arrival baggage. The TMS is used to manage pallet maintenance information and record maintenance results. The MMSI is integrated into the MIS for managing equipment (including pallets). Key system technologies: The high-speed conveyor belt technology enables rapid baggage conveying, with a maximum speed of 10 m/s, and is applicable to long-distance conveying between corridors. The automation technology integrates RFID and vision systems for automated baggage identification, sorting, loading, and full process tracking. Through a redundant backup system, the ICS system provides redundancy for software servers, power supplies, | In-house developed   |

| Name of Key Technology   | Features and Advancements   | Source of Technology |
|--|---|----------------------|
|  | controllers, and communication to ensure the high availability of the entire system.  |                      |
| Intelligent cloud monitoring technology  | CloudMonitor enables data analysis, traffic analysis, fault analysis, and operation status monitoring of on-site equipment in the cloud by collecting the on-site equipment's operation data. This technology enables centralized monitoring of products deployed across the world, with visual map guidance configured to visually indicate areas of severe faults and equipment modules. Data analysis can also achieve prediction of future faults and traffic.  | In-house developed   |
| Visual-disordered picking technology for robotic arms  | The visual-disordered picking technology for robotic arms is a technology based on 3D vision to guide robots to pick objects without a fixed picking order. Built-in technologies such as “deep-learning instance segmentation”, “point cloud plane fitting clustering and outlier filtering algorithm”, and “spatial pose calculation” enable the recognition and grabbing of static stacked items and the grabbing of dynamic items moving on the conveyor belt. At present, this technology can be applied to the sorting line infeed to enable the automatic infeed of the cross belt sorter.   | In-house developed   |
| Key technologies for key equipment of the high-efficiency and high-density automated warehouse | The high-speed Stacker Cranes, tote shuttles, pallet shuttles, AGVs, and dense warehouse shelves enable more efficient material inbound, storage, and outbound operations within a limited warehouse space, greatly improving warehouse space utilization. Based on the double closed-loop control, high-speed Stacker Cranes use double-motor/three-motor synchronous drive mode, enabling precise positioning during the operation of ultra-high stacker cranes and high-acceleration Stacker Cranes. Combined with multiple layers of safety protection devices, Stacker Cranes can operate safely. Tote shuttles are completely driven by servo drives and positioned by using encoders and laser photoelectric sensors, facilitating rapid and accurate positioning. Pallet shuttles are powered by lithium-ion supercapacitors, which provide a tenfold increase in battery life compared with traditional capacitors and ensure 24/7 continuous operation. Pallet shuttles are completely driven by servo drives and positioned by using encoders and laser photoelectric sensors, facilitating accurate travel positioning with an accuracy of $\pm 2$ mm. Pallet shuttles use high-speed industrial cameras and RFID to rapidly and stably identify location information and use multi-directional laser obstacle avoidance radars to ensure shuttle safety operation. The thinnest thickness of the shuttle is 125 mm, meeting the requirements for the warehouse storage location with an extremely low layer height. The key technologies of the warehouse robot include a motion control algorithm, a laser navigation/SLAM algorithm, and a cluster scheduling algorithm. Based on the fusion of lidar and other sensors, the robot supports autonomous navigation in the warehouse, with a navigation accuracy of $\pm 1$ cm. Various anti-collision devices, such as an obstacle avoidance radar, a camera, and an anti-collision strip, are equipped to ensure safe operation. The robot has an autonomous charging capacity and can automatically | In-house developed   |

| Name of Key Technology  | Features and Advancements   | Source of Technology |
|---|---|----------------------|
|   | return to the charging pile for recharging when the battery level is low.   |                      |
| Fork application technology for multiple occasions and models | In an automated warehouse, the fork is used in the final stage of picking and placing goods. Its stability, precision, and safety are crucial to the success of picking or placing goods. The lightweight and modular designs of the fork ensure design stability. In terms of motion control, the fork uses two encoders to provide real-time interpolation, positioning, and motion control, ensuring safe and smooth fork operation. The double-station fork synchronization technology can pick and place short and long goods. The variable-pitch multi-depth fork can pick and place goods of various lengths and depths. The multi-deep hooking and pulling fork facilitates a quick response for handling various dimensions of totes. The bidirectional pitch-changing double-fork supports picking and dropping pallet-type goods of various lengths. The bidirectional synchronous pitch-changing function can keep the goods fixed at the center of the loading platform and the location to avoid eccentric loading. | In-house developed   |

2) Intellectual property protection of key technologies

The patents involved in the Company's key technologies and their stages are as follows:

| Key Technology   | Patent Involved   | Current Stage          |
|--|---|------------------------|
| High-performance general edge computing technology for industrial IoT                      | A barcode complement method, barcode complement device, and sorting system (patent for invention).<br>QR code recognition method based on image processing (patent for invention).<br>Adaptive task scheduling method based on multi-core DSP (patent for invention).<br>One-dimensional barcode recognition method based on DaVinci technology (patent for invention).<br>Barcode recognition method based on multi-core DSP (patent for invention).<br>Image data acquisition method and device (patent for invention).<br>A parcel transportation control method and system (patent for invention).  | Industrial application |
| Key equipment technology to support the comprehensive integration of intelligent logistics | A large parcel sorting method, device, and system (patent for invention).<br>A modular sorting pivot wheel device (utility model).<br>An automatic parcel loader for cross belt sorters (utility model).<br>An express pallet sorting device (utility model).<br>A rotary linkage double-layer cross belt sorter system (utility model).<br>A double-layer vertical circulation-type cross belt sorter system (utility model).<br>A mechanical structure that can be used for the buffer chute of a single track double layer logistics sorter (utility model).<br>A visual recognition-based 2D Bulk Flow Singulator System (utility model).<br>Pivot Wheel Sorter (utility model).<br>Curved track for high-speed cross belt sorters (utility model).<br>Roller type grounding device for wireless power supply of cross belt sorter (utility model). | Industrial application |

| Key Technology | Patent Involved  | Current Stage |
|----------------|--|---------------|
|                | <p>Efficient circular cross belt sorting device (utility model).</p> <p>PSS 2D Bulk Flow Singulator system (software copyright).</p> <p>DWS dynamic weighing system V1.0 (software copyright).</p> <p>Flipping device for 180-degree vertical flipping (utility model).</p> <p>Modular V-ribbed belt Pivot Wheel Sorter device for sorting (utility model).</p> <p>Modular multi-angle V-ribbed belt pivot wheel device and sorter (utility model).</p> <p>Connection mechanism for upper and lower carriers (utility model).</p> <p>Modular parcel diverging &amp; singulating device (utility model).</p> <p>Fruit conveying, suction, and packing equipment (utility model).</p> <p>Motor winding and varnishing tooling (utility model).</p> <p>Fruit suction device and its installation structure (utility model).</p> <p>Belt conveyor for the automated infeed area of the Cross Belt Sorter (utility model).</p> <p>Resettable anti-collision device for the permanent magnet linear synchronous motor (utility model).</p> <p>C-shaped sheet metal part for enhancing structural stability (utility model).</p> <p>Back electromotive force test tooling for the permanent magnet linear motor (utility model).</p> <p>Mechanism preventing belt deviation (utility model).</p> <p>Sorting wiring structure and narrow belt sorting system (utility model).</p> <p>Drive control system for the 2D Bulk Flow Singulator (utility model).</p> <p>Parcel diverging device for the 2D Bulk Flow Singulator (utility model).</p> <p>Module for the conveyor belt (utility model).</p> <p>Self-unlocking reset device for flipping carriers (utility model).</p> <p>Easy-to-maintain carrier for Linear and Cross Belt Sorters (utility model).</p> <p>Linear sorter carrier for reducing parcel loss and jam (utility model).</p> <p>Tidal discharge point device for parcel sorting in high-speed logistics (utility model).</p> <p>Universal joint with bushing (utility model).</p> <p>Coated unit cover plate for the large parcel sorter (industrial design patent).</p> <p>Friction unit cover plate for the large parcel sorter (industrial design patent).</p> <p>Coated unit cover plate for the small parcel sorter (industrial design patent).</p> <p>Integrated molding module (industrial design patent).</p> <p>Maintenance and switching device for the put wall shuttle (invention patent).</p> <p>Multi-channel sequencing conveyor for 2D bulk flow singulation (invention patent).</p> <p>Reducer for the motorized roller timing belt (invention patent).</p> <p>Dock lift for the roll container (utility model).</p> <p>Travel and guide wheel structure for the linear sorter carrier (utility model).</p> <p>Positioning bracket (utility model).</p> <p>Lifting device (utility model).</p> |               |

| Key Technology  | Patent Involved   | Current Stage          |
|---|---|------------------------|
|   | <p>Sequencing conveyor for the 2D bulk flow singulation of large parcels (invention patent).</p> <p>Infrared communication installation structure facilitating position adjustment in the narrow belt sorter (utility model).</p> <p>Sorting carrier structure with high reset accuracy (utility model).</p> <p>Curved track installation structure for the linear sorter (utility model).</p> <p>Carrier for linear narrow belt sorters (utility model).</p> <p>Linear motor installation structure for the narrow belt sorter carrier (utility model).</p> <p>End travel structure for the linear narrow belt sorter carrier (utility model).</p> <p>Air-blowing removal system for misaligned parcels (utility model).</p> <p>Infrared communication device for narrow belt sorters (utility model).</p>   |                        |
| High-precision barcode/QR code recognition algorithm technology based on high-resolution images | <p>QR code recognition method based on image processing (patent for invention).</p> <p>A one-dimensional barcode recognition method for real-time embedded systems (patent for invention).</p> <p>A visible-infrared dual-pass camera (patent for invention).</p> <p>Method for manufacturing focal plane arrays for light-modulated thermal imaging (patent for invention).</p> <p>Image data acquisition method and device (patent for invention).</p> <p>A barcode tilt correction method based on multitask object detection (patent for invention).</p> <p>A fast barcode detection method for express parcels (patent for invention).</p> <p>Method and device for barcode area positioning (invention patent).</p> <p>Barcode positioning and detection method based on deep learning (invention patent).</p> <p>Barcode recognition method (invention patent).</p> <p>1D barcode positioning method based on machine vision (invention patent).</p> <p>Method, device, and related equipment for barcode positioning (invention patent).</p> <p>1D barcode recognition method based on DaVinci technology (invention patent).</p> <p>Barcode recognition method based on multi-core DSP (patent for invention).</p> <p>DM code positioning and recognition methods combining deep learning with pixel-level detection (invention patent).</p> <p>1D barcode positioning method based on machine vision (invention patent).</p> <p>Barcode positioning and detection method based on deep learning (invention patent).</p> | Industrial application |
| Visual localization and object detection technology based on deep learning                      | <p>Image data acquisition method and device (patent for invention).</p> <p>A method and system for real-time detection of parcel position based on image processing (patent for invention).</p> <p>Method for the position detection of a parcel on a carrier based on deep learning (invention patent).</p> <p>Method and device for parcel stacking detection based on a neural network (invention patent).</p> <p>Automated parcel sorting method based on deep learning</p>   | Industrial application |

| Key Technology  | Patent Involved  | Current Stage          |
|---|--|------------------------|
|   | (invention patent).<br>Method for belt edge detection based on DeepLabv3+ (invention patent).<br>Real-time parcel position detection method for 2D Bulk Flow Singulator based on an RGBD camera (invention patent).<br>Method for rapid parcel positioning of 2D Bulk Flow Singulator based on object detection (invention patent).<br>Real-time parcel position detection method for 2D Bulk Flow Singulator based on an RGBD camera (invention patent).<br>Visual positioning correction method for conveying sheet-like objects (invention patent).   |                        |
| Image sensing and processing technology for intelligent logistics and intelligent manufacturing | A logistics parcel scanning system based on an image barcode recognizer (utility model).<br>A one-dimensional barcode recognition method for real-time embedded systems (patent for invention).<br>Method for manufacturing focal plane arrays for light-modulated thermal imaging (patent for invention).<br>Method for improving the flatness of reflective plates in micromechanical uncooled infrared imaging chips (patent for invention).<br>Image data acquisition method and device (patent for invention).<br>Method, device, equipment, and storage medium for detecting object surface defects (patent for invention).<br>FPGA-based RS485 interface signal deburring method, receiving method, and FPGA (patent for invention).<br>A self-learning industrial camera autofocus method, device, and system (patent for invention).<br>A method and system for real-time detection of parcel position based on image processing (patent for invention).<br>Method, device, equipment, and storage medium for enhancing image contrast (patent for invention).<br>Method, device, equipment, and readable storage medium for logistics parcel detection (invention patent). | Industrial application |
| 3D volume measurement technology for dynamic and static objects                                 | Image data acquisition method and device (patent for invention).<br>Method, device, and system for measuring parcel volume based on speckle-coded structured light (patent for invention).<br>Laser contour line extraction method based on directional region growth (invention patent).<br>Method and system for temperature compensation of laser cameras based on visual correction (invention patent).  | Industrial application |
| Deep learning-based OCR technology  | Method and System for obtaining parcel surface information based on OCR (invention patent).  | Industrial application |
| Technology for measuring logistics parcels  | Express parcel sorting information recognition system (utility model).<br>Image data acquisition method and device (patent for invention).   | Industrial application |
| Integrated drive and control technology for servo motors  | An external rotor servo motorized roller (utility model).<br>Control method for parcel infeed station (patent for invention).<br>An internal rotor servo motorized roller (utility model).<br>A motor laminating fixture (utility model).<br>A servo drive control system and control method for a parcel pivot wheel sorting module (patent for invention).<br>A detachable encoder servo motorized roller (utility model).   | Industrial application |



| Key Technology   | Patent Involved   | Current Stage                            |
|--|---|--|
|  | A fatigue testing device for a motorized roller motor (utility model).  |  |
| Wireless power supply technology   | Wireless power supply circuit, power supply, and logistics sorting system (invention patent).<br>Logistics sorting system and its control method (invention patent).<br>Load drive system for logistics (invention patent).<br>Load drive device and sorting system for logistics (invention patent).<br>Wireless power supply parcel sorting system and its control method (invention patent).<br>IPT energy coupling mechanism and energy transmission system (utility model).<br>Cable installation device and load drive system for logistics (utility model).  | Industrial application                   |
| Electrical control system technology based on a modular and distributed architecture | An external rotor servo motorized roller (utility model).<br>Control method for parcel infeed station (patent for invention).<br>An internal rotor servo motorized roller (utility model).<br>Preliminary and secondary dual-module permanent magnet synchronous linear motor (utility model).<br>Permanent magnet segmented synchronous linear motor based on switch Hall effect sensor (utility model).   | Industrial application                   |
| Remote fault diagnosis technology  | Wayzim cross-belt automatic sorting system barcode complement software (software copyright).<br>A logistics automatic sorting remote diagnosis system and its method (patent for invention).  | Industrial application                   |
| Integrated warehousing and distribution technology                                   | Self-balancing lifting device (utility model).<br>Wayzim cross-belt express parcel sorting system control platform software (software copyright).<br>Wayzim cross-belt automatic sorting system barcode complement software (software copyright).<br>Wayzim intelligent warehouse control system software (software copyright).<br>Wayzim intelligent warehouse management system software (software copyright).<br>Cloud Warehouse Management System-WMSCloud (software copyright).<br>MCS barcode complement system (software copyright).<br>TMS transportation management system (software copyright).<br>OCP order collaboration platform (software copyright).<br>OMS order management system (software copyright).<br>WMS RFID identification system (software copyright).<br>WMS Data Exchange Center (DEC) platform (software copyright).<br>WCS system (software copyright).<br>Wayzim electrical control system for intelligent warehouse double column stacker (software copyright).<br>Wayzim intelligent warehouse 3D real-time monitoring system software (software copyright). | Industrial application and testing stage |
| Design methodology and application technology for integrated solution planning of    | Omnidirectional mobile platform (utility model).<br>Pallet lifting device (utility model).<br>Chain-driven narrow belt sorter (utility model).<br>A carrier for narrow belt sorters (utility model).  | Industrial application and testing stage |

| Key Technology   | Patent Involved  | Current Stage                            |
|--|--|--|
| intelligent logistics  |  |  |
| Visual-disordered picking technology for robotic arms  | A suction cup structure for enhancing suction (utility model).<br>Efficient express parcel sorting method based on robotic arms (invention patent).<br>Automated parcel sorting method based on deep learning (invention patent).  | Industrial application and testing stage |
| Key technologies for key equipment of the high-efficiency and high-density automated warehouse | Horizontal guide wheel correction device (utility model).<br>Fixed aisle stacker crane for ultra-long and ultra-heavy material warehouse (utility model).<br>Easily adjustable guide wheel device for the loading platform of a stacker crane (utility model).<br>Balanced heavy-duty stacking robot (WZ-FC1530) (industrial design).<br>Underride lifting robot (WZ-WL600) (industrial design).<br>Pallet stacking robot (WZ-FS1430) (industrial design).<br>Anti-fall mechanism for the loading platform of a single mast high-speed stacker crane (invention patent).<br>A four-way shuttle and a shelf using the four-way shuttle (utility model).<br>Double-speed drive system for lifting equipment (utility model).<br>Swing hydraulic lifting and reversing device (utility model).<br>Anti-fall mechanism for the loading platform of a single mast high-speed stacker crane (invention).<br>Double-speed drive system for lifting equipment (utility model). | Industrial application                   |
| Fork application technology for multiple occasions and models                                  | Single-fork double-station structure for stacker cranes (utility model).<br>Vertical-pressing and horizontally retractable self-reset switch trigger device (utility model).   | Industrial application                   |

### 3) Roles of key technologies in the intelligent logistics system

The Company produces customized intelligent logistics systems according to the customer's demand, and the key technologies are mainly reflected in software development, software design, hardware design, and system integration.

#### ① Software development

Based on industry trends and customer needs, the Company has developed high-performance general edge computing technology for industrial IoT related to intelligent logistics systems. This technology is applied to high-speed image processing systems to effectively shorten the output time delay, enhance the real-time performance of the system, and reduce the dependence on network bandwidth. For the barcode/QR code recognition algorithm, the self-developed technology is used to enhance the accuracy, efficiency, and security of image data acquisition and processing. In addition, the control system of the Company's products adopts a distributed and modular design, which not only enables efficient division of labor and collaboration of the entire system, but also facilitates the free cutting and expansion of the system, enabling flexible configuration of the control system.

#### ② Software design

The Company's software design is reflected in adjusting specific software parameters according to customer customization needs. The Company's software related to integrated warehousing

and distribution technology includes a WCS, a WMS, and an MES. The above logistics systems cover the entire process, including information collection, computing decision, status monitoring, order management, inbound and outbound management, and inventory management.

③ hardware design

The Company has the key equipment technology to support the comprehensive integration of intelligent logistics and has independently developed many varieties and models of key equipment to support the comprehensive integration of intelligent logistics, which can be flexibly configured and selected according to the needs of the site, effectively improving the efficiency of comprehensive integration.

④ System integration

The Company's logistics parcel measurement technology is a system that integrates light-sensitive chips, conditioning circuits, and low-power processors for measuring the location, form, and size of logistics parcels. In addition, the Company's servo motor drive and control integration technology integrates and optimizes the traditional control and drive, enhancing the efficiency of the entire intelligent logistics system and strengthening the equipment's anti-interference capability.

National science and technology awards

☐ Applicable ☒ Not applicable

Recognition of national “Little Giant” enterprise and “individual champions” in the manufacturing industry

☒ Applicable ☐ Not applicable

| Recognized title                   | Year | Product name                  |
|------------------------------------|------|-------------------------------|
| National “Little Giant” Enterprise | 2022 | Intelligent cross belt sorter |

## 2. R&D achievements during the reporting period

During the reporting period, the Company added 70 patents, including 27 invention patents, 25 utility model patents, 10 industrial patents, and 8 software copyrights.

List of intellectual properties acquired during the reporting period

|                          | New Additions This Year |                        | Accumulated Quantity   |                        |
|--------------------------|-------------------------|------------------------|------------------------|------------------------|
|                          | Number of Applications  | Number of Acquisitions | Number of Applications | Number of Acquisitions |
| Invention Patent         | 27                      | 27                     | 156                    | 63                     |
| Utility Model Patent     | 31                      | 25                     | 156                    | 124                    |
| Appearance Design Patent | 7                       | 10                     | 22                     | 19                     |
| Software copyright       | 8                       | 8                      | 37                     | 37                     |
| Others                   | 0                       | 0                      | 0                      | 0                      |
| Total                    | 73                      | 70                     | 371                    | 243                    |

Note: In 2024, the company obtained 10 new industrial designs, including six designs that were applied for in 2023 and obtained in 2024.

## 3. Details of R&D investment

In CNY

|  | <b>Current Year</b> | <b>Previous Year</b> | <b>Rate of Change (%)</b>          |
|--|---------------------|----------------------|------------------------------------|
| Expensed R&D investment                                | 147,967,191.24      | 167,836,859.93       | -11.84                             |
| Capitalization R&D investment                          | -                   | -                    |                                    |
| Total R&D investment                                   | 147,967,191.24      | 167,836,859.93       | -11.84                             |
| Ratio of total R&D investment to operating revenue (%) | 5.98                | 8.57                 | <b>Down 2.58 percentage points</b> |
| Ratio of R&D investment capitalization (%)             | -                   | -                    |                                    |

**Reasons for significant changes in total R&D investment compared to the previous year**

☐ Applicable ☒ Not applicable

**Reasons and rationality explanation for significant changes in the capitalization proportion of R&D investment**

☐ Applicable ☒ Not applicable

#### 4. Projects under research

√ Applicable □ Not applicable

|     |   |                                  |                           |                               |   |   |  | In CNY   |
|-----|---|----------------------------------|---------------------------|-------------------------------|---|---|--|--|
| No. | Item  | Estimated Total Investment Scale | Current Investment Amount | Accumulated Investment Amount | Progress or Phased Achievements   | Objectives to be Achieved   | Technical Level  | Specific Application Prospects   |
| 1   | Key technical R&D of a logistics intelligent sorting system based on machine vision | 155,151,031.86                   | 15,341,229.95             | 76,791,425.78                 | 1. The M-type Large Parcel 6-Sided Barcode Scanning Tunnel passed the customer acceptance in October 2022 and was included in the customer's supplier list. The system was tested in conjunction with the M-type dynamic DWS on a site in September 2023 and included in the SF Express supplier list. The M-type optimized solution passed the SF Express acceptance and can provide higher cost | 1. The M-type Large Parcel 6-Sided Barcode Scanning Tunnel completes the site acceptance, enters the customer's supplier list, and achieves batch sales.<br>2. The high-speed (3.5 m/s) Cross Belt Sorter 5-Sided Barcode Scanning Tunnel completes the site trial acceptance and achieves mass sales.<br>3. The H-type Large Parcel 6-Sided Barcode Scanning Tunnel completes the site acceptance, enters the customer's supplier list, and achieves batch | Barcode scanning products are tracked through data used by customers on-site. Compared to the on-site use of similar application-type products from competitors (imported brands), these products are already at the international advanced level. | The products can be widely used in the logistics sorting lines from domestic and foreign express delivery companies. |

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|  |  |  |  |  | <p>performance for the customer.</p> <p>2. The 5-Sided Barcode Scanning Tunnel for high-speed (3.5 m/s) Cross Belt Sorter has been successfully applied to the ZTO Express project.</p> <p>3. The H-type Large Parcel 6-Sided Barcode Scanning Tunnel passed the trial acceptance at the customer's site in November 2023 and was included in the SF Express supplier list. The H-type streamlined scheme passed the on-site KPI acceptance of the SF Express, and the stability test is being verified.</p> <p>4. The AI Parcel Classification Vision System passed the trial acceptance at a</p> | <p>sales.</p> <p>4. The AI Parcel Classification Vision System completes the site acceptance, enters the customer's supplier list, and achieves batch sales.</p> <p>5. The dual-carrier linkage multi-sided barcode scanning solution passes the factory test verification.</p> <p>6. The upgrade of the Double Cell Cross Belt Sorter five-sided scan solution is completed and passed the factory test and has been applied to the Brazil project.</p> |  |  |
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|   |                                     |                |               |                |   |   |  |  |
|---|-------------------------------------|----------------|---------------|----------------|---|---|--|--|
|   |                                     |                |               |                | <p>site in September 2023 and was included in the customer's supplier list.</p> <p>5 The dual-carrier linkage multi-sided barcode scanning solution has passed the factory test verification and is waiting for a trial run on the site.</p> <p>6. The upgrade of the Double Cell Cross Belt Sorter five-sided scan solution has been completed and passed the factory test and has been applied to the Brazil project.</p> |   |  |  |
| 2 | Intelligent warehousing R&D project | 191,440,099.70 | 42,286,951.63 | 148,591,510.08 | <p>1. Intelligent warehousing R&amp;D project—R&amp;D for iterative upgrading of stacker cranes for multiple scenarios. The</p>   | <p>1. Intelligent warehousing R&amp;D project—R&amp;D for iterative upgrading of stacker cranes for multi-scenario applications: Key parameters for electrical control of</p> | <p>1. Intelligent warehousing R&amp;D project—R&amp;D for iterative upgrading of stacker cranes for multi-scenario</p> | <p>1. Intelligent warehousing R&amp;D project—R&amp;D for iterative upgrading of stacker cranes for multi-scenario</p> |

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|  |  |  |  |  | <p>developed stacker crane models have been applied to the new energy industry in raw materials, pole pieces, formation, and capacity grading processes. They have been used in actual projects with smooth operation. The optimized standard stacker crane operates stably in the automated warehouse and has been applied to actual projects with stable operation. High and heavy-duty single-mast stacker cranes for overseas projects have been installed and commissioned, and the commissioning test with the upper software is</p> | <p>stacker cranes at low and high temperatures. Master the key parameters for the safety, practicality, and durability of electrical components at low and high temperatures. Master the material and installation processes of the stacker at low and high temperatures. Realize the technological autonomy of multi-temperature zones for the stacker cranes, reduce costs, and improve efficiency.</p> <p>2. Intelligent warehousing R&amp;D project—R&amp;D of a tote four-way shuttle system for a multi-level shuttle automated warehouse: Achieve the same level of technology in the industry and meet the</p> | <p>applications: The R&amp;D technology has reached the middle and upper level in China and the updated stacker cranes have been applied to multiple projects, currently operating properly.</p> <p>2. Intelligent warehousing R&amp;D project—R&amp;D of a tote four-way shuttle system for a multi-level shuttle automated warehouse: The equipment replaces the market demands for the existing model in the market. The highest technical level in the industry has been reached or</p> | <p>applications: The equipment can be applied to multi-scenario projects such as cold warehouses and high-temperature warehouses.</p> <p>2. Intelligent warehousing R&amp;D project—R&amp;D of a tote four-way shuttle system for a multi-level shuttle automated warehouse: This system meets various application requirements of domestic and foreign Pallet Four-Way Shuttle automated warehouse systems and multi-level shuttle warehouse systems.</p> <p>3. Intelligent</p> |
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|  |  |  |  |  | <p>being performed. The traveling dual-drive ultra-high-speed Tote Stacker Crane has been applied to practical projects with stable operation. The heavy-duty stacker crane for extra-long bar materials has been used in actual projects and operates stably.</p> <p>2. Intelligent warehousing R&amp;D project—R&amp;D of a Tote Four-way Shuttle system for a multi-level shuttle automated warehouse: A prototype has been developed and produced in small quantities. The equipment has passed the prototype test and fatigue test and is currently applied to actual</p> | <p>requirements of mass production and realize independent integration, R&amp;D, production, and implementation of pallet shuttle automated warehouse and multi-shuttle warehouse systems.</p> <p>3. Intelligent Warehouse R&amp;D Project - Technology R&amp;D of narrow-aisle single-steering wheel stacking robot WZFS1400: Develop a stacking forklift AGV specifically designed for narrow aisle warehouse environments, which can achieve automatic handling and stacking in narrow aisle environments.</p> <p>4. Intelligent warehousing R&amp;D project—technical R&amp;D of the</p> | <p>exceeded.</p> <p>3. Intelligent warehousing R&amp;D project—technical R&amp;D for the narrow aisle single steering wheel stacking robot WZ-FS1400: Compared with the conventional forklift structure, the stacking AGV developed for narrow aisle environments is more compact and requires smaller motion space.</p> <p>4. Intelligent warehousing R&amp;D project—technical R&amp;D of the FC1530 counterbalanced forklift AGV: A three-wheel rear-driven chassis, two-stage lifting gantry, adjustable forging forklift</p> | <p>warehousing R&amp;D project—R&amp;D of the narrow aisle single steering wheel stacking robot WZFS1400: First, with warehousing as the starting point, it is combined with other warehouse equipment of the Company to implement the AGV applications in intelligent warehousing environments, and then expanded to applications in industries such as logistics, manufacturing, electronics, and automobiles.</p> <p>4. Intelligent warehousing R&amp;D project—technical R&amp;D of the FC1530 counterbalanced</p> |
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|  |  |  |  | <p>projects with stable operation.</p> <p>3. Intelligent warehousing R&amp;D project—technical R&amp;D for the narrow aisle single steering wheel stacking robot WZ-FS1400: FS1400 and FT2000 robots have been developed, produced in small quantities, and tested for long-term stability. They have been used in practical projects.</p> <p>4. Intelligent warehousing R&amp;D project—technical R&amp;D of FC1530 counterbalanced Forklift AGVs: A prototype has been developed and has passed the small batch production and long-term</p> | <p>FC1530 counterbalanced forklift AGV: Develop a counterbalanced forklift AGV with a lift of 3 m and a load of 1.5 t and achieve the goals of labor reduction, improved stability and trafficability, comprehensive safety protection, and visual management.</p> <p>5. Intelligent warehousing R&amp;D project—technical R&amp;D of the FDT2016 dual lift pallet handling AGV: Develop a dual lift pallet handling AGV with a lift of 1.6 m, a load of 2 t, and the ability to transport 2 pallets at once and achieve the goals of high handling efficiency and long range according to issues such as low handling efficiency</p> | <p>structure, and an integrated electrical control drive system are designed to improve the adaptability of AGVs to pallets.</p> <p>5. Intelligent warehousing R&amp;D project—technical R&amp;D of the FDT2016 dual lift pallet handling AGV: According to the requirements of a non-standard carrier model with a lift of 1.6 m, a load of 2 t, and the ability to handle two pallets at once, a dual lift pallet handling AGV is designed in a shock absorbing steering wheel, three-stage lifting gantry, and independent hydraulic-control double-</p> | <p>forklift AGV: It is widely applied to handle and stack pallets in various specifications in fields such as warehousing, logistics, and manufacturing.</p> <p>5. Intelligent warehousing R&amp;D project—technical R&amp;D of the FDT2016 dual lift pallet handling AGV: It can handle two pallets at one time, which significantly improves efficiency compared to conventional forklifts, and meets the application scenarios where customers have high requirements for handling efficiency.</p> <p>6. Intelligent</p> |
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|  |  |  |  |  | <p>stability test.</p> <p>5. Intelligent warehousing R&amp;D project—technical R&amp;D of FDT2016 double lifting pallet handling AGVs: A prototype has been developed and has passed the small batch production and long-term stability test.</p> <p>6. Intelligent warehousing R&amp;D project—R&amp;D of general navigation controllers for Forklift AGVs: The first generation of products with complete functions have been developed and can be used for common Forklift AGVs. The controller features complete hardware drive, motion control,</p> | <p>and short range of conventional AGVs.</p> <p>6. Intelligent warehousing R&amp;D project—R&amp;D of general navigation controllers for Forklift AGVs: The key technology of Forklift AGVs and the common technology of mobile robots are used to develop a navigation controller suitable for different types of Forklift AGVs is developed.</p> <p>7. Intelligent warehousing R&amp;D project—R&amp;D for iterative upgrading of conveying equipment for multi-scenario and multi-model applications: Various types of conveying equipment are developed according to tote and pallet carrying models, such as</p> | <p>forklift structure, with the handling efficiency leading in China.</p> <p>6. Intelligent warehousing R&amp;D project—R&amp;D of the general navigation controller for Forklift AGVs: The controller integrates motion control, SLAM navigation, and multi-robot scheduling and has been applied to a small number of projects.</p> <p>7. Intelligent warehousing R&amp;D project—R&amp;D for iterative upgrading of conveying equipment for multi-scenario and multi-model applications:</p> | <p>warehousing R&amp;D project—R&amp;D of general navigation controllers for Forklift AGVs: Integrating navigation, motion control, and function safety, the controllers can provide basic functions such as map building, positioning, and navigation for AGVs, and advanced functions such as automatic charging, multi-level obstacle avoidance, and multi-robot scheduling. As the brain of mobile robots, the controllers can be applied to various types of Forklift AGVs.</p> <p>7. Intelligent warehousing</p> |
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|  |  |  |  |  | <p>positioning perception, and multi-robot scheduling functions, and can quickly adapt to different sensors, drives, and radars. It can also adapt to different service scenarios quickly, and is already being used in practical projects.</p> <p>7. Intelligent Warehouse R&amp;D Project—R&amp;D of the iterative upgrading for the tote conveyor line of the conveying equipment for multi-scenario and multi-model applications: Equipment such as conveyor lines, pop-up transfer sorters, and high-speed vertical conveyors has been successfully</p> | <p>Linear Conveyors, curve conveyors, pop-up transfer sorters, merging conveyors, vertical conveyors, Unstacker/Stackers, turn tables, pop-up tables, vertical reciprocating conveyor, three-pronged roller vertical conveyors, AGV connection stations, and RGVs for multi-scenario applications.</p> <p>8. Intelligent warehousing R&amp;D project—R&amp;D of a Pallet Four-Way Shuttle: The Company's first pallet four-way shuttle is developed to fill in this blank.</p> <p>9. Intelligent warehousing R&amp;D project—R&amp;D of an ultra-thin Pallet Four-Way Shuttle: Achieve the same level of technology in the industry and meet the requirements of</p> | <p>The middle and upper level in China has been reached in terms of the conveyor line and the equipment is universal and suitable for most customer sites, very helpful for our later project design.</p> <p>8. Intelligent warehousing R&amp;D project—R&amp;D of a Pallet Four-Way Shuttle: The equipment has reached the middle and upper levels in the shuttle market. The equipment meets the market demands and has been applied to many projects.</p> <p>9. Intelligent warehousing R&amp;D project—R&amp;D of an</p> | <p>R&amp;D project—R&amp;D for iterative upgrading of conveying equipment for multi-scenario and multi-model applications: The conveying equipment can be used in all conveying scenarios in all industries, ranging from ordinary industrial production to the new energy, 3C, and chip industries.</p> <p>8. Intelligent warehousing R&amp;D project—R&amp;D of a Pallet Four-Way Shuttle: It meets the application needs of domestic and foreign pallet four-way shuttle automated warehouse systems.</p> |
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|  |  |  |  |  | <p>developed and applied to many practical projects. The CE type tote shuttle vertical conveyor, CE type tote high-speed vertical conveyor, and CE type inter-level conveyor have been commissioned in European projects and are currently undergoing system joint commissioning tests with the upper software. Pallet conveyor lines: The rotary conveyor has been in a trial run at a customer's site and operates properly. The equipment is in the process of awaiting acceptance. The rack and pinion driven shuttle-based vertical</p> | <p>mass production and realize independent integration, R&amp;D, production, and implementation of pallet shuttle automated warehouse and multi-shuttle warehouse systems. 10. Intelligent warehousing R&amp;D project—R&amp;D of a mechanical Pallet Four-Way Shuttle: Achieve the leading level in the ultra-low mechanical shuttle market and meet the market's demand for this shuttle. 11. Intelligent warehousing R&amp;D project—R&amp;D for iterative upgrading of forklifts for multi-scenario and multi-model applications: Develop heavy-load (1.5 t) single-motor, double-reach forklifts for</p> | <p>ultra-thin Pallet Four-Way Shuttle: The equipment meets the market demands for the existing models. The highest technical level in the industry has been reached or exceeded. 10. Intelligent warehousing R&amp;D project—R&amp;D of a mechanical Pallet Four-Way Shuttle: The equipment meets the requirements for zero oil, low-temperature resistance, and cleanliness in unique market scenarios and reaches the leading level in the industry with the smallest height of pure</p> | <p>9. Intelligent warehousing R&amp;D project—R&amp;D of an ultra-thin Pallet Four-Way Shuttle: It meets the various application needs of domestic and foreign Pallet Four-Way Shuttle automated warehouse systems and multi-level shuttle warehouse systems. 10. Intelligent warehousing R&amp;D project—R&amp;D of a mechanical Pallet Four-Way Shuttle: It meets the usage requirements of special scenarios in the market, including medical treatment, fruit</p> |
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|  |  |  |  |  | <p>conveyor has been accepted and delivered to the customer for use. The new energy clean-type conveyor line is delivered to the customer and operates stably.</p> <p>8. Intelligent warehousing R&amp;D project—R&amp;D of a Pallet Four-Way Shuttle: The 180 type shuttle has been developed and is in mass production. It has been applied to practical projects.</p> <p>9. Intelligent warehousing R&amp;D project—R&amp;D of an ultra-thin Pallet Four-Way Shuttle: The equipment has been developed and applied to practical projects.</p> <p>10. Intelligent</p> | <p>pallets and light-load (50 kg) dual-station plate-type mini forklifts for totes. Develop a variable pitch mechanism suitable for forklifts and realize the technological autonomy of forklifts, reduce costs, and improve efficiency.</p> <p>12. Intelligent Warehouse R&amp;D Project - R&amp;D of automated warehouse equipment for the fruit and vegetable industry: Develop a set of stackers suitable for the fruit and vegetable industry, take single-column form as the main type, reduce costs by optimizing the structural forms of the stackers, and enhance the equipment's competitiveness.</p> <p>Develop and test a</p> | <p>mechanical carriers.</p> <p>11. Intelligent warehousing R&amp;D project—R&amp;D for iterative upgrading of forklifts for multi-scenario and multi-model applications: The forklift structure and control have reached the top level in the industry.</p> <p>12. Intelligent warehousing R&amp;D project—By following the concepts of modularization, generalization, and mass production, equipment for goods picking, retrieving, and handling in the automated warehouse in the fruit and vegetable industry is</p> | <p>and vegetable, and cold chain scenarios.</p> <p>11. Intelligent warehousing R&amp;D project—R&amp;D for iterative upgrading of forklifts for multi-scenario and multi-model applications: Wayzim can independently produce forklifts to reduce costs and improve efficiency. They are used for tote stacker cranes and pallet stacker cranes.</p> <p>12. Intelligent warehousing R&amp;D project—R&amp;D of automated warehouse equipment for the fruit and vegetable industry: The automated warehouse is</p> |
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|  |  |  |  |  | <p>warehousing R&amp;D project—R&amp;D of a mechanical Pallet Four-Way Shuttle: Model 140 and model 125 shuttles are in mass production.</p> <p>11. Intelligent warehousing R&amp;D project—R&amp;D for iterative upgrading of forklifts for multi-scenario and multi-model applications: The optimized design of the single-reach and double-reach forklifts for pallets with a load capacity of 1.5 tons and for totes with a load capacity of 50 kg has been completed, and a standardized forklift warehouse for parts has been</p> | <p>comprehensive plan for automated conveying and handling of infeed and discharged materials with AGV equipment, realize the overall technological autonomy of equipment, reduce costs, and improve efficiency.</p> <p>13. Intelligent warehousing R&amp;D project—R&amp;D of a cold chain pallet shuttle: This equipment is applicable to the cold chain warehousing industry and operates at a low temperature of -25°C and a load of 1 t.</p> <p>14. Intelligent warehousing R&amp;D project—R&amp;D of a narrow pallet shuttle: The shuttle has a width of less than 920 and a load of 1 t. The shuttle is suitable for</p> | <p>developed.</p> <p>13. Intelligent warehousing R&amp;D project—R&amp;D of a cold chain pallet shuttle: This equipment is used in the low-temperature cold chain warehousing industry.</p> <p>14. Intelligent warehousing R&amp;D project—R&amp;D of a narrow pallet shuttle: This equipment is applicable to pallets with a width of 1100.</p> <p>15. Intelligent warehousing R&amp;D project—R&amp;D of a new heavy-duty shuttle pop-up mechanism: Suitable for warehousing projects with a load capacity exceeding 1.5 T.</p> | <p>applied to the fruit and vegetable industry and its related industries.</p> |
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|  |  |  |  |  | <p>established. Wayzim's in-house developed forklifts are applicable to multiple scenarios and are currently applied to the new energy industry and the manufacturing industry. They operate stably in practical projects. The prototype of the single-reach/double-reach hook-type forklift has been tested and can meet the requirements of rapid picking and dropping of goods with a weight of 30 kg. The forklifts will be promoted and applied to practical projects as required. The forklift pitch-changing platform has</p> | <p>pallets with a width of 1100 mm available in the market.</p> <p>15. Intelligent warehousing R&amp;D project—R&amp;D of a new heavy-duty shuttle pop-up mechanism: Suitable for warehousing projects with a load capacity exceeding 1.5 T.</p> |  |  |
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|  |  |  |  |  | <p>been designed and tested and can be used in conjunction with the forklift to enable the forklift pitch-changing function.</p> <p>12. Intelligent warehousing R&amp;D project— R&amp;D of a cold chain pallet shuttle: The shuttle has been developed, with parameters up to the standard, and can be put into the project production for verification.</p> <p>13. Intelligent warehousing R&amp;D project— R&amp;D of a narrow pallet shuttle: The prototype has passed the operation test, operates properly, and will be applied to practical projects as required.</p> |  |  |  |
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|   |  |               |              |               | 14. Intelligent warehousing R&D project—R&D of a new heavy-duty shuttle pop-up mechanism: It has passed the test, operates properly, and will be applied to practical projects as required.   |  |                                      |   |
| 3 | R&D of key equipment and key technologies for high-efficiency sorting of large parcels | 40,467,505.17 | 8,941,983.55 | 33,611,772.55 | <p>1. Structure optimized R&amp;D of the coated Pivot Wheel Sorter: The stability of the series Pivot Wheel Sorters has been optimized currently for cost reduction and efficiency improvement.</p> <p>2. R&amp;D of the new 7.2K Pivot Wheel Sorter for SF Express project: The equipment has been developed and accepted by the customer.</p> | <p>1. Structure optimized R&amp;D of the coated Pivot Wheel Sorter: The equipment is optimized for structure reliability and achieves cost reduction and efficiency improvement.</p> <p>2. R&amp;D of the SF Express's new 7.2K Pivot Wheel Sorter: The product that meets the customer's latest standards is developed and put into use.</p> <p>3. R&amp;D of the new bidirectional Pivot Wheel Sorter: A</p> | It is at the leading level in China. | It is suitable for the production of coated Pivot Wheel Sorters in quantities, which can greatly improve production efficiency and reduce production costs. In addition, the optimized Coated Pivot Wheel Sorter structure can shorten the maintenance time of the equipment. At present, there is a large market |

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|   |   |               |              |              | 3. R&D of the new bidirectional Pivot Wheel Sorter: The equipment has been developed and has passed the test.  | bidirectional Pivot Wheel Sorter that meets overseas standards is developed.  |   | demand for Pivot Wheel Sorters, with broad prospects.  |
| 4 | R&D of a multi-level intelligent warehousing shuttle system | 11,774,872.88 | 2,355,300.47 | 6,690,847.14 | <p>1. Intelligent warehousing shuttle system R&amp;D project—R&amp;D of a clamping-type four-way shuttle: The equipment has been optimized and designed based on the market demands and existing products. The equipment can convey totes with more dimensions. Currently, the scheme design has been completed and will be applied to practical projects as required.</p> <p>2. Intelligent warehousing</p> | <p>1. Intelligent warehousing shuttle system R&amp;D project—R&amp;D of a clamping-type four-way shuttle: Develop a system suitable for various specifications of cases and cover common case types in the market.</p> <p>2. Intelligent warehousing shuttle system R&amp;D project—R&amp;D of a two-way shuttle: Meet the use requirements and efficiency requirements of airport pallets.</p> | <p>1. Intelligent warehousing shuttle system R&amp;D project—R&amp;D of a clamping-type four-way shuttle: It is of high compatibility and a large scope of application, enhancing the market competitiveness.</p> <p>2. Intelligent warehousing shuttle system R&amp;D project—R&amp;D of a two-way shuttle: The highest technical level in the industry has been reached or exceeded. They</p> | <p>1. Intelligent warehousing shuttle system R&amp;D project—R&amp;D of a clamping-type four-way shuttle: It is suitable for automated warehouses where multiple cases with significant differences in case sizes are stored.</p> <p>2. Intelligent warehousing shuttle system R&amp;D project—R&amp;D of a two-way shuttle: It is suitable for airport luggage scenarios with large case sizes and high</p> |

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|   |  |               |              |               | shuttle system R&D project: The R&D of a two-way shuttle has been completed.  |  | have been used in practical projects.  | efficiency requirements.   |
| 5 | R&D of a cross belt automated sorting system | 43,000,000.00 | 8,749,140.60 | 25,710,234.42 | <p>1. The integration of the Early Arrival Baggage Storage (EBS) system for the automated warehouse and the ICS system has been achieved.</p> <p>2. The limit processing capacity of each key link in the ICS has been tested, and the related underlying programs have been optimized. Currently, the prototype system can process 4,000 parcels per hour.</p> <p>3. The structural function of the sorting chute matching the loop cross belt</p> | <p>1. The hardware is upgraded and optimized based on the device operation status to ensure stable and reliable system operation.</p> <p>2. The R&amp;D of the underlying and high-level control systems for each link is completed, and products are manufactured and applied to many large scale airports.</p> <p>3. Key links that may damage baggage are optimized and tested to standardize processes, support subsequent project implementation, and enhance the influence of successful project implementation.</p> | <p>1. All nodes of the ICS reach the international level.</p> <p>2. The integration of the ICS system reaches the international level.</p> | It is suitable for new large hub airports (terminal clusters) and new large airports (single terminals) with a high sorting demand and high operational requirements for automated sorting equipment. This system features advantages in technology, price, after-sales service, and brand in the Chinese market and the market has a large demand, with a very promising market prospect. |

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|   |         |  |               |                | <p>sorter has been tested.</p> <p>4. Industrial design proofing and mass production of key equipment (including counters, weighing conveyors, check-in operation boxes, and RFID identification devices) in the baggage system have been completed.</p> <p>5. The structure of some equipment in the ICS system, such as merging and diverging devices, has been upgraded.</p> <p>6. The structure of the transition chute for the ICS sorting point has been determined and standardized and has passed the test.</p> |                  |              |              |
| 6 | R&D and |  | 58,112,090.98 | 107,775.924.83 | 1. Optimized   | 1. Optimized R&D | 1. Optimized | 1. Optimized |

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|  | industrialization of intelligent integrated information sorting systems for the logistics and express industry | 107,775,924.83 |  |  | <p>R&amp;D project of the 3.5 m/s linear speed Cross Belt Sorter:</p> <p>1) The first line of the high-speed 600 (pitch) Cross Belt Sorter system with a line speed of 3.5 m/s has been delivered to a top express delivery customer in China.</p> <p>2) The seven patents applied for have been disclosed.</p> <p>3) The carrier structure has been optimized.</p> <p>4) The discharge outlet components have been optimized.</p> <p>2. R&amp;D of the new Cross Belt Sorter for sorting odd-shaped items:</p> <p>1) The equipment has been developed and finalized, and the preset</p> | <p>project of the 3.5 m/s linear speed Cross Belt Sorter:</p> <p>1) Under the operating condition of the main line speed of 3.5 m/s, the Cross Belt Sorter needs to ensure smooth conveying of goods, stable turning, no parcel dumping, and no damage to the goods.</p> <p>2) Try to use common components for the conventional Cross Belt Sorter to ensure universality and economy.</p> <p>3) Use the lightweight common carrier, and increase the carrier rigidity and strength while reducing weight.</p> <p>4) The equipment is suitable for discharge points for a linear speed of 3.5 m/s.</p> <p>2. R&amp;D of the new</p> | <p>R&amp;D project of the 3.5 m/s linear speed Cross Belt Sorter:</p> <p>1) A special structure (carrier or rail) is used to resist centrifugal forces when the equipment turns at high speeds.</p> <p>2) A three-section variable-diameter 90° curved track section to ensure smooth entry and exit of the carrier and its load.</p> <p>3) Use the lightweight common carrier, and increase the carrier rigidity and strength while reducing weight.</p> <p>4) Both the main line and tidal discharge point design and the sorting logic are: industry</p> | <p>R&amp;D project of the 3.5 m/s linear speed Cross Belt Sorter:</p> <p>The high-speed cross belt sorting system with a linear speed of 3.5 m/s and a pitch of 600 mm has broad application prospects in the overall integration project, and is widely used in industries such as express delivery, e-commerce, medicine, and food. The equipment is suitable for scenarios with high efficiency requirements, and sorts parcels into discharge points through efficient infeed, precise</p> |
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|  |  |  |  |  | <p>performance indicators have been achieved.</p> <p>2) The equipment has been delivered to top Chinese customers in batches and is used in many ongoing overseas projects.</p> <p>3. R&amp;D of the new V-Ribbed Belt Roller Centering Conveyor and the new automated infeed V-ribbed belt roller centering conveyor for small parcels:</p> <p>1) The V-ribbed belt centering conveyor has been independently developed, designed, and produced to significantly reduce the equipment cost.</p> <p>2) The efficient 10K V-ribbed</p> | <p>Cross Belt Sorter for sorting odd-shaped items:</p> <p>Various unconventional parcels weighing from 30 g to 10 kg, such as spherical, cylindrical, and ultra-light items, can be sorted.</p> <p>3. R&amp;D of the new V-Ribbed Belt Roller Centering Conveyor and the new automated infeed V-ribbed belt roller centering conveyor for small parcels:</p> <p>1) By optimizing the structure design, continue to improve the stability and reliability of the equipment, reduce costs, and increase efficiency.</p> <p>2) Develop new equipment according to customer's requirements.</p> <p>3) The speed difference is within</p> | <p>firsts and have applied for patents, which have been publicly disclosed.</p> <p>2. R&amp;D of the new Cross Belt Sorter for sorting odd-shaped items:</p> <p>The design of the innovative depth-sensing camera-assisted item detection system enables accurate recognition of the shape and position of goods. Through software control, the equipment provides appropriate sorting commands for high sorting accuracy.</p> <p>3. R&amp;D of the new V-Ribbed Belt Roller Centering Conveyor and</p> | <p>recognition, and accurate sorting to effectively improve the sorting efficiency and accuracy, and reduce labor costs.</p> <p>2. R&amp;D of the new Cross Belt Sorter for sorting odd-shaped items:</p> <p>The equipment is widely used in express delivery and e-commerce industries and fills the blank that odd-shaped items and ultra-light items can only be sorted manually.</p> <p>3. R&amp;D of the new V-Ribbed Belt Roller Centering Conveyor and the new automated infeed V-ribbed belt roller centering</p> |
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|  |  |  |  |  | <p>belt centering conveyor for the SF Express has been developed to meet the customer's requirements and has been accepted by the customer.</p> <p>3) The standard V-ribbed belt centering conveyor for small parcels has been widely used in multiple project sites, and has met the customer's requirements.</p> <p>4) The drive mode and structure of the automated infeed V-ribbed belt centering conveyor for small parcels have been optimized, and the equipment has been prototyped, showing a significant</p> | <p>three rad/min, and the maintenance period of the V-ribbed belt equipment is reduced by 30%.</p> <p>4) Reduce the V-ribbed belt damage rate by 50% compared to before.</p> <p>4. Optimized R&amp;D of the 300 Narrow Belt Sorter:<br/>In response to the sorting demand for small parcels in the logistics and express industry, develop the Narrow Belt Sorter with a pitch of 300 mm to meet the customer's small-parcel sorting demand and efficiency requirements.</p> <p>5. Optimized R&amp;D of the 156/200 Narrow Belt Sorter:<br/>In response to the site conditions and customer's requirements, optimize the 156/200 Narrow</p> | <p>the new automated infeed V-ribbed belt roller centering conveyor for small parcels:</p> <p>1) Compared to the Bottom Belt Centering Conveyor, the V-ribbed belt centering conveyor has the advantages of low cost, high operational stability, low vibration, low noise, and easy maintenance.</p> <p>2) The problem that the Bottom Belt Centering Conveyor tends to get involved in soft parcels causing damage to the equipment and parcels has been solved.</p> <p>3) The V-ribbed belt centering conveyor for small parcels is</p> | <p>conveyor for small parcels:</p> <p>1) The equipment can be suitable for scenarios where a parcel needs to be centered in logistics sorting lines. The equipment size, roller type, and roller diameter can be adjusted according to the site requirements for stable sorting and full coverage of a parcel.</p> <p>2) The equipment can be suitable for sorting lines with higher efficiency requirements and with wider parcel coverage to solve the efficiency limitations due to speed differences in the V-ribbed</p> |
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|  |  |  |  |  | <p>improvement in stability.</p> <p>4. Optimized R&amp;D of the 300 Narrow Belt Sorter:<br/>The Narrow Belt Sorter with a pitch of 300 mm has been optimized.</p> <p>5. Optimized R&amp;D of the 156/200 Narrow Belt Sorter:<br/>1) The 156/200 Narrow Belt Sorter is currently the main Narrow Belt Sorter product. Based on the site usage conditions and customer needs, the structure and layout of the two equipment are being further optimized.<br/>2) The 200 Narrow Belt Sorter is customized and optimized for the double-wheeled</p> | <p>Belt Sorter for higher efficiency, more stable operation, and a lower error rate.<br/>1) The double-wheel loop rail structure ensures stable operation.<br/>2) After the conventional curve structure is optimized, the noise is decreased by 2 dB compared to before.<br/>6. Optimized R&amp;D of the 500 Linear Sorter:<br/>1) Complete structural optimization design and tests.<br/>2) Meet the customized requirements of some customers.<br/>3) Realize two usage modes of the end infeed and side infeed for the 500 Linear Sorter.</p> | <p>designed for small, thin, and lightweight parcels to achieve stable conveying and centering.<br/>4) The stability of the centering conveyor has been significantly improved, the speed control is more diversified, and the V-ribbed belt damage rate is significantly reduced, effectively reducing the labor input.<br/>4. Optimized R&amp;D of the 300 Narrow Belt Sorter:<br/>Based on the small sizes and light structures of small parcels and envelopes, a sorting carrier with a pitch of 300 mm is developed to</p> | <p>belt transmission.</p> <p>4. Optimized R&amp;D of the 300 Narrow Belt Sorter:<br/>The 300 Linear Sorter can be used for efficient sorting of small parcels up to 300 mm in length.<br/>5. Optimized R&amp;D of the 156/200 Narrow Belt Sorter:<br/>The equipment can be suitable for a wider range of parcel sizes, and its linear structure reduces the space requirements for a site, making it widely used in outlet projects.<br/>6. Optimized R&amp;D of the 500 Linear Sorter:<br/>The equipment can be better used in sorting scenarios such</p> |
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|  |  |  |  |  | <p>loop rail of the top customer in China.</p> <p>3) The R&amp;D, factory inspection, and project use of the small-parcel linear sorter for the top customer in China have been completed.</p> <p>6. Optimized R&amp;D of the 500 Linear Sorter:</p> <p>1) The 500 Linear Sorter has been optimized for the mechanical structure and has been tested for a prototype.</p> <p>2) Based on the customization requirements of some customers, the main line carrier structure has been customized.</p> <p>3) Realize the use mode of the side infeed for the 500 Linear Sorter.</p> |  | <p>match the parcel sizes. A linear structure is used to reduce the width requirements for the site space. Dedicated automated infeed equipment is also developed to improve the sorting efficiency for envelopes and small parcels.</p> <p>5. Optimized R&amp;D of the 156/200 Narrow Belt Sorter: Targeted improvements are made to address problems during the project implementation and new requirements from customers. The quick commissioning for tracks, power components,</p> | <p>as outlets, centers, and warehouses, and can be suitable for two infeed modes (end and side infeed) for more flexible use.</p> |
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|   |  |              |              |              |   |   | heads and tails, carrier structures, and software is optimized for simple installation and commissioning standards, better stability, and better performance.<br>6. Optimized R&D of the 500 Linear Sorter: After the structural optimization design, the mechanical operation stability is improved, and the equipment can be suitable for a wider range of scenarios. |  |
| 7 | Cross-platform R&D of high-end intelligent high-level control software for the logistics and express | 3,006,168.85 | 2,080,896.95 | 3,006,168.85 | The device is currently in the small-scale site usage stage, and the sorting system for both Windows and Linux versions | The software is compatible with the Windows system on the customer site and can improve the production environment safety | <b>.NET Core</b> and <b>Avalonia</b> enable cross platform application, integrated C/S and B/S architectures, and distributed   | The intelligent sorting technology has broad applications in the logistics and express industry and can increase |

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|   | industry  |              |              |              | has been deployed at multiple sites. The individual subsystems in the cross-platform version have been fully deployed. The cross-platform system delivers better performance than previous versions and consumes fewer resources on the industrial computer. | and reduce costs.  | client technology.                               | profits.   |
| 8 | Technical R&D of integrated sensing, storage, and computing optoelectronic fusion chips | 2,327,589.65 | 1,747,907.17 | 2,327,589.65 | 1. An AI parcel type detection system for Intelligent Depth-Sensing Cameras, consisting of integrated sensing, storage, and computing optoelectronic fusion chips, has been developed.<br>2. A 2D measurement system, that is, a Position Detection System   | 1. The AI parcel type detection system, by using the sensing, storage, and computing processor platform, supports the AI deep learning algorithm deployment, and thus significantly improves the algorithm processing speed to meet real-time requirements in industrial | The skill reaches the industrial advanced level. | 1. The AI parcel type detection system, through the combined depth data and RGB data, can accurately distinguish among four types of parcels: parcel consolidation bags, cartons, foam boxes, and soft bags. For cartons and soft bags, the system can further |

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|  |  |  |  |  | <p>for intelligent cameras, consisting of integrated sensing, storage, and computing optoelectronic fusion chips, has been developed.</p> <p>3. A 3D measurement system, that is, a dimension measurement system for intelligent cameras, consisting of integrated sensing, storage, and computing optoelectronic fusion chips, has been developed.</p> <p>4. The back-end design of the integrated sensing, storage, and computing optoelectronic fusion chips is completed, and the tape-out verification is performed.</p> | <p>scenarios.</p> <p>2. The 2D measurement system composed of intelligent cameras based on integrated sensing, storage, and computing optoelectronic fusion chips, automatically detects whether there are parcels on the carriers of the Cross Belt Sorter, and provides information such as the parcel location, quantity, and size to the sorting system for precise parcel infeed and discharge, thereby effectively improving the infeed and discharge efficiency and greatly enhancing the accuracy of sorting.</p> <p>3. The 3D measurement system for intelligent cameras,</p> | <p>distinguish between damaged cartons and wrapped cartons. The system can also correctly determine the stacking status of the parcels. It can be widely used in the logistics sorting lines from domestic and foreign express delivery companies.</p> <p>2. The Position Detection System supports the detection of all types of parcels, including envelopes, cartons, soft parcels, plastic bags, and odd-shaped items in complex industrial scenarios. It supports parcels made of white,</p> |
|--|--|--|--|--|---|--|---|

|  |  |  |  |  |  |  |  |   |
|--|--|--|--|--|--|--|--|---|
|  |  |  |  |  |  | consisting of integrated sensing, storage, and computing optoelectronic fusion chips, automatically measures parcel length, width, and height, and transmits such information to the sorting system. |  | black, and semi-transparent materials, and can detect single items and multiple stacked items. It can be widely used in the logistics sorting line of domestic and foreign express delivery companies.<br>3. The 3D measurement system supports the length, width, and height measurements of parcels in various shapes, including envelopes, cartons, soft bags, and plastic bags. The system also supports the measurement of parcels in various materials/colors, including smooth and |
|--|--|--|--|--|--|--|--|---|

|   |   |              |              |              |   |  |   |   |
|---|---|--------------|--------------|--------------|---|--|---|---|
|   |   |              |              |              |   |  |   | <p>mat parcels. It can be widely used in the logistics sorting line of domestic and foreign express delivery companies.</p>   |
| 9 | <p>R&amp;D of the high performance 2D singulation technology for the express and logistics industry</p> | 3,482,444.52 | 3,482,444.52 | 3,482,444.52 | <p>1. R&amp;D of the 2.5m/s high-speed 2D Bulk Flow Singulator: The 2.5m/s high-speed 2D Bulk Flow Singulator is developed to improve efficiency. Some projects using this equipment have been delivered.</p> <p>2. R&amp;D of the 2D Bulk Flow Singulator for express transportation: The load of the 2D Bulk Flow Singulator for large parcels is increased to 80 kg and comply with the express transportation requirements.</p> | <p>1. R&amp;D of the 2.5m/s high-speed 2D Bulk Flow Singulator: The maximum line speed of the 2D Bulk Flow Singulator increases from 2.3 m/s to 2.5 m/s, improving 2D singulation efficiency.</p> <p>2. R&amp;D of the 2D Bulk Flow Singulator for express transportation: The 2D Bulk Flow Singulator load increases from 60 kg to 80 kg, improving the applicable site scope of the 2D Bulk Flow Singulator.</p> <p>3. Noise</p> | <p>1. The line speed and the load of the 2D Bulk Flow Singulator are at the international leading level.</p> <p>2. The noise control of the 3D Bulk Flow Singulator is at the international leading level.</p> <p>3. The outlet efficiency is greatly improved.</p> | <p>1. The high-speed 2D Bulk Flow Singulator is applicable to and can replace the conventional sorting solutions for the site to improve sorting efficiency.</p> <p>2. The heavy duty 2D Bulk Flow Singulator is applicable to express delivery sorting sites.</p> <p>3. The 3D Bulk Flow Singulator is optimized to reduce noise and can meet the needs of different customers from all over the world.</p> <p>4. It is suitable</p> |

|    |  |              |              |              |   |   |   |  |
|----|--|--------------|--------------|--------------|---|---|---|--|
|    |  |              |              |              | Some projects using this equipment have been delivered.<br>3. Noise optimization of the 3D Bulk Flow Singulator: The noise optimization is completed and meets the requirements of different international and Chinese customers.<br>4. R&D and the implementation of the simple 2D Bulk Flow Singulator for outlets. | optimization of the 3D Bulk Flow Singulator: The operation noise optimization is completed and meets the requirements of different international and Chinese customers.<br>4. Develop an efficient 2D Bulk Flow Singulator applicable to outlets. |   | for outlet sites.  |
| 10 | Key technical R&D of dedicated drives for low-voltage roller | 2.313.921.42 | 2.313.921.42 | 2.313.921.42 | 1. The Cross Belt Sorter drive is currently being put into use in large quantities.<br>2. The low-voltage servo drive for sequencing conveyors is in mass production and is used in ZTO Express   | 1. The Cross Belt Sorter drive is compatible with the 200W/400W single outgoing wire roller, which replaces the old dual outgoing wire roller to meet application scenarios.<br>2. The wireless power supply is                                   | 1. The drive uses sine waves to drive the roller and has a self-learning function to enable rapid matching and meet different roller application requirements.<br>2. The wireless | The drive and wireless power supply are widely used in various kinds of sorting and warehouse equipment. |



|  |  |  |  |  |   |  |  |  |
|--|--|--|--|--|---|--|--|--|
|  |  |  |  |  | <p>sites.</p> <p>3. The wireless power supply is optimized and upgraded to a high-power type to reduce costs and improve efficiency. It is currently in production for use in China Post sites.</p> <p>4. The CE certification for the wireless power supply has been completed.</p> <p>5. The infrared drive for Narrow Belt Sorters is massively used for sites of the top customers in China.</p> <p>6. The upgraded drive for Narrow Belt Sorters is massively used for sites of the top customers in China.</p> <p>7. The type 50 built-in drive is optimized and upgraded, and is</p> | <p>used for the cross belt sorting equipment for on-board charging in replacement of insulated conductor rail systems.</p> <p>3. The Narrow Belt Sorter drive communicates through IRDA and in an upper and lower bidirectional mode to meet various application scenarios.</p> <p>4. The type 50 built-in drive matches international products and meets the performance required by international customers.</p> | <p>power supply is a non-contact power supply using the magnetic field coupling principle and uses a multi-section redundancy power supply method to match various scenarios and improve product stability.</p> <p>3. The infrared drive for the Narrow Belt Sorter is in IRDA communication and up, down, left, and right through beam communication to meet the use requirements of various Narrow Belt Sorters.</p> |  |
|--|--|--|--|--|---|--|--|--|

|    |   |              |              |              |  |  |  |  |
|----|---|--------------|--------------|--------------|--|--|--|--|
|    |   |              |              |              | officially on sale.  |  |  |  |
| 11 | R&D of an intelligent security check basket return system for airport security checks | 2,664,289.94 | 2,664,289.94 | 2,664,289.94 | <p>1. The external and structural designs of the equipment have been completed.</p> <p>2. The production and installation of the equipment's sample line have been completed.</p> <p>3. The equipment functions have passed the tests.</p> <p>4. The key technologies of the equipment are verified, and the expected goals are achieved.</p> <p>5. Through the sample line display, multiple customers have signed contracts for the product.</p> | <p>1. The overall equipment external is excellent and has reached an advanced level both at home and abroad.</p> <p>2. The facial recognition technology and RFID recognition technology are used to enable seamless identity verification and automatic binding of passengers to their baggage during the security check process.</p> <p>3. The goals of the automatic conveying, identification, and security check of passengers' carry-on baggage, the automatic diversion of safe and suspicious baggage, the conveying of suspicious baggage, the re-inspection of</p> | <p>1. The accuracy of the technology binding passengers to their baggage reaches 100%.</p> <p>2. The conveying of empty baskets is smooth without jams.</p> <p>3. The empty basket diversion technology is efficient and supports the accurate and rapid diversion of suspicious baggage.</p> <p>4. The empty basket system uses a spiral structure to save space and can accurately return empty baskets. The system is applicable to various scenarios.</p> <p>5. In combination</p> | <p>At present, the main contradiction in the security check of the passengers' carry-on baggage in Chinese civil aviation is the unbalanced and insufficient security check capacity, which cannot meet the rapid development needs of civil aviation and the passengers. One of the main manifestations is that the technical equipment cannot fully meet the requirements of the high-speed civil aviation development. At present, the intelligent security check basket return</p> |

|       |   |                |                |                |   |  |  |  |
|-------|---|----------------|----------------|----------------|---|--|--|--|
|       |   |                |                |                |   | suspicious baggage, and the automatic return of empty baskets are achieved.<br>4. The information integration technology collects data from various parts and comprehensively analyzes it to enable rapid, friendly, and traceable intelligent security check operations for passengers. | with ergonomics, the system enables convenient empty basket pick-up and improves the passenger experience. | system for airports in China has not been widely promoted, so this product still has a large market potential. |
| Total | / | 561,089,927.40 | 145,762,235.76 | 302,876,282.93 | / | /  | /  | /  |

Notes  
N/A

**5. Information on R&D personnel**

In CNY 10,000

| Basic Information   |                              |                               |
|---|------------------------------|-------------------------------|
|   | Amount of the Current Period | Amount of the Previous Period |
| Number of R&D personnel of the Company                            | 472                          | 588                           |
| Percentage of R&D personnel in total employees of the Company (%) | 29.12                        | 33.45                         |
| Total remuneration of R&D personnel                               | 9,877.16                     | 10,116.09                     |
| Average remuneration of R&D personnel                             | 20.93                        | 17.20                         |

| Educational Structure of R&D Personnel |                   |
|--|-------------------|
| Type                                   | Number of Persons |
| Ph.D.                                  | 1                 |
| Master                                 | 134               |
| Bachelor                               | 294               |
| College degree                         | 43                |
| High school or below graduates         | 0                 |
| Age Structure of R&D Personnel         |                   |
| Age                                    | Number of Persons |
| Under 30 (30 excluded)                 | 272               |
| 30 to 40 (30 included, 40 excluded)    | 183               |
| 40 to 50 (40 included, 50 excluded)    | 17                |
| 50 to 60 (50 included, 60 excluded)    | 0                 |
| 60 and above                           | 0                 |

Reasons for major changes in the composition of R&D personnel and their impact on the future development of the Company

☐ Applicable ☒ Not applicable

**6. Other notes**

☐ Applicable ☒ Not applicable

**III. Analysis of Key Competitiveness during the Reporting Period****(I) Analysis of key competitiveness**

☒ Applicable ☐ Not applicable

Leading customer resources

The Company's customers include major domestic express delivery, logistics, and e-commerce enterprises such as ZTO, SF Express, J&T Express, China Post, JD, STO, Yunda, and Deppon. The Company's products have undergone the rigorous tests of the "Double Eleven" from 2016 to 2024 and have performed excellently. As of the end of 2024, the total contract amount of the Company's orders on hand was approximately CNY 2.669 billion. The top five customers accounted for 22.85%, 10.60%, 6.53%, 6.02%, and 5.91% of the contract amount of orders on hand. In the contract amount of orders on hand, the Chinese market accounts for 79.60%, and the overseas market 20.40%.

**(II) Events with serious impacts on the Company's key competitiveness during the reporting period, impact analysis, and countermeasures**

☐ Applicable ☒ Not applicable

**IV. Risk Factors****(I) Risks of no profits**

☐ Applicable ☒ Not applicable

**(II) Risks of a significant decline in performance or of loss**

☒ Applicable ☐ Not applicable

The Company's operating revenue mainly comes from the sales of the automatic sorting system and the Company's gross profit margin of the main business was 13.58%, 20.77%, and 19.49% in 2022, 2023, and 2024, respectively. The Company's gross profit margin was mainly influenced by factors such as market demand, unit price of sales, production costs, and product structure. The Company faces risks of a significant decline in performance or loss if there are significant adverse changes in macroeconomics, market competition, and raw material prices, and the Company cannot reduce production costs and maintain its competitive advantages through measures such as technological innovation, process innovation, and expansion of production scale.

**(III) Risks from key competitiveness**

☒ Applicable ☐ Not applicable

As a technology-driven enterprise, the Company always regards the development of R&D capabilities as a key strategy to enhance its core competitiveness. Since its establishment, the Company has continuously innovated in R&D, and introduced high-end R&D talents to strengthen its technical team. The Company has developed comprehensive solutions for intelligent logistics systems aimed at conveying, sorting, and warehousing on its key common technology platform.

**1. Risk of intensified market competition**

In recent years, the logistics equipment industry has shown rapid growth, with a continuous influx of market participants. The competitiveness of the industry has become increasingly intense. If the Company fails to maintain a leading edge in key areas such as new product R&D, technological innovation, and quality control in the future, it may face the risk of market share being squeezed and the risk of losing its industrial leadership, which will affect the Company's future development.

**2. Risk of R&D lag**

The Company's main product, the intelligent logistics sorting system, is a type of modern equipment that integrates optical, mechanical, electrical, and information technologies. It has a wide technological extension, covering many fields such as AI, image recognition, microelectronics, optics, computers, and robots, requiring a high requirement for technological integration. As industry application scenarios continue to deepen, customer demand for personalized customization of sorting systems is also increasing. In this context, technological R&D and new product development have become key factors for the Company to maintain its competitive advantage in the market. In the process of technological R&D and product iteration, if the Company fails to promptly grasp technological evolution trends or accurately respond to changes in market demand, or if new technological R&D does not meet expectations and new product development lags behind market changes, it may lead to a decline in product competitiveness and ineffective conversion of R&D investments into economic benefits. This will negatively impact the Company's profitability, and thereby affecting the Company's market position and operating performance.

**3. Risk of technology leakage**

The Company operates in a technology-intensive industry, and its core competitiveness relies heavily on the confidentiality and innovation of its core technologies. Technology leakage may lead to a series of

consequences, including the outflow of core algorithms and the replication of technology patents. This will weaken the Company's technological barriers and product differentiation advantages, causing chain reactions such as a decrease in commercial value and a lower return on R&D investment. This ultimately leads to a decline in the Company's core competitiveness.

#### **4. Risk of key technical personnel outflow**

In the context of rapid technological iteration and increasingly fierce market competition, high-end technical talents have become a core strategic resource determining the sustainable development of an enterprise. Currently, the competition for composite technical talents in the industry has shown an intensified trend. Failing to establish a competitive talent acquisition mechanism and a complete training system in the future will have a far-reaching adverse impact on the sustainability of the Company's technological innovation, the stability of production operations, and market competitiveness.

### **(IV) Operational risks**

√ Applicable □ Not applicable

#### **1. Risk of relative concentration of downstream customers**

In 2022, 2023, and 2024, the Company's sales income from the top five customers accounted for 75.01%, 68.97%, and 41.01% of the current business income, respectively. During the reporting period, the Company's major customers were logistics express enterprises. Due to the high concentration of China's logistics express industry, the Company's sales income from the top five customers accounted for a high proportion of operating revenue in each period. Adverse impacts will occur on the Company's operation if the Company's main customers are poor in operations in the future, reduce the purchase of the Company's products, incur problems such as overdue loan recovery and low gross profit margin of sales, or the Company's products cannot continuously meet the customers' business development needs.

#### **2. Risk of supply and price fluctuations of raw materials**

The main raw materials required in the production and operation of the Company include sorting carriers, parcel feeders, feeding ports, steel platforms, and motorized rollers, accounting for a large proportion of the operating costs of the Company. First, due to factors such as fluctuations in global commodity prices and changes in international trade conditions, the prices of basic raw materials like steel may experience significant fluctuations, directly driving up production costs. Second, the supply chain of key components may encounter sudden events that could lead to supply interruptions or delivery delays. If these factors can not be effectively managed, the Company may face issues such as insufficient raw material inventory and rising procurement costs, which would further affect the smooth execution of production plans and the timeliness of product deliveries. This ultimately has a negative impact on the Company's profitability and market competitiveness.

#### **3. Risk of seasonal fluctuations in business performance**

The Company's business performance and cash flow for the business are subject to seasonal fluctuations. The Company's revenue mainly comes from the express and logistics industry, which is influenced by the e-commerce sector. Express and logistics companies usually require sorting equipment to be installed and commissioned before the peak sorting seasons (namely, major business volume peaks such as "618", "Double Eleven", and "Double Twelve"). As a result, the Company's equipment acceptance times are concentrated, thus exposing the Company's operating performance to certain risks of seasonal fluctuations.

#### **4. Risk of long project cycles**

The Company's business processes typically include demand analysis, solution design, research and development, production, integration, deployment, on-site installation, and performance testing. The implementation cycle for some projects in the Company, from contract signing to project acceptance, is usually long. Additionally, during the reporting period, there has been an increase in long-term and large-scale projects under installation compared to last year. Calculating the impairment losses for relevant installing projects based on the established inventory impairment accounting policy may cause a certain degree of decline in the Company's net profit, affecting overall operational performance.

**(V) Financial risks**

√ Applicable □ Not applicable

**1. Risk of changes in preferential tax policies**

The Company was reviewed as a high-tech enterprise and obtained the high-tech enterprise certificate in December 2024, with a validity period of three years. In accordance with the relevant provisions of the *Law of the People's Republic of China on Enterprise Income Tax* and the *Rules for Implementation of the Law of the People's Republic of China on Enterprise Income Tax*, the Company will continue to enjoy a preferential policy of 15% enterprise income tax for high-tech enterprises starting from 2024. Certain adverse impacts will be caused on the Company's business performance if the Company cannot maintain the high-tech enterprise certificate in the future or if there are adverse adjustments to the tax preferential policy for high-tech enterprises.

**2. Risk of a large amount of accounts receivable**

During the reporting period, the Company's revenue continued to increase, while the ending balance of accounts receivable continued to decrease. At the end of 2022, 2023, and 2024, the book balances of the Company's accounts receivable were CNY 1.0172594 billion, CNY 722.5128 million, and CNY 575.9858 million, accounting for 43.94%, 36.91%, and 23.28% of the operating revenues, respectively. The accounts receivable within one year accounted for 64.06%, 80.81%, and 80.14% of the closing balances, respectively. In the future, if the major customers with arrears are subject to deteriorated financial conditions, business crises, or significant changes in credit conditions, the Company will face the risk of bad debts, which will cause certain adverse impacts on the Company's business performance.

**3. Risk of large inventory and inventory impairment**

At the end of 2022, 2023, and 2024, the book values of the Company's inventory were CNY 1.5 billion, CNY 2.130,991 billion, and CNY 1.702,392.7 billion, respectively, accounting for 27.01%, 31.81%, and 20.57% of the total assets, respectively, with high proportions. The Company's inventory is mainly composed of work in process. The work in process is mainly the equipment that is being assembled, commissioned, and not yet accepted at the customer's sites. Because a period of time is required for the assembly of the Company's equipment to final acceptance, certain adverse impacts will be caused on the Company's business performance if the Company's equipment is unable to be accepted in a timely manner because that changes in the market environment and additional raw material inputs due to continuous adjustments of plans result in inventory costs exceeding the net realizable value, or delivered products do not meet customers' expectations.

The net realizable value of the Company's inventory is affected by the downstream market conditions. In the future, if the demands of the Company's downstream customers and the market competition climate change or the Company is unable to effectively expand sales channels and optimize inventory management, the inventory may not be sold smoothly and the Company may face the risk of inventory impairment, which will cause certain adverse impacts on the Company's business performance.

**4. Risk of a decrease in gross profit margin**

The Company's operating revenue mainly comes from the sales of the automatic sorting system and the Company's gross profit margin of the main business was 13.18%, 20.77%, and 19.49% in 2022, 2023, and 2024, respectively. The Company's gross profit margin was mainly influenced by factors such as market demand, unit price of sales, production costs, and product structure. The Company will face the risk of a decrease in gross profit margin if there are significant adverse changes in macroeconomics, market competition, and raw material prices in the future, and the Company cannot reduce production costs and maintain its competitive advantages through measures such as technological innovation, process innovation, and expansion of production scale.

**5. Risk of exchange rate fluctuation**

During the reporting period, the Company actively expanded overseas markets, with its products being exported to multiple regions including Southeast Asia, Europe, and the Americas. As the proportion of overseas sales revenue gradually increases, the Company will face the risk of exchange loss caused by fluctuations in the CNY exchange rate.

**(VI) Industrial risks**√ Applicable ☐ Not applicable

In the logistics equipment industry in which the main business of the Company is involved, the market demand is closely related to the scale and growth rate of fixed asset investment in downstream application fields. The equipment procurement budget for key downstream application fields for the Company, namely, industries such as e-commerce, express and logistics, clothing, medicine, tobacco, new retail, and intelligent manufacturing will directly affect industry demand. If significant changes in the domestic and international macroeconomic environment lead to slower economic growth or periodic fluctuations, the business scale of downstream express and logistics companies reduces and fixed asset investment willingness decreases. At the same time, after the main customers of the express and logistics industry complete their basic investments in automated logistics equipment, the subsequent demand for equipment procurement may experience a cyclical decline, which could negatively impact the Company's future operating performance.

**(VII) Macro environmental risks**√ Applicable ☐ Not applicable

The global economy is still in cyclical fluctuations. There is no trend of comprehensive economic recovery yet and there is still a possibility of decline. In addition, the global economic slowdown may have some adverse impacts on the intelligent logistics equipment industry, which may indirectly impact the Company's performance.

The current international trade environment is becoming increasingly complex, with some countries attempting to restrict the development of relevant industries in China through trade protectionist measures such as increasing tariff barriers. Especially with the intensification of trade frictions between China and the United States, there may be obstacles to the Company's expansion in overseas markets, extended project delivery cycles, issues with suppliers being unable to deliver, or constraints on customer procurement. This further affects the stability and profitability of international business revenues. These risks may bring certain impacts on the Company's overseas market and there is a risk that changes in overseas market demands will impact the Company's performance.

**(VIII) Risks related to depository receipts**☐ Applicable √ Not applicable**(IX) Other major risks**√ Applicable ☐ Not applicable

The Company's equity investment projects Intelligent Equipment Manufacturing Center Project, Intelligent Equipment and Artificial Intelligence R&D Center Project, and Market Sales and Product Service Base Construction Project, are progressing slowly. Although the Company's equity investment projects underwent thorough feasibility assessments in the early stages, there are still many uncontrollable factors during the actual construction process. The progress of these projects is influenced by macroeconomic environments, upstream and downstream industry environments, and the Company's operational status, which may result in implementation timelines being slower than expected. If the progress of these projects is slower than expected, the Company will follow the relevant regulations to fulfill the decision-making procedures and promptly fulfill its information disclosure obligations.

**V. Main Business in the Reporting Period**

During the reporting period, the Company achieved total operating revenue of CNY 2.474,450.5 billion, a YoY increase of 26.42%. During the reporting period, the Company reduced costs and improved



efficiency to adapt to market competition changes, with a gross profit margin of 21.18% in 2024, a YoY decrease of 1.68%.

## (I) Analysis of main business

### 1. Analysis of changes in relevant items of income statement and cash flow statement

Unit: CNY

| Item                                    | Amount of Current Period | Amount of the Same Period Last Year | Change Proportion (%) |
|---|--------------------------|-------------------------------------|-----------------------|
| Operating revenue                       | 2,474,450,455.33         | 1,957,396,951.00                    | 26.42                 |
| Operating cost                          | 1,950,300,162.80         | 1,509,987,892.45                    | 29.16                 |
| Selling expenses                        | 142,185,094.45           | 109,629,938.02                      | 29.70                 |
| Administrative expenses                 | 153,637,210.46           | 125,750,505.90                      | 22.18                 |
| Financial expenses                      | 3,048,930.95             | -6,367,285.99                       | Not applicable        |
| R&D expenses                            | 147,967,191.24           | 167,836,859.93                      | -11.84                |
| Net cash flow from operating activities | 261,454,750.27           | 622,485,339.64                      | -58.00                |
| Net cash flow from investing activities | -144,110,488.12          | -511,184,745.09                     | Not applicable        |
| Net cash flow from financing activities | -79,657,800.92           | -132,661,377.78                     | Not applicable        |

Note 1: The Company implements the *Interpretation of Accounting Standards for Business Enterprises No. 18* to retrospectively adjust and reclassify the operating cost data for the comparative period, and the data related to operating costs and gross margin changes refer to the data after retrospective adjustment.

Note 2: Any discrepancies in the above data tail are due to rounding.

Explanation of changes in operating revenue: The operating revenue increased by 26.42% compared to the previous year, mainly due to that the Company actively explored the market, explored potential customer needs, orders increased, and the project accepted increased.

Explanation of changes in operating costs: The operating costs increased by 29.16% year on year, mainly due to an increase in the acceptance projects in the year.

Explanation of changes in selling expenses: The selling expenses increased by 29.70% compared to the same period last year and the main reason was that, based on long-term development in the future, the Company further strengthened the construction of a high-quality talent team, actively expanded the sales team, and also expanded the sales and after-sales service teams for overseas businesses. The wages and salaries increased by CNY 18.6779 million YoY, with a YoY increase of 37.65%.

Explanation of changes in administrative expenses: The administrative expenses increased by 22.18% year on year. The main reason was that the accumulated depreciation and amortization increased by CNY 13.3333 million year on year, a YoY increase of 67.45%, mainly due to the depreciation of newly completed factories and the addition of production equipment in this year.

Explanation of changes in financial expenses: The financial expenses increased by CNY 9.4162 million year on year, mainly due to an increase in net exchange losses this year.

Explanation of changes in R&D expenses: The R&D expenses decreased by 11.84% year on year, mainly because the Company optimized and improved testing efficiency to realize a year-on-year

reduction of CNY 17.4551 million in R&D testing materials and testing line setup costs, with a more proper allocation of R&D resources and a focus on more effective R&D projects.

Explanation of changes in net cash flows from operating activities: The net cash flows from operating activities were CNY 261.4548 million, a YoY decrease of CNY 361.0306 million, mainly due to a decrease in cash received from sales of goods and services in this period. Explanation of changes in net cash flows from investing activities: The net cash flows from investing activities were CNY -144.1105 million, with a YoY increase of CNY 367.0743 million, mainly due to an increase in net investment returns and gains.

Explanation of changes in net cash flows from financing activities: The net cash flows from financing activities were CNY -79.6578 million, a YoY increase of CNY 53.0036 million, mainly due to a decrease in cash paid for distributed dividends, profits, or interest, and other cash paid related to financing activities.

Details about material changes in the Company's business type, profit structure, or sources during this period

☐ Applicable ☒ Not applicable

## 2. Income and cost analysis

☒ Applicable ☐ Not applicable

During the reporting period, the Company achieved operating revenue of CNY 2,474,450.5 billion in 2024, a YoY increase of 26.42%, mainly due to that the Company actively explored the market, explored potential customer needs, orders increased, and the project accepted increased.

### (1). Performance of the main business by industry, product, region, and sales model

Unit: CNY

| Main Business by Product        |                   |                  |                         |  |  |  |
|---------------------------------|-------------------|------------------|-------------------------|--|--|--|
| Product                         | Operating Revenue | Operating Cost   | Gross Profit Margin (%) | YoY Increase/Decrease of Operating Revenue (%) | YoY Increase/Decrease of Operating Costs (%) | YoY Increase/Decrease of Gross Profit Margin (%) |
| Total integrated sorting system | 1,479,653,203.33  | 1,152,032,941.96 | 22.14                   | 49.42  | 57.07  | A decrease of 3.79%                              |
| Cross belt sorting system       | 469,334,083.81    | 392,982,146.22   | 16.27                   | -2.52  | 1.32   | A decrease of 3.17%                              |
| Large parcel sorting system     | 125,931,128.56    | 100,032,145.35   | 20.57                   | -17.49   | -24.89                                       | An increase of 7.82%                             |
| Narrow Belt Sorter              | 86,480,542.93     | 65,479,136.52    | 24.28                   | 48.69  | 24.09  | An increase of 15.01%                            |
| Intelligent warehousing system  | 94,057,720.47     | 80,216,212.56    | 14.72                   | 111.06   | 88.23  | An increase of 10.35%                            |

| Dynamic DWS system      | 23,795,840.52     | 20,270,530.92    | 14.81                   | -45.32   | -46.58   | An increase of 2.00%                                 |
|-------------------------|-------------------|------------------|-------------------------|--|--|--|
| 2D Bulk Flow Singulator | 44,490,628.93     | 39,188,979.50    | 11.92                   | 3.05   | -1.50  | An increase of 4.08%                                 |
| Conveying equipment     | 39,525,668.19     | 50,825,729.35    | -36.18                  | -1.04  | 40.49  | A decrease of 32.66%                                 |
| Others                  | 17,759,865.95     | 15,885,474.50    | 10.55                   | -27.04   | -29.32   | An increase of 2.89%                                 |
| Main Business by Region |                   |                  |                         |  |  |  |
| Region                  | Operating Revenue | Operating Cost   | Gross Profit Margin (%) | YoY Increase/<br>Decrease of Operating Revenue (%) | YoY Increase/<br>Decrease of Operating Costs (%) | YoY Increase/<br>Decrease of Gross Profit Margin (%) |
| Chinese Mainland        | 2,052,348,815.93  | 1,658,641,223.97 | 19.18                   | 13.54  | 18.16  | -3.16  |
| Overseas                | 328,679,866.76    | 258,272,072.91   | 21.42                   | 121.00   | 144.78   | -7.63  |

Note 1: The Company implements the *Interpretation of Accounting Standards for Business Enterprises No. 18* to retrospectively adjust and reclassify the operating cost data for the comparative period, and the data related to operating costs and gross margin changes refer to the data after retrospective adjustment.

Note 2: Any discrepancies in the above data tail are due to rounding.

#### Explanation of performance of the main business by industry, product, and region

During the reporting period, the operating revenue of the total integrated sorting system increased by 49.42% year on year, mainly because the Company's technology and products were increasingly mature, the Company's products had good scalability and adaptability, and various stand-alone equipment could be integrated with software systems so that the Company could obtain multiple customer orders and deliver them for acceptance. The operating revenue of intelligent warehousing and Narrow Belt Sorters increased by 111.06% and 48.69% year on year respectively, mainly due to that the Company actively explored the market and explored potential customer needs, orders increased rapidly, and the project accepted increased.

#### (2). Analysis of production and sales

☐ Applicable ☒ Not applicable

#### (3). Performance of major purchase and sales contracts

☐ Applicable ☒ Not applicable

**(4). Costs analysis**

Unit: CNY

| Products                        |                       |                  |   |  |   |   |                                 |
|---------------------------------|-----------------------|------------------|---|--|---|---|---------------------------------|
| Product                         | Cost Item             | Current Amount   | Share in Total Costs (%) - Current Period | Amount in the Same Period of the Previous Year | Share in Total Costs (%) - the Same Period of the Previous Year | Change in Amount Compared with the Same Period of the Previous Year (%) | Notes                           |
| Total integrated sorting system | Direct material       | 1,003,590,169.70 | 87.11                                     | 640,307,044.97                                 | 87.30   | 56.74   | Total integrated sorting system |
|                                 | Direct labor          | 65,431,164.55    | 5.68                                      | 36,465,862.53                                  | 4.97  | 79.43   |                                 |
|                                 | Manufacturing expense | 83,011,607.71    | 7.21                                      | 56,681,105.14                                  | 7.73  | 46.45   |                                 |
|                                 | Sub-total             | 1,152,032,941.96 |   | 733,454,012.64                                 |   | 57.07   |                                 |
| Cross belt sorting system       | Direct material       | 311,328,693.48   | 79.22                                     | 323,358,571.10                                 | 83.37   | -3.72   | Cross belt sorting system       |
|                                 | Direct labor          | 43,669,310.51    | 11.11                                     | 35,132,723.37                                  | 9.06  | 24.30   |                                 |
|                                 | Manufacturing expense | 37,984,142.23    | 9.67                                      | 29,377,815.16                                  | 7.57  | 29.30   |                                 |
|                                 | Sub-total             | 392,982,146.22   |   | 387,869,109.63                                 |   | 1.32  |                                 |
| Large parcel sorting system     | Direct material       | 85,117,773.85    | 85.09                                     | 120,604,186.75                                 | 90.55   | -29.42  | Large parcel sorting system     |
|                                 | Direct labor          | 6,932,800.46     | 6.93                                      | 5,380,902.10                                   | 4.04  | 28.84   |                                 |
|                                 | Manufacturing expense | 7,981,571.04     | 7.98                                      | 7,201,300.70                                   | 5.41  | 10.84   |                                 |
|                                 | Sub-total             | 100,032,145.35   |   | 133,186,389.55                                 |   | -24.89  |                                 |
| Narrow Belt Sorter              | Direct material       | 66,247,216.08    | 82.56                                     | 44,314,301.09                                  | 83.98   | 49.49   | Narrow Belt Sorter              |
|                                 | Direct labor          | 6,907,229.20     | 8.61                                      | 4,522,467.83                                   | 8.57  | 52.73   |                                 |
|                                 | Manufacturing expense | 7,090,855.36     | 8.84                                      | 3,931,223.41                                   | 7.45  | 80.37   |                                 |
|                                 | Sub-total             | 80,245,300.64    |   | 52,767,992.33                                  |   | 52.07   |                                 |
| Intelligent warehousing system  | Direct material       | 52,832,682.65    | 80.72                                     | 35,366,161.35                                  | 82.99   | 49.39   | Intelligent warehousing system  |
|                                 | Direct labor          | 6,764,556.06     | 10.34                                     | 1,644,173.72                                   | 3.86  | 311.43  |                                 |
|                                 | Manufacturing expense | 5,852,809.73     | 8.94                                      | 5,606,583.05                                   | 13.16   | 4.39  |                                 |

|                         |                       |               |       |               |       |        |                         |
|-------------------------|-----------------------|---------------|-------|---------------|-------|--------|-------------------------|
|                         | Sub-total             | 65,450,048.44 |       | 42,616,918.12 |       | 53.58  |                         |
| Dynamic DWS system      | Direct material       | 18,692,842.58 | 92.22 | 34,248,511.96 | 90.26 | -45.42 | Dynamic DWS system      |
|                         | Direct labor          | 133,691.38    | 0.66  | 433,612.62    | 1.14  | -69.17 |                         |
|                         | Manufacturing expense | 1,443,996.96  | 7.12  | 3,262,991.22  | 8.60  | -55.75 |                         |
|                         | Sub-total             | 20,270,530.92 |       | 37,945,115.80 |       | -46.58 |                         |
| 2D Bulk Flow Singulator | Direct material       | 33,689,946.18 | 85.97 | 33,805,607.87 | 84.97 | -0.34  | 2D Bulk Flow Singulator |
|                         | Direct labor          | 2,975,170.38  | 7.59  | 2,190,668.80  | 5.51  | 35.81  |                         |
|                         | Manufacturing expense | 2,523,862.94  | 6.44  | 3,790,743.20  | 9.53  | -33.42 |                         |
|                         | Sub-total             | 39,188,979.50 |       | 39,787,019.87 |       | -1.50  |                         |
| Conveying equipment     | Direct material       | 32,758,498.79 | 64.45 | 33,132,795.09 | 91.58 | -1.13  | Conveying equipment     |
|                         | Direct labor          | 5,677,682.40  | 11.17 | 904,537.11    | 2.50  | 527.69 |                         |
|                         | Manufacturing expense | 12,389,548.16 | 24.38 | 2,140,531.98  | 5.92  | 478.81 |                         |
|                         | Sub-total             | 50,825,729.35 |       | 36,177,864.18 |       | 40.49  |                         |
| Others                  | Direct material       | 11,840,921.35 | 74.54 | 19,786,871.09 | 88.03 | -40.16 | Others                  |
|                         | Direct labor          | 129,910.47    | 0.82  | 806,806.53    | 3.59  | -83.90 |                         |
|                         | Manufacturing expense | 3,914,642.68  | 24.64 | 1,882,621.74  | 8.38  | 107.94 |                         |
|                         | Sub-total             | 15,885,474.50 |       | 22,476,299.36 |       | -29.32 |                         |

Note 1: The Company implements the *Interpretation of Accounting Standards for Business Enterprises No. 18* to retrospectively adjust and reclassify the operating cost data for the comparative period, and the data related to operating costs and gross margin changes refer to the data after retrospective adjustment.

Note 2: Any discrepancies in the above data tail are due to rounding.

Notes for other information about cost analysis

During the reporting period, the elements of production costs of the Company's main products were relatively stable, with direct material expenses as the main element. Among them, the labor cost was the cost paid for the installation service company hired for each project. The labor and manufacturing costs fluctuated during the reporting period mainly due to the gradual diversification of the Company's product types and downstream customers, the increase in complexity of installation in the Company's projects, the increase in on-site management costs, and the increase in labor and manufacturing costs due to the high cost of overseas labor and transportation.

#### (5). Changes in consolidation scope caused by changes in equity of major subsidiaries during the reporting period

☐ Applicable ☒ Not applicable

**(6). Major changes or adjustments in the Company's business, products or services during the reporting period**

☐ Applicable ☒ Not applicable

**(7). Major customers and suppliers****A. Major customers of the Company**

☒ Applicable ☐ Not applicable

The sales from the top five customers were CNY 1,040,448.3 billion, accounting for 42.05% of the total annual sales. The sales from affiliates of that of the top five customers were CNY 0, accounting for 0% of the total annual sales.

**Top five customers of the Company**

☒ Applicable ☐ Not applicable

Unit: CNY 10,000

| No.   | Customer   | Sales      | Percentage in Total Annual Sales (%) | Related to a Listed Company |
|-------|--|------------|--------------------------------------|-----------------------------|
| 1     | A  | 63,933.19  | 25.84                                | No                          |
| 2     | China Post Group Co., Ltd.                           | 15,302.98  | 6.18                                 | No                          |
| 3     | Shopee Express Malaysia Sdn. Bhd. (Malaysia)         | 9,620.95   | 3.89                                 | No                          |
| 4     | D  | 7,729.90   | 3.12                                 | No                          |
| 5     | Tianjin Jingbangda Supply Chain Technology Co., Ltd. | 7,457.81   | 3.01                                 | No                          |
| Total | /  | 104,044.83 | 42.05                                | /                           |

**During the reporting period, the proportion of sales to a single customer exceeded 50% of the total. Among the top five customers, there were new customers or heavily dependent on a few customers.**

☒ Applicable ☐ Not applicable

China Post Group Co., Ltd., Shopee Express Malaysia Sdn. Bhd. (Malaysia), and Tianjin Jingbangda Supply Chain Technology Co., Ltd. are the new entrants in the top five customers.

**B. Major suppliers of the Company**

☒ Applicable ☐ Not applicable

The procurement amount of the top five suppliers was CNY 441.0965 million, accounting for 29.6% of the total annual procurement amount. The procurement amount of affiliates of that of the top five suppliers was CNY 0, accounting for 0% of the total annual procurement amount.

**Top five suppliers of the Company**

☒ Applicable ☐ Not applicable

Unit: CNY 10,000

| No.   | Supplier                                       | Procurement Amount | Percentage in Total Annual Procurement Amount (%) | Related to a Listed Company |
|-------|--|--------------------|---|-----------------------------|
| 1     | A  | 11,950.46          | 8.02  | No                          |
| 2     | Anhui Yongjie Intelligent Technology Co., Ltd. | 10,249.60          | 6.88  | No                          |
| 3     | C  | 8,262.59           | 5.55  | No                          |
| 4     | D  | 7,503.89           | 5.04  | No                          |
| 5     | E  | 6,143.11           | 4.12  | No                          |
| Total | /  | 44,109.65          | 29.60   | /                           |

**During the reporting period, the proportion of purchases from a single supplier exceeded 50% of the total, and there were new suppliers among the top five suppliers or serious dependence on a few suppliers.**

☒ Applicable ☐ Not applicable

Anhui Yongjie Intelligent Technology Co., Ltd. is a new entrant in the top five suppliers.

### 3. Expenses

√ Applicable □ Not applicable

For details, see the form and notes of Analysis of Changes in Relevant Items of 1. Income Statement and Cash Flow Statement in (I) Analysis of main business in V. Main Business in the Reporting Period in Section III.

### 4. Cash flow

√ Applicable □ Not applicable

For details, see the form and notes of Analysis of Changes in Relevant Items of 1. Income Statement and Cash Flow Statement in (I) Analysis of main business in V. Main Business in the Reporting Period in Section III.

## (II) Notes to material change of profit resulting from non-main businesses

□ Applicable √ Not applicable

## (III) Analysis of assets and liabilities

√ Applicable □ Not applicable

### 1. Assets and liabilities

Unit: CNY

| Project                       | Closing Balance of this Period | Percentage of Closing Balance in this Period in Total Assets (%) | Closing Balance in the Previous Period | Percentage of Closing Balance in the Previous Period in Total Assets (%) | Change in Closing Balance in this Period Compared with the Previous Period (%) | Notes  |
|-------------------------------|--------------------------------|--|--|--|--|--|
| Accounts receivable financing | 2,065,547.83                   | 0.03   | 1,800,000.00                           | 0.03   | 14.75  | Mainly due to the increase in notes receivable                               |
| Advance payments              | 124,241,978.10                 | 2.01   | 111,826,733.12                         | 1.67   | 11.10  | Mainly due to the increase in advance payment for goods                      |
| Other accounts receivable     | 19,502,820.90                  | 0.32   | 15,973,931.68                          | 0.24   | 22.09  | Mainly due to the increase in security deposits                              |
| Inventories                   | 1,702,392,683.79               | 27.50  | 2,130,990,980.59                       | 31.81  | -20.11   | Mainly due to the increase in the accepted projects                          |
| Contractual assets            | 95,087,117.85                  | 1.54   | 87,643,899.86                          | 1.31   | 8.49   | Mainly due to the increase in quality security deposits receivable this year |
| Non-current assets due        | 12,959,919.36                  | 0.21   | 21,651,996.28                          | 0.32   | -40.14   | Mainly due to the decrease in long-term                                      |

|   |                  |       |                  |       |         |  |
|---|------------------|-------|------------------|-------|---------|--|
| within one year                             |                  |       |                  |       |         | accounts receivable due within one year this year  |
| Other current assets                        | 45,062,543.53    | 0.73  | 78,353,069.56    | 1.17  | -42.49  | Mainly due to the decrease in input tax to be deducted this year                             |
| Long-term accounts receivable               | 37,696,861.25    | 0.61  | 50,316,282.43    | 0.75  | -25.08  | Mainly due to the decrease in long-term receivable deposits and security deposits            |
| Investment in other equity instruments      | 167,827,676.77   | 2.71  | 166,100,742.87   | 2.48  | 1.04    | Mainly due to changes in fair value  |
| Fixed assets                                | 682,982,278.50   | 11.03 | 740,692,197.42   | 11.06 | -7.79   | Mainly due to the transfer of some fixed assets of the Company to investment properties      |
| Right-of-use assets                         | 17,805,101.49    | 0.29  | 19,311,139.18    | 0.29  | -7.80   | Mainly due to the depreciation amortization of right-of-use assets                           |
| Long-term deferred expenses                 | 9,696,219.76     | 0.16  | 6,082,427.94     | 0.09  | 59.41   | Mainly due to the increase in the renovation of office premises leased by the Company        |
| Short-term debts                            | -                | -     | 20,017,722.23    | 0.30  | -100.00 | Mainly due to the repayment of working capital loans   |
| Accounts payable                            | 815,643,006.39   | 13.17 | 905,830,897.28   | 13.52 | -9.96   | Mainly due to the decrease in accounts payable   |
| Contract liabilities                        | 1,040,361,965.04 | 16.80 | 1,233,397,851.67 | 18.41 | -15.65  | Mainly due to the decrease in contractual advance payments received from customers this year |
| Non-current liabilities due within one year | 43,110,966.18    | 0.70  | 11,558,159.67    | 0.17  | 272.99  | Mainly due to the increase in long-term accounts payable due within one year                 |
| Lease liabilities                           | 11,182,412.03    | 0.18  | 13,981,159.00    | 0.21  | -20.02  | Due to the increase in lease liabilities   |



|                           |                |      |                |      |        |  |
|---------------------------|----------------|------|----------------|------|--------|--|
|                           |                |      |                |      |        | due within one year  |
| Notes payable             | 14,698,032.02  | 0.24 | 171,544,171.87 | 2.56 | -91.43 | Mainly due to the decrease in purchases settled by notes this year                       |
| Other current liabilities | 215,590,846.15 | 3.48 | 81,236,281.22  | 1.21 | 165.39 | Mainly due to the increase in notes receivable not yet confirmed as terminated this year |

Other notes

None

## 2. Overseas assets

☒ Applicable ☐ Not applicable

### (1). Asset size

Including: Overseas assets of CNY 147,679,324.47, accounting for 2.39% of the total assets.

### (2). Relevant notes for a relatively high proportion of overseas assets

☐ Applicable ☒ Not applicable

## 3. Restrictions on major assets by the end of the reporting period

☒ Applicable ☐ Not applicable

| Item                     | Beginning Balance | Increase in the Current Year | Decrease in the Current Year | Ending Balance | Restriction Reasons                               |
|--------------------------|-------------------|------------------------------|------------------------------|----------------|---|
| Other monetary funds     | 23,991,320.79     | 1,962,539.91                 |                              | 25,953,860.70  | Security deposit                                  |
| Other monetary assets    | 7,200,000.00      |                              | 7,200,000.00                 | -              | Frozen funds                                      |
| Other monetary assets    | 34,948,336.93     |                              | 34,948,336.93                | -              | Bank acceptance notes payable deposit             |
| Trading financial assets | 10,070,191.78     |                              | 10,070,191.78                | -              | Pledge of letter of guarantee deposit certificate |
| Total                    | 76,209,849.50     | 1,962,539.91                 | 52,218,528.71                | 25,953,860.70  |   |

## 4. Other notes

☐ Applicable ☒ Not applicable

## (IV) Analysis of operation information of the industry

☒ Applicable ☐ Not applicable

For details of the operation information of the industry during the reporting period, see "II. Description of the Main Business, Business Model, Industry Situation and R&D Engaged in by the Company during the Reporting Period" in "Section III Discussions and Analysis by the Management".

**(V) Investment analysis****Overall analysis of external equity investment**

√ Applicable □ Not applicable

Unit: CNY

| Amount of Investment in the Reporting Period (CNY) | Amount of Investment in the Same Period of the Previous Year (CNY) | Change (%)           |
|--|--|----------------------|
| 55,777,846.77                                      | 146,154,631.06   | A decrease of 61.84% |

The external investments of the Company and its subsidiaries during the reporting period are as follows:

On March 27, 2024, the *Proposal for Establishing an Equipment Subsidiary of Wayzim in Zhejiang* was reviewed and approved at the Eighth Meeting of the Second Board of Directors. The Company used its own funds of CNY 50 million to establish the wholly-owned subsidiary Wayzim Intelligent Equipment (Zhejiang) Co., Ltd., and completed the business registration in April 2024.

On October 29, 2024, the *Proposal for Establishing a Wholly-Owned Subsidiary in Hong Kong* was reviewed and approved at the 17th Meeting of the Second Board of Directors. The Company used its own funds of HKD 55 million to establish the wholly-owned subsidiary in Hong Kong and completed the registration in November 2024.

In November 2024, in order to meet the Company's strategic development planning and business needs, the board chairman approved the Company to increase the capital of its wholly-owned subsidiary in Singapore to USD 8.75 million, in accordance with the Company's articles of association.

**1. Material equity investment**

□ Applicable √ Not applicable

**2. Material non-equity investment**

□ Applicable √ Not applicable

**3. Financial assets measured at fair value**

√ Applicable □ Not applicable

Unit: CNY

| Asset Category                      | Opening Balance  | Gains and Losses from Changes in Fair Value in this Period | Accumulated Fair Value Changes Recognized in Equity | Impairment Provision Recognized in this Period | Amount Purchased in this Period | Amount Sold/Redeemed in this Period | Other Changes | Closing Balance  |
|-------------------------------------|------------------|--|---|--|---------------------------------|-------------------------------------|---------------|------------------|
| Others                              |                  |  |   |  |                                 |                                     |               |                  |
| Including: trading financial assets | 1,217,980,705.57 | 2,467,358.69   |   |  | 3,786,588,500.00                | 3,906,000,000.00                    |               | 1,101,036,564.26 |

|  |                  |               |   |   |                  |                  |               |                  |
|--|------------------|---------------|---|---|------------------|------------------|---------------|------------------|
| Including: accounts receivable financing       | 1,800,000.00     |               |   |   | 43,767,528.32    | 43,501,980.49    |               | 2,065,547.83     |
| Including: other equity instrument investments | 166,100,742.87   | 1,726,933.90  |   |   |                  |                  |               | 167,827,676.77   |
| Including: other non-current financial assets  | 11,472,767.17    | -2,725,940.03 |   |   |                  |                  | -2,949,410.06 | 5,797,417.08     |
| Total  | 1,397,354,215.61 | 1,468,352.56  | - | - | 3,830,356,028.32 | 3,949,501,980.49 | -2,949,410.06 | 1,276,727,205.94 |

Security investments

☐ Applicable ☒ Not applicable

Investment in derivatives

☐ Applicable ☒ Not applicable

#### 4. Private equity investment fund investment

☐ Applicable ☒ Not applicable

Other notes

None

#### 5. Specific progress of major asset restructuring and integration during the reporting period

☐ Applicable ☒ Not applicable

#### (VI) Sales of material assets and equities

☐ Applicable ☒ Not applicable

#### (VII) Analysis of major holding and controlling shareholders

☒ Applicable ☐ Not applicable

Unit: CNY 10,000

| Company Name                                      | Main Business   | Registered Capital | Shareholding Ratio | Total Assets | Net Assets | Operating Revenue | Net Profits |
|---|---|--------------------|--------------------|--------------|------------|-------------------|-------------|
| Wayzim Anhui                                      | Main production base  | 1,000              | 100%               | 122,872.45   | 18,170.17  | 91,665.06         | -796.33     |
| Wayzim Guangdong                                  | South China Regional Sales and After-sales Service Center                   | 5,000              | 100%               | 5,965.59     | 5,054.62   | 2,104.91          | 40.56       |
| Wayzim R&D  | Artificial Intelligence Technology R&D Center                               | 10,000             | 100%               | 21,931.52    | 12,485.01  | 6,694.60          | 435.13      |
| Zhongke Guanwei                                   | Production and manufacturing of cameras                                     | 1,000              | 100%               | 10,475.67    | 7,592.72   | 10,648.85         | 1,345.40    |
| Intelligent Sensing                               | R&D, production, and manufacturing of industrial sensors                    | 10,000             | 100%               | 44,253.52    | 9,385.04   | 10,884.59         | -246.52     |
| Zhitong Intelligent                               | Overseas market   | 1,000              | 100%               | 2,797.81     | -33.21     | 9.85              | -159.55     |
| Wayzim Singapore                                  | Southeast Asian Market Sales and After-sales Service Center                 | USD 8.75 million   | 100%               | 7,795.93     | 6,338.09   | 1,037.57          | 146.79      |
| Wayzim Chengdu                                    | Southwest China Regional Sales and After-sales Service Center               | 5,000              | 100%               | 5,240.75     | 4,994.93   | 1,226.91          | -14.68      |
| Wayzim Jiangxi                                    | South China Manufacturing Center  | 10,000             | 100%               | 19,087.50    | 10,170.17  | 383.82            | 82.01       |
| Jiangsu Power                                     | Market business of power technology components, including motorized rollers | 1,000              | 51%                | 0.46         | 0.46       | -                 | -0.01       |
| Weizhizhi Automation                              | Business support, software development, and some domestic trade             | 5,000              | 100%               | 5,089.25     | 752.39     | 1,364.22          | 368.72      |
| Wayzim Intelligent Equipment (Zhejiang) Co., Ltd. | Business support and some domestic trade                                    | 5,000              | 100%               | 6,117.72     | 70.07      | 9,254.17          | 20.07       |

|                  |  |                |      |   |   |   |   |
|------------------|--|----------------|------|---|---|---|---|
| Wayzim Hong Kong | Overseas Market Sales and After-sales Service Center | HKD 55 million | 100% | - | - | - | - |
|------------------|--|----------------|------|---|---|---|---|

**(VIII) Structured entities controlled by the Company**

☐ Applicable ☒ Not applicable

## VI. Discussion and Analysis of the Future Development of the Company

### (I) Industry structure and trends

√ Applicable ☐ Not applicable

The intelligent logistics equipment industry, as a core component of the modern logistics system, occupies an important position in the national economy and has a far-reaching impact on multiple fields. This industry serves as a strong force to enhance the vitality of the real economy. In recent years, the national and local governments have successively introduced a series of policies to support the development of the intelligent logistics equipment industry, such as the *Made in China 2025*, the *14th Five-Year Smart Manufacturing Development Plan*, and the *14th Five-Year Plan on Modern Logistics Development*, which injects strong momentum into the industry and promotes the continuous expansion of the intelligent logistics equipment market.

The market size of the intelligent logistics equipment industry will continue to grow rapidly. According to QYResearch, the global intelligent sorting system market was approximately USD 10.03 billion in 2024, and is expected to reach USD 22.75 billion by 2031, with a compound annual growth rate of 12.6% from 2025 to 2031. According to a report by MarketsandMarkets, the global logistics automation market size is expected to grow from about USD 50 billion in 2022 to USD 100 billion by 2027, with an average annual compound growth rate of approximately 15%. Reports from iResearch and Zhiyan Consulting indicate that China's intelligent logistics equipment market size is expected to grow from USD 15 billion in 2022 to USD 40 billion by 2027, with an average annual compound growth rate exceeding 20%.

The broad market prospects and strong policy support drive the intelligence and digitization of logistics, which not only provides a clear development direction for the intelligent logistics equipment industry but also accelerates the industry's technological innovation and market expansion through supportive measures, laying a solid foundation for sustained industry growth.

In 2024, propelled by technical innovation and market demands, the intelligent logistics equipment industry continued to grow rapidly. With the deep integration of cutting-edge technologies such as artificial intelligence, the Internet of Things, and 5G, the intelligence and automation level of intelligent equipment have significantly improved, and intelligent equipment is widely applied in various fields including manufacturing, logistics, healthcare, and agriculture. Despite the uncertainties in the global economic environment, the industry demonstrates strong resilience, leveraging its significant advantages in cost reduction, efficiency enhancement, and productivity boost. The Company's products include the key components of intelligent logistics equipment, high-end equipment, and comprehensive integrated solutions and the Company is at the key position of the intelligent logistics equipment industry chain.

Leading enterprises in the industry are currently fully leveraging their technological innovation capabilities and continuously making a series of arrangements in the industry chain. Some leading enterprises are currently continuously expanding vertically from their key product categories, such as key components and equipment, to system-level solution products, while also expanding to other scenarios such as conveying, sorting, picking, and handling. Facing numerous challenges in the external environment, the Company has maintained a solid industry position in fierce market competition by relying on its rich case experiences, profound technical foundation, and excellent service capabilities accumulated over many years of industry expertise.

## (II) Development strategy of the Company

√ Applicable □ Not applicable

Around the architecture "One Focus with Two Wings", the Company will continue to further enrich and improve its product layout, strengthen the layout of the integrated industrial chain, further explore customer needs in segmented fields, expand sales networks, and enrich customer acquisition channels. While further improving the penetration rate of conventional advantageous areas such as express and logistics and e-commerce, the Company will actively explore new customers in new fields such as clothes, shoes, hats, and other large consumer categories, and explore new customers in international and overseas markets. Strategically, the Company takes the countries along the Belt and Road Initiative as the starting points to gradually build a global market sales network, operational management system, and product service ecosystem, achieving a global layout and steadily advancing the internationalization of its business.

### 1. Twin engines to steadily promote the internationalization process in the countries along the Belt and Road Initiative.

The Company expands its customer base and market share by further enriching its product matrix. The Company deepens market coverage and penetration in core areas such as express sorting and e-commerce, while also increasing sales through application expansion and product enhancement in cutting-edge fields such as civil aviation airports, industrial manufacturing, and pharmaceuticals. The Company implements a diversified customer strategy to broaden the business landscape. The Company strives to strengthen industry insights, build industry benchmarks, form case accumulation, and empower various business segments.

The Company enhances key customer maintenance in the intelligent logistics equipment business, actively explores other new customers, and increases customer stickiness, to maintain competitive advantages. The Company provides customized industry-specific intelligent manufacturing solutions, transitioning to production line automation equipment. As the global e-commerce market continues to expand, the demand for intelligent warehousing will continue to grow. Based on successful experiences, the Company will continue to optimize its products and services, providing more efficient and intelligent automation solutions for warehouses of various sizes. The Company will expand the application of AMRs in the manufacturing and third-party logistics fields, providing comprehensive intelligent warehousing and logistics support to global customers. Focusing on new energy and intelligent manufacturing, the Company will strategically plan and promote product applications, closely monitor new market opportunities, expand business scale, and establish a long-term development mechanism. Continuing to align with the trend of customized industry automation, the Company will develop each business sector in synergy and transform to develop automated production line equipment with more flexible, efficient, and intelligent dedicated intelligent manufacturing solutions, assisting customer industries in achieving intelligent transformation and digitization.

### 2. Reduce costs and increase efficiency, enhance operational quality and profitability, and continue to deepen intelligent manufacturing and digitization.

The Company will actively expand its supplier channels, implement a diversified supplier layout, and establish a close supplier mechanism, to effectively enhance the continuity and stability of raw material supply and improve purchasing efficiency. Leverage the synergy and scale effect of procurement costs for intelligent warehousing and express sorting business to further reduce procurement costs.

The Nanling production base has purchased over 450 pieces of advanced production and processing equipment, including Mazak CNC machining centers, TRUMPF laser cutters, benders, and pipe cutters. Mass production of motorized rollers has been achieved. In the future, the Company will focus on increasing the self-production ratio of core components such as Narrow Belt Sorters and 2D Bulk Flow Singulators. The Company will continuously leverage the cost advantages of vertical integration, deepen process improvement, and enhance standardization and modularity. The Company will reduce material and labor costs while ensuring product quality, to improve the capacity utilization rate. The Company will strengthen self-production capabilities for core components and cost control over core

components. The Company's management will continue to optimize resource allocation, implement refined management, and optimize organizational structure. The Company will strictly control expenses by focusing on project management for cost-intensive projects, enhance manufacturing, project management capabilities, and supply chain resilience, and focus on high-quality customers and profitable products to improve gross margins and profitability.

### (III) Business plan

√ Applicable ☐ Not applicable

The Company will continue to enhance its sustainable development capability and improve its key competitive advantages at multiple levels including product technology development, capacity expansion, brand business development, human resources integration, and financing in order to further enhance its profitability and risk resistance and better meet its future development needs.

#### **1. Deeply cultivate the core business while diversifying the layout, continuously enriching the product matrix to drive sustainable growth.**

In the future, the Company will continue to focus on the "One Focus with Two Wings" architecture, further enriching the product matrix and achieving precise market penetration to comprehensively expand its market share. The Company deepens market coverage and penetration in core areas such as express sorting and e-commerce, while also increasing sales through application expansion and product enhancement in cutting-edge fields such as civil aviation airports, industrial manufacturing, and pharmaceuticals. The Company implements a diversified customer strategy to broaden the business landscape. The Company strives to strengthen industry insights, build industry benchmarks, form case accumulation, and empower various business segments. The Company will achieve a global layout and steadily advance the internationalization of its business.

#### **2. Dual-empowerment of brand building and customer stickiness to create sustainable competitive advantages.**

The Company will continue to consolidate and strengthen the existing market position, maintain strategic partnerships with current customers, and enhance customer stickiness through high-quality products and services, to elevate the company's position in the industry. At the same time, the Company places a high value on the development of new customers, continuously deepening its efforts in the intelligent logistics equipment market based on its original areas of advantage. The Company will further enhance its market share in this field through technological innovation and market penetration to consolidate its industry-leading position. The Company will actively explore overseas markets and expand market coverage in regions such as the Americas, Europe, and Southeast Asia by optimizing the marketing network system, strengthening international market brand communication, and striving to expand product sales channels and promote brand building, to provide continuous momentum for business growth.

#### **3. Focus on cost reduction and efficiency enhancement to optimize the supply chain system.**

The Company will further improve the diversified supplier system and the close supplier mechanism, to maintain a stable strategic partnership with close suppliers, achieve precise matching of demand and supply, and jointly promote the coordinated development of the upstream and downstream of the industrial chain. The Company will strengthen information sharing and collaboration, promptly understand information such as suppliers' production status, and regularly evaluate suppliers from multiple aspects to ensure their stability and reliability. The Company will continuously explore the synergy and scale effects of the main business, to optimize the procurement supply chain, enhance procurement quality, and reduce procurement costs.



**4. Optimize financial management to improve operational efficiency.**

The Company will continuously optimize the management of various costs and expenses, fully implement budget management, and control costs and expenses. It will continuously emphasize accounts receivable management, increase collection efforts, and closely monitor the accounts receivable situation. At the same time, the Company will continue to strengthen inventory management by setting proper inventory warning lines based on market conditions, to maintain an appropriate level of inventory.

**5. Drive growth through technological innovation and explore new models in the intelligent equipment industry.**

Upholding the concept of innovation-driven and technology-leading, the Company will follow the guidance of cutting-edge industry technology and market customer demands, continuously improving product layout and technological reserves, emphasizing research and development technological innovation, and vertically expanding from core product categories. Starting from core components and equipment, the Company will vertically expand system-level solution products, while also expanding into other scenarios such as transportation, sorting, picking, and handling. The Company will put more into technical R&D of such systems as express sorting, intelligent warehousing, and baggage sorting in civil airports and key components such as visual sensors, industrial sensors, motorized rollers, drives, and controls. By further upgrading its existing R&D Technology Center, constructing laboratories, and upgrading software and hardware, the Company will improve its R&D environment to comprehensively enhance its R&D and innovation capabilities and continuously promote the upgrade of product R&D. The Company will accelerate the upgrading and iteration of existing products, to adapt to different customer scenarios, scales, and layouts, support multiple types of standardized custom solutions meeting customers' special usage needs, and continuously explore new models in the intelligent equipment industry.

**6. Focus on talent introduction and continuously optimize talent system construction.**

Adhering to a talent-centric approach, the Company implements multiple measures to build a diverse talent team and introduce high-quality talents from related fields. By recruiting high-level technical talents in artificial intelligence, image recognition, microelectronics, optics, computer science, and robotics, the Company will further enhance technological research and development capabilities. The Company will seek to establish long-term cooperative mechanisms with higher education institutions, conduct in-depth campus recruitment, and emphasize talent development, to optimize personnel structure and support team echelon construction. At the same time, the Company will optimize performance evaluation incentive mechanisms and compensation systems and integrate company interests, personal interests, and shareholder interests, fully mobilizing employee enthusiasm and creativity to further attract and retain outstanding talents and achieve mutual growth for employees and the Company.

**(IV) Others**

☐ Applicable ☒ Not applicable

## Section IV Corporate Governance

### I. Relevant Information on Corporate Governance

√ Applicable ☐ Not applicable

In strict accordance with the requirements of laws and regulations such as the *Company Law*, the *Securities Law*, the *Code of Corporate Governance for Listed Companies*, and other normative documents related to corporate governance issued by the China Securities Regulatory Commission (CSRC), the Company continuously improves its corporate governance structure, creates a harmonious development environment for the enterprise, correctly handles communication and interaction with investors, establishes a sound internal control system, further promotes the standardized operation of the Company, and improves the governance level to provide guarantees for its development. During the reporting period, the Company presented standardized overall operation, high independence, and standardized information disclosure and the actual conditions of corporate governance met the requirements of normative documents for the governance of listed companies. The specific information is as follows:

#### 1. Shareholders and general meeting

During the reporting period, the Company held one annual general meeting and one extraordinary general meeting. In strict accordance with the requirements in relevant provisions of relevant laws, regulations, the *Articles of Association*, and the *Rules of Procedure for General Meetings of Wayzim Technology Co., Ltd.*, the Company convened and held general meetings to conduct standardized voting on matters to be deliberated at the general meetings and ensure that all shareholders fully exercise their legitimate rights.

#### 2. Directors and Board of Directors

During the reporting period, the Board of Directors of the Company held 12 meetings. All directors of the Company carefully attended the meetings of the Board of Directors, attended the general meetings, continuously strengthened their learning of relevant laws and regulations, and fulfilled their corresponding responsibilities with integrity, diligence, and conscientiousness. In strict accordance with the relevant provisions of the *Articles of Association* and the *Rules of Procedure for Meetings of the Board of Directors of Wayzim Technology Co., Ltd.*, the Board of Directors convened and held the meetings of the Board of Directors, implemented the resolutions of the general meetings, and exercised their powers in accordance with the law. The Board of Directors of the Company consisted of Audit Committee, Strategy Committee, Nomination Committee, and Remuneration and Assessment Committee, with great significance for the Company to improve its operation and management capabilities and ensure scientific investment decisions.

#### 3. Supervisors and Board of Supervisors

During the reporting period, the Board of Supervisors of the Company held eight meetings. In strict accordance with the *Company Law* and the *Rules of Procedure for Meetings of the Board of Supervisors of Wayzim Technology Co., Ltd.*, the Company standardized the convening, holding, and voting procedures of the meetings of the Board of Supervisors and all supervisors conscientiously fulfilled their duties and attended the meetings of the Board of Directors and general meetings of the Company as nonvoting delegates. The Board of Supervisors of the Company was able to independently and effectively supervise the Company's financial affairs and the legality and compliance of the duties of its directors and senior management and safeguard the legitimate rights and interests of the Company and its shareholders.

**4. Information disclosure**

The Company fulfills the information disclosure obligations in accordance with the relevant provisions of the *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board* and the *Articles of Association*. During the reporting period, the Company disclosed its information truthfully, accurately, completely, and quickly. The Company fairly treated all shareholders and ensured their equal right to know. In addition, the Company made efforts to improve its information transparency to ensure that investors could obtain the Company's information in a timely, accurate, and comprehensive manner.

**5. Investor relations management**

The Company's Board of Directors is committed to creating a harmonious development environment and it properly handles communication and interaction with investors. During the reporting period, the Company strengthened investor relations management and maintained communication and exchanges with investors. The Company attached importance to the concerns and suggestions raised by investors during calls or visits and actively accepted the supervision from investors.

**6. Internal control specifications**

During the reporting period, the Company established an internal control system that was suitable for its business development needs in accordance with relevant national requirements and regulations and in combination with its own actual conditions. In addition, the Company sorted out and optimized relevant management systems and processes in order to improve its risk prevention abilities and standardized operation.

**7. Inside information management**

In strict accordance with relevant regulations, the Company standardizes inside information management and the registration and filing of information submitted to external parties. By formulating the *Management System for Insiders of Inside Information* and carefully following this system, the Company has further standardized the Company's management of information insiders. During the preparation and disclosure of regular reports, the Company has established an insider registration form for inside information to truthfully and completely record the list of all insiders of inside information before the disclosure of inside information and the archives of insiders of inside information to maintain the openness, fairness, and impartiality of the Company's information disclosure.

Whether the corporate governance, laws, and administrative regulations are significantly different from the regulations issued by CSRC on the governance of listed companies; if there are any, indicate the reason.

☐ Applicable ☒ Not applicable

## **II. Notes for the Fact That the Company and Its Controlling Shareholders Could Not Remain Independent or Could Not Maintain Their Operation Capabilities in Terms of Business, Staff, Capital, Organization, and Finance**

☐ Applicable ☒ Not applicable

The controlling shareholders, actual controllers, and other entities under their control were engaged in the same or similar business as the Company, as well as the impact of peer competition or major changes in peer competition on the Company, the solution measures taken, the addressing progress, and the follow-up solution plan.

☐ Applicable ☒ Not applicable

Controlling shareholders, actual controllers, and other entities under their control engaged in peer competitions that posed significant adverse impacts on the Company

☐ Applicable ☒ Not applicable

### III. Brief Introduction to General Meeting

| Session   | Date          | Inquiry Index of the Website Designated for Resolution Publishing | Date of Disclosure of Resolution Publishing | Meeting Resolution   |
|---|---------------|---|---|--|
| General Meeting 2023                            | May 13, 2024  | www.sse.com.cn  | May 14, 2024                                | The <i>Proposal for the 2023 Work Report of the Board of Directors of the Company</i> , the <i>Proposal for the 2023 Work Report of the Board of Supervisors of the Company</i> , the <i>Proposal for the 2023 Work Report of Independent Directors of the Company</i> , the <i>Proposal for the 2023 Annual Report and Abstract of the Company</i> , and the <i>Proposal for the 2023 Final Accounts Report of the Company</i> were reviewed and approved. For details, refer to the <i>Announcement of the Resolutions of 2023 Annual General Meeting of Wayzim</i> disclosed on May 14, 2024 on the website of the Shanghai Stock Exchange (www.sse.com.cn) (Announcement No.: 2024-025). |
| The First Extraordinary General Meeting in 2024 | July 25, 2024 | www.sse.com.cn  | July 26, 2024                               | The <i>Proposal for the Scheme for Repurchasing Company Shares through Centralized Price Bidding</i> was reviewed and approved. For details, refer to the <i>Announcement of the Resolutions of the First Extraordinary General Meeting of Wayzim in 2024</i> disclosed on July 26, 2024 on the website of the Shanghai Stock Exchange (www.sse.com.cn) (Announcement No.: 2024-041).  |

The preferred shareholders with restored voting rights request the convening of an extraordinary general meeting

☐ Applicable ☒ Not applicable

Notes on General Meeting

☒ Applicable ☐ Not applicable

All the proposals of the above general meetings have been reviewed and approved and none of them are denied.

During the reporting period, the Company held two general meetings, the convening and holding procedures, qualifications of conveners, qualifications of attendees, and voting procedures of the general meetings all complied with the provisions of the *Company Law* and the *Articles of Association*, and the meeting resolutions are legal and valid.

**IV. Implementation and Changes in Arrangement of Voting Rights Differences during the Reporting Period**

□ Applicable √ Not applicable

**V. Red Chip Structure and Corporate Governance**

□ Applicable √ Not applicable

**VI. Directors, Supervisors, and Senior Management****(I) Shareholding changes and remuneration of current and dismissed directors, supervisors, senior management, and key technical personnel during the reporting period**

√ Applicable □ Not applicable

Unit: share

| Name       | Title                                | Gender | Age | Starting date of tenure | Expiration date of tenure | Beginning shares | Ending shares | Share increases or decreases during the year | Reasons for increases or decreases | Total remuneration received from the Company during the reporting period (CNY 10,000) (before taxes) | Whether or not receiving remuneration from affiliates of the Company |
|------------|--------------------------------------|--------|-----|-------------------------|---------------------------|------------------|---------------|--|------------------------------------|--|--|
| Li Gongyan | Chairman and key technical personnel | Male   | 46  | March 2020              | May 2026                  | 19,800,000       | 19,800,000    | /  | /                                  | 135.24   | No   |
| Gao Bo     | Director                             | Male   | 42  | November 2023           | May 2026                  | /                | /             | /  | /                                  | -  | Yes  |
| Yao Yi     | Director and General Manager         | Male   | 38  | March 2020              | May 2026                  | /                | /             | /  | /                                  | 60.98  | No   |
| Yao Yi     | Chief Financial Officer              | Male   | 38  | May 2023                | May 2026                  | /                | /             | /  | /                                  |  | No   |
| Du Ping    | Director, Deputy General             | Female | 39  | March 2020              | May 2026                  | /                | /             | /  | /                                  | 65.53  | No   |

|                        |                                      |        |    |               |           |            |            |   |   |        |    |
|------------------------|--------------------------------------|--------|----|---------------|-----------|------------|------------|---|---|--------|----|
|                        | Manager, and key technical personnel |        |    |               |           |            |            |   |   |        |    |
| Du Ping                | Secretary of Board of Directors      | Female | 39 | December 2023 | May 2026  | /          | /          | / | / |        | No |
| Liu Jia                | Independent Director                 | Female | 40 | May 2023      | May 2026  | /          | /          | / | / | 16.00  | No |
| Xu Yan                 | Independent Director                 | Male   | 63 | May 2023      | May 2026  | /          | /          | / | / | 8.00   | No |
| Chen Mingfei           | Independent Director                 | Male   | 46 | March 2020    | May 2026  | /          | /          | / | / | 8.00   | No |
| Du Wei                 | Supervisor                           | Female | 41 | March 2020    | May 2026  | /          | /          | / | / | 46.39  | No |
| Zhong Jianpeng         | Employee Representative Supervisor   | Male   | 35 | March 2020    | May 2026  | /          | /          | / | / | 57.87  | No |
| Lyu Meiya              | Supervisor                           | Female | 37 | November 2022 | May 2026  | /          | /          | / | / | 24.75  | No |
| Ke Li                  | Deputy General Manager               | Female | 44 | March 2020    | May 2026  | /          | /          | / | / | 95.08  | No |
| Liu Yu                 | Key technical personnel              | Male   | 37 | July 2019     | /         | /          | /          | / | / | 54.84  | No |
| Wang Yifeng            | Key technical personnel              | Male   | 46 | August 2019   | /         | /          | /          | / | / | 39.05  | No |
| Wang Xi                | Key technical personnel              | Male   | 38 | August 2019   | /         | /          | /          | / | / | 50.59  | No |
| Ouyang Qingsheng       | Key technical personnel              | Male   | 54 | July 2017     | /         | /          | /          | / | / | 58.96  | No |
| Zuo Xiaofang           | Key technical personnel              | Female | 38 | March 2020    | /         | /          | /          | / | / | 64.53  | No |
| Li Xiaobing (departed) | Deputy General Manager               | Male   | 57 | March 2020    | July 2024 | /          | /          | / | / | 30.93  | No |
| Total                  | /                                    | /      | /  | /             | /         | 19,800,000 | 19,800,000 | / | / | 816.74 | /  |

Note: The pre-tax remuneration obtained by independent director Liu Jia during the reporting period is the director allowance for 2023 and 2024.

| Name       | Major working experiences  |
|------------|--|
| Li Gongyan | Mr. Li Gongyan, born in June 1979, Chinese, without overseas permanent residency, graduated from the Institute of Automation of the Chinese Academy of Sciences, with a doctoral degree, and is a researcher and doctoral supervisor. He served as an Assistant Researcher at the Institute of Automation of the Chinese Academy of Sciences from July 2008 to July 2010 and Assistant Researcher, Associate Researcher, and Researcher at IMECAS from August 2010 to May 2016. Since June 2016, he has served as the Director of the Intelligent Manufacturing Electronics R&D Center and the Director of the Intelligent Logistics Equipment System Engineering Laboratory at IMECAS. From October 2012 to September 2019, he served as the Technical Director of the Intelligent Transportation Research Center and the Deputy Director of the Laboratory of the Information Recognition and System Control Research Center at Jiangsu IoT Research and Development Center. He served as the Chairman of Wayzim Limited from May 2016 to March 2020 and the Manager of Wayzim Limited from May 2016 to May 2019. He has been serving as the Chairman of the Company since March 2020. He has been serving as the Executing Partner of Wayzim Yuanchuang since April 2018 and the Executing Partner of Qunchuang Zhongda since January 2019. |
| Gao Bo     | Mr. Gao Bo, born in September 1983, Chinese, without permanent residency abroad, graduated from the Xinjiang Technical Institute of Physics and Chemistry, Chinese Academy of Sciences, with a doctoral degree. From July 2011 to September 2016, he served as an Associate Researcher at the Institute of Microelectronics of the Chinese Academy of Sciences. From September 2016 to April 2020, he served as the Deputy General Manager of Beijing Zhongke Newmicro Technology Co., LTD. He has served as an Associate Researcher at the Institute of Microelectronics of the Chinese Academy of Sciences since April 2020. He has served as the Executive Deputy General Manager of Zhongke Micro Investment since August 2022. He has served as a Director of the Company since November 2023.  |
| Yao Yi     | Mr. Yao Yi, born in December 1987, Chinese, without overseas permanent residency, graduated from the University of Birmingham in the UK, with a master's degree. He served as an Investment Consultant for China Merchants Securities Co., Ltd. from April 2012 to May 2014. He has been serving as the General Manager of Zhongke Guanwei since June 2014. From May 2016 to May 2019, he served as the Director and Assistant Manager of Wayzim Limited. From May 2019 to March 2020, he served as a Director and Manager of Wayzim Limited. He has been the Director and General Manager of the Company since March 2020. He also serves as the Chief Financial Officer of the Company since May 2023.   |
| Du Ping    | Ms. Du Ping, born in October 1986, Chinese, without overseas permanent residency, graduated from Beijing University of Posts and Telecommunications, with a master's degree. She is a doctorate candidate at the Institute of Microelectronics of the Chinese Academy of Sciences. She served as a Hardware Engineer at Changshuo Technology (Shanghai) Co., Ltd. from July 2008 to November 2009. She studied at Beijing University of Posts and Telecommunications from September 2010 to March 2013 and obtained a Master's Degree in Testing Technique and Automation Equipment. She served as the Director of the Information Recognition and System Control Research Center at Jiangsu IoT Research and Development Center from April 2013 to June 2019. She served as the Director of Wayzim Limited from May 2019 to March 2020 and the Hardware Engineer of Wayzim Limited from July 2019 to March 2020. She has been the Director and Deputy General Manager of the Company since March 2020, and the Secretary of the Board of Directors of the Company since December 2023.  |
| Liu Jia    | Ms. Liu Jia, born in December 1985, Chinese, with overseas permanent residency, obtained a master's degree from University of Illinois Urbana-Champaign in June 2009 and a master's degree from University of Washington in December 2014. She served as the Senior Consultant at Ernst & Young from August 2010 to July 2013. She served as the Financial Accountant at Airbiquity Inc. from January 2015 to December 2015. She   |

|                |   |
|----------------|---|
|                | served as the Financial Analyst at Microsoft Corporation from June 2017 to September 2018. She has been the Senior Tax Consultant at CPA firms since March 2019. She has been serving as an Independent Director of the Company since May 2023.   |
| Xu Yan         | Mr. Xu Yan, born in August 1962, Chinese, without overseas permanent residency, graduated from Jiangnan University (formerly Wuxi Institute of Light Industry) with a doctoral degree. He is also a professor and doctoral supervisor. Since September 1984, he has successively served as the lecturer, associate professor, and professor of the School of Biotechnology at Jiangnan University. He has been serving as an Independent Director of the Company since May 2023.  |
| Chen Mingfei   | Mr. Chen Mingfei, born in October 1979, Chinese, without overseas permanent residency, graduated from Southwest University of Political Science and Law, with a master's degree. He served as a Lawyer at Shanghai Joinway Law Firm from July 2005 to May 2008, a Lawyer at Shanghai Zhanghong Law Firm from May 2008 to February 2015, and a Partner at Shanghai Keen Right Law Firm from February 2015 to October 2018. He has served as a partner of Boss and Young Attorneys at Law since October 2018. He has been serving as an Independent Director of the Company since March 2020.   |
| Du Wei         | Ms. Du Wei, born in August 1984, Chinese, without overseas permanent residency, graduated from Jiangnan University, with a college degree. She served as the Administrative Director of MacroCloud Corporation from November 2010 to July 2016. He served as a Supervisor of Wayzim Limited from May 2016 to March 2020 and as the Director of the Management Department of Wayzim Limited from August 2016 to March 2020. She has served as the Chairwomen of the Board of Supervisors and the Director of the Internal Control Management Department of the Company since March 2020.   |
| Zhong Jianpeng | Mr. Zhong Jianpeng, born in September 1990, Chinese, without permanent overseas residency, graduated from Jiangxi Environmental Engineering Vocational College, with a college degree. He served as an Electronics Engineer at the Institute of Automation of the Chinese Academy of Sciences from September 2012 to March 2013 and an Electrical Engineer at the Jiangsu IoT Research and Development Center from April 2013 to June 2019. He served as the Director of Project Department I of Wayzim Limited from July 2016 to March 2020 and has been serving as an Employee Representative Supervisor, the Director of the Integrated Division of Civil Aviation, and the Head of the Logistics System Integration Design Center (Project Management) and the Purchasing Department of the Company since March 2020. |
| Lyu Meiya      | Ms. Lyu Meiya, born in January 1988, Chinese, without overseas permanent residency, holds a bachelor's degree. She served as a Legal Specialist at Wuxi Sanying Investment Guarantee Co., Ltd. from January 2010 to February 2014, a Legal Specialist at Jiangsu Finawin Wealth Management Consulting Co., Ltd. from May 2014 to September 2014, a Legal Specialist at Beijing Hengchang Huicheng Information Consulting Co., Ltd. Wuxi Branch from November 2014 to August 2019, and a Legal Specialist at Dongzhu Ecological Environment Protection Co., Ltd. from October 2019 to March 2020. She has been the Legal Specialist of Wayzim Technology Co., Ltd. since June 2020.  |
| Ke Li          | Ms. Ke Li, born in November 1981, Chinese, without overseas permanent residency, graduated from Nankai University, with a bachelor's degree. She served as a civil servant in the People's Government of Yijiang Town, Nanling County, Anhui Province from February 1999 to June 2006, a civil servant of the CYL Nanling County Committee from June 2006 to July 2014, and a civil servant at Anhui Nanling Economic Development Zone from July 2014 to September 2017. She served as the Director of Marketing Department I of Wayzim Limited from September 2017 to March 2020 and has been serving as a Deputy General Manager of the Company since March 2020.   |
| Liu Yu         | Mr. Liu Yu, born in November 1988, Chinese, without overseas permanent residency, graduated from Beijing Jiaotong University, with a master's degree. He served as a Research Intern and Assistant Researcher at the Institute of Microelectronics of the Chinese Academy of Sciences from July 2012 to August 2020. He served as an R&D Engineer of Machine Vision and Image Algorithms at Wayzim Limited from July 2019 to March  |



|                           |   |
|---------------------------|---|
|                           | 2020 and has been serving as the Deputy Director of the Intelligent System Laboratory of the Company since March 2020.  |
| Wang Yifeng               | Mr. Wang Yifeng, born in July 1979, Chinese, without overseas permanent residency, graduated from Beijing Institute of Technology, with a master's degree. He served as an Automation Engineer at Nayur Technology (Beijing) Co., Ltd. from March 2013 to June 2015, an Electrical Engineer at Beijing Corona Science and Technology Co., Ltd. from June 2015 to April 2016, and an Electrical Engineer at the Institute of Microelectronics of the Chinese Academy of Sciences from May 2016 to October 2019. He served as the Director of the Electrical R&D Department of Wayzim Limited from August 2019 to March 2020 and has been serving as the leader of the Electrical R&D Team of the Intelligent System Laboratory of the Company since March 2020.  |
| Wang Xi                   | Mr. Wang Xi, born in October 1987, Chinese, without overseas permanent residency, graduated from University of Science and Technology Beijing, with a master's degree. He served as an Assistant Researcher at the Institute of Microelectronics of the Chinese Academy of Sciences from July 2015 to October 2019. He served as Deputy Director of Large Parcel Sorting Division of Wayzim Limited from August 2019 to March 2020, Head of Software R&D Center of the Company from March 2020 to November 2022, Director of Project Department from November 2022 to December 2024, and Head of After-Sales Management of the Engineering Department since January 2025.   |
| Ouyang Qingsheng          | Mr. Ouyang Qingsheng, born in October 1971, Chinese, without overseas permanent residency, graduated from Zhejiang University, with a bachelor's degree. He served as a Technician at Hangzhou Hengtai Building Materials Equipment Manufacturing Co., Ltd. from July 1994 to December 1997, an Engineer at Hangzhou Chengdong Packaging Equipment Co., Ltd. from January 1998 to March 2005, an Engineer at Toplens (Hangzhou). Inc. from April 2005 to March 2013, and an Engineer at the Jiangsu IoT Research and Development Center from April 2013 to June 2019. He served as the Director of the Mechanical Design and Manufacturing Innovation Department of Wayzim Limited from July 2017 to March 2020 and has been serving as the person in charge of the Electromechanical System Research and Development Center of the Company.  |
| Zuo Xiaofang              | Ms. Zuo Xiaofang, born in March 1987, Chinese, without overseas permanent residency, graduated from Jiangnan University, with a master's degree. She served as a Mechanical Engineer at China Security and Surveillance Technology, Inc. from July 2014 to September 2015, a Mechanical Engineer at the Jiangsu IoT Research and Development Center from September 2015 to November 2018, the Director of the Mechanical Design and Manufacturing Innovation Department of Wayzim Limited from July 2017 to March 2020, a Logistics System Planning Engineer at Wuxi Zhongding Integration Technology Co., Ltd. from November 2018 to May 2019, and a Mechanical Engineer at the Jiangsu IoT Research and Development Center from May 2019 to March 2020. She has served as the Director of the Logistics System Planning and Design Center of the Company, the Person in Charge of the Mechanical and Electrical System R&D Department of the Intelligent Warehouse Division, and the Person in Charge of the Warehousing System Integration Design Department, Intelligent Warehousing Division, and Operations Management Center since March 2020. |
| Li Xiaobing<br>(departed) | Mr. Li Xiaobing, born in February 1968, Chinese, without overseas permanent residency, graduated from Xi'an Jiaotong University, with a master's degree. He served as an Engineer at the Institute of Automation of the Ministry of Chemical Industry from July 1990 to July 1993 and an Engineer at Lanzhou Engineering and Research Institute of Nonferrous Metallurgy Co., Ltd. from August 1993 to August 1996. He studied at Xi'an Jiaotong University from August 1996 to March 1999 and obtained a Master's Degree in Industrial Automation Instrumentation and Devices. He served as an Engineer, General Representative of the Mexican Representative Office, and Director of Government Affairs at ZTE Corporation from March 1999 to March 2016. He served as the Director of Government Affairs at Shenzhen ZTE Microelectronics Technology Co., Ltd. from March 2016 to November 2018, and Vice President of Shanghai Chuangyuan Instrument Technology Co., Ltd. from November 2018 to March 2020. He has served as Deputy General Manager of Wayzim Limited and Deputy General Manager of the Company from March 2020 to July           |

|       |
|-------|
| 2024. |
|-------|

## Other notes

√ Applicable ☐ Not applicable

Li Gongyan indirectly holds 27,360,000 shares of the Company through Quchuang Zhongda and Wayzim Yuanchuang; Yao Yi indirectly holds 810,000 shares of the Company through Quchuang Zhongda; Du Ping indirectly holds 1,215,000 shares of the Company through Quchuang Zhongda; Du Wei indirectly holds 180,000 shares of the Company through Qunchuang Zhongda; Zhong Jianpeng indirectly holds 1,215,000 shares of the Company through Qunchuang Zhongda; Ke Li indirectly holds 450,000 shares of the Company through Qunchuang Zhongda; Liu Yu indirectly holds 1,215,000 shares of the Company through Qunchuang Zhongda; Wang Yifeng indirectly holds 360,000 shares of the Company through Quchuang Zhongda; Wang Xi indirectly holds 630,000 shares of the Company through Quchuang Zhongda; Ouyang Qingsheng indirectly holds 1,215,000 shares of the Company through Quchuang Zhongda; and Zuo Xiaofang indirectly holds 450,000 shares of the Company through Qunchuang Zhongda.

## (II) Positions of current and dismissed directors, supervisors, and senior management during the reporting period

### 1. Job titles in the shareholder companies

√ Applicable □ Not applicable

| Relevant personnel                           | Shareholder company      | Job title                | Starting date of tenure | Expiration date of tenure |
|--|--------------------------|--------------------------|-------------------------|---------------------------|
| Li Gongyan                                   | Wayzim Yuanchuang        | Executing Partner        | April 2018              | /                         |
| Li Gongyan                                   | Qunchuang Zhongda        | Executing Partner        | January 2019            | /                         |
| Gao Bo                                       | Zhongke Micro Investment | Executive Vice President | August 2022             | /                         |
| Note for job titles in shareholder companies | None                     |                          |                         |                           |

### 2. Job title in other companies

√ Applicable □ Not applicable

| Relevant personnel | Other entity                              | Job title                              | Starting date of tenure | Expiration date of tenure |
|--------------------|---|--|-------------------------|---------------------------|
| Yao Yi             | Intelligent Sensing                       | Executive Director and General Manager | August 2021             | /                         |
| Yao Yi             | Zhongke Guanwei                           | Executive Director and General Manager | June 2014               | /                         |
| Yao Yi             | Zhitong Intelligent                       | Executive Director and General Manager | April 2021              | /                         |
| Yao Yi             | Chongqing Branch                          | Person in charge                       | June 2021               | /                         |
| Yao Yi             | Jiangxi Zhongwei                          | Executive Director and General Manager | June 2022               |                           |
| Yao Yi             | Anhui Zhongwei                            | Executive Director and General Manager | August 2022             | /                         |
| Yao Yi             | Jiangsu Power                             | Executive Director                     | November 2022           | /                         |
| Yao Yi             | Weizhizhi Automation                      | Executive Director and General Manager | March 2023              | /                         |
| Yao Yi             | Anhui Power                               | Executive Director                     | January 2023            | /                         |
| Yao Yi             | Shanghai Zhike Power Technology Co., Ltd. | Executive Director                     | March 2023              | /                         |
| Yao Yi             | Zhengzhou Branch                          | Person in charge                       | June 2021               | /                         |
| Yao Yi             | Wayzim Singapore                          | Director                               | June 2021               | /                         |
| Yao Yi             | Wayzim Malaysia                           | Director                               | March 2022              | /                         |
| Yao Yi             | Wayzim USA                                | Director                               | March 2022              | /                         |
| Yao Yi             | Wayzim Hungary                            | Director                               | August 2022             | /                         |
| Yao Yi             | Wayzim Germany                            | Director                               | December 2022           | /                         |
| Yao Yi             | Wayzim UK                                 | Director                               | December 2022           | /                         |

|  |   |  |                |               |
|--|---|--|----------------|---------------|
| Yao Yi                                 | Wayzim South Korea  | Director                               | September 2023 | /             |
| Yao Yi                                 | Zhejiang Equipment  | Executive Director and General Manager | April 2024     | /             |
| Li Gongyan                             | Wayzim Anhui  | Executive Director and General Manager | May 2017       | October 2024  |
| Li Gongyan                             | Wayzim R&D  | Executive Director and General Manager | November 2019  | October 2024  |
| Li Gongyan                             | Wayzim Guangdong  | Executive Director                     | November 2019  | October 2024  |
| Li Gongyan                             | Wayzim Chengdu  | Executive Director                     | January 2022   | October 2024  |
| Li Gongyan                             | Wayzim Jiangxi  | Executive Director                     | May 2022       | October 2024  |
| Ke Li                                  | Suzhou Branch   | Person in charge                       | April 2020     | /             |
| Ke Li                                  | Jiangsu Power   | General Manager                        | November 2022  | /             |
| Ke Li                                  | Shanghai Zhike Power Technology Co., Ltd.                 | General Manager                        | March 2023     | /             |
| Ke Li                                  | Wayzim Hong Kong  | Director                               | November 2024  | /             |
| Ke Li                                  | Wayzim Guangdong  | Director                               | October 2024   | /             |
| Du Ping                                | Shenzhen Branch   | Person in charge                       | March 2023     | /             |
| Du Ping                                | Wayzim R&D  | Director and General Manager           | October 2024   | /             |
| Chen Mingfei                           | Shanghai Boss and Young Law Firm                          | Partner                                | October 2018   | /             |
| Gao Bo                                 | Beijing Xinwei Investment Management Co., Ltd.            | Executive Director                     | February 2024  | /             |
| Gao Bo                                 | SMIC Future Microelectronics Technology Chengdu Co., Ltd. | Director                               | September 2023 | /             |
| Gao Bo                                 | ZKX Epoch Technology Co., Ltd.                            | Director                               | November 2023  | /             |
| Gao Bo                                 | Chip Cloud Microelectronics Technology Co., Ltd.          | Director                               | November 2023  | /             |
| Zhong Jianpeng                         | Wayzim Singapore  | Director                               | May 2023       | /             |
| Zhong Jianpeng                         | Wayzim Malaysia   | Director                               | May 2023       | /             |
| Zhong Jianpeng                         | Wuxi Zhongke Jinghui Automation Technology Co., Ltd.      | Executive Director and General Manager | November 2014  | November 2024 |
| Zhong Jianpeng                         | Wayzim Chengdu  | Director                               | October 2024   | /             |
| Zhong Jianpeng                         | Wayzim Jiangxi  | Executive Director                     | October 2024   | /             |
| Li Xiaobing (departed)                 | Wayzim Chengdu  | General Manager                        | January 2022   | /             |
| Notes for job titles in other entities | None  |  |                |               |

**(III) Remunerations of directors, supervisors, senior management, and key technical personnel**

√ Applicable □ Not applicable

In CNY 10,000

|   |   |
|---|---|
| Decision-making procedure for remunerations of directors, supervisors, and senior management  | After being reviewed and confirmed by the Remuneration and Assessment Committee, the allowances for directors and supervisors shall be submitted to the Board of Directors/Board of Supervisors and General Meeting for approval. The remuneration of senior management shall be determined by the Board of Directors.  |
| Whether a director quits the discussing of his/her own remuneration at the Board of Directors meeting   | Yes   |
| Specific circumstances of the Remuneration and Assessment Committee or special meeting of independent directors making recommendations on the remuneration of directors, supervisors, and senior management | On April 17, 2024, the Board of Directors' Remuneration and Assessment Committee approved the <i>Proposal for the Remuneration of Directors for 2024</i> and the <i>Proposal for the Remuneration of Senior Management for 2024</i> .   |
| Basis for determining the remuneration of directors, supervisors, and senior management   | Directors, employee supervisors, and senior management personnel serving in specific positions in the Company receive corresponding remuneration based on their specific positions in the Company. Independent directors are entitled to a fixed amount of allowance. Directors (excluding the independent directors) who do not hold specific positions in the Company will not receive remuneration in the Company. |
| Actual payment of remuneration of directors, supervisors, and senior management   | During this reporting period, the actual payments of remuneration to the Company's directors and senior management personnel were the same as that disclosed by the Company.  |
| Total remunerations actually paid to all directors, supervisors, and senior management at the end of the reporting period   | 548.77  |
| Total remunerations actually paid to key technical personnel at the end of the reporting period   | 468.74  |

**(IV) Changes of directors, supervisors, senior management, and key technical personnel of the Company**

√ Applicable □ Not applicable

| Name        | Position               | Change | Reason for change                |
|-------------|------------------------|--------|----------------------------------|
| Li Xiaobing | Deputy General Manager | Depart | Departed due to personal reasons |

**(V) Information on penalties by securities regulators in recent three years**

□ Applicable √ Not applicable

**(VI) Others**

□ Applicable √ Not applicable

**VII. Meetings of the Board of Directors Held during the Reporting Period**

| Session | Date | Meeting resolution |
|---------|------|--------------------|
|---------|------|--------------------|

|   |                   |  |
|---|-------------------|--|
| The 8th Meeting of the Second Board of Directors  | March 27, 2024    | The <i>Proposal for Establishing Wayzim Zhejiang Equipment Subsidiary</i> was reviewed and approved.   |
| The 9th Meeting of the Second Board of Directors  | April 20, 2024    | The <i>Proposal for the 2023 Work Report of the General Manager of the Company</i> , the <i>Proposal for the 2023 Work Report of the Board of Directors of the Company</i> , the <i>Proposal for the 2023 Annual Report and Abstract of the Company</i> , the <i>Proposal for the 2023 Work Report of Independent Directors of the Company</i> , and the <i>Proposal for the Special Report of Independence Self-assessment of the Company's Independent Directors</i> were reviewed and approved.               |
| The 10th Meeting of the Second Board of Directors | April 28, 2024    | The <i>Proposal for the Q1 Report of the Company in 2024</i> was reviewed and approved.  |
| The 11th Meeting of the Second Board of Directors | June 7, 2024      | The <i>Proposal for Adjusting the List and Granted Quantity of Incentive Targets Under the 2024 Restricted Stock Incentive Plan</i> and the <i>Proposal for the First Grant of Restricted Stock to Incentive Targets Under the 2024 Incentive Plan</i> were reviewed and approved.   |
| The 12th Meeting of the Second Board of Directors | July 5, 2024      | The <i>Proposal for the Share Repurchase Plan Through Centralized Bidding Transactions</i> and the <i>Proposal for Convening the Company's First Extraordinary General Meeting in 2024</i> were reviewed and approved.   |
| The 13th Meeting of the Second Board of Directors | July 17, 2024     | The <i>Proposal for Formulating the Wayzim 2024 Quality Enhancement, Efficiency Improvement, and Return Optimization Action Plan</i> was reviewed and approved.  |
| The 14th Meeting of the Second Board of Directors | August 8, 2024    | The <i>Proposal for Adjusting the Grant Price of Wayzim 2024 Restricted Stock Incentive Plan</i> , the <i>Proposal for Granting Reserved Restricted Stock to Incentive Targets of Wayzim 2024 Restricted Stock Incentive Plan</i> , the <i>Proposal for Canceling Part of the Granted but Unvested Restricted Stock of Wayzim 2024 Restricted Stock Incentive Plan</i> , and the <i>Proposal for Reserved Portion Allocation Under Wayzim Phase II Employee Stock Ownership Plan</i> were reviewed and approved. |
| The 15th Meeting of the Second Board of Directors | August 29, 2024   | The <i>Proposal for the Semi-annual Report and Abstract of the Company in 2024</i> and the <i>Proposal for the Semi-annual Special Report on the Deposition and Actual Use of Funds Raised for the Company in 2024</i> were reviewed and approved.   |
| The 16th Meeting of the Second Board of Directors | October 22, 2024  | The <i>Proposal for Adjusting the Upper Limit of the Repurchase Price of Shares</i> was reviewed and approved.   |
| The 17th Meeting of the Second Board of Directors | October 29, 2024  | The <i>Proposal for the 2024 Q3 Report of the Company</i> , and the <i>Proposal for Establishing a Wholly-owned Subsidiary in Hong Kong</i> were reviewed and approved.  |
| The 18th Meeting of the Second Board of Directors | November 15, 2024 | The <i>Proposal for Using Excess raised funds and Part of Idle Raised Funds for Cash Management</i> was reviewed and approved.   |
| The 19th Meeting of the Second Board of Directors | December 31, 2024 | The <i>Proposal for Formulating the Public Opinion Management System of Wayzim Technology Co., Ltd.</i> was reviewed and approved.   |

**VIII. Performance of Duties by Directors****(I) Attendance of directors at the meetings of the Board of Directors and general meetings**

| Director Name | Independent director or not | Attendance at the meetings of the Board of Directors                               |                       |                                       |                      |                    |  | Attendance at the general meetings        |
|---------------|-----------------------------|--|-----------------------|---------------------------------------|----------------------|--------------------|--|---|
|               |                             | Number of the meetings of the Board of Directors that should be attended this year | Attendances in person | Attendances by means of communication | Attendances by proxy | Number of absences | Presence by proxy for two consecutive times or not | Number of attendances at general meetings |
| Li Gongyan    | No                          | 12   | 12                    | 10                                    | 0                    | 0                  | No   | 2   |
| Gao Bo        | No                          | 12   | 12                    | 12                                    | 0                    | 0                  | No   | 2   |
| Yao Yi        | No                          | 12   | 12                    | 10                                    | 0                    | 0                  | No   | 2   |
| Du Ping       | No                          | 12   | 12                    | 10                                    | 0                    | 0                  | No   | 2   |
| Chen Mingfei  | Yes                         | 12   | 12                    | 12                                    | 0                    | 0                  | No   | 2   |
| Liu Jia       | Yes                         | 12   | 12                    | 12                                    | 0                    | 0                  | No   | 2   |
| Xu Yan        | Yes                         | 12   | 12                    | 12                                    | 0                    | 0                  | No   | 2   |

Reasons for absences at the meetings of the Board of Directors for two successive times

☐ Applicable ☒ Not applicable

|   |    |
|---|----|
| Number of meetings of the Board of Directors held during the year | 12 |
| Including: Number of on-site meetings                             | 0  |
| Number of meetings held in communication mode                     | 0  |
| Number of on-site meetings held in communication mode             | 12 |

**(II) Objections raised by directors to relevant affairs of the Company**☐ Applicable ☒ Not applicable**(III) Others**☐ Applicable ☒ Not applicable**IX. Special Committees Under the Board of Directors**☒ Applicable ☐ Not applicable**(I) Members of the special committees under the Board of Directors**

| Type of special committee             | Members  |
|---------------------------------------|--|
| Audit Committee                       | Liu Jia (Chairman), Chen Mingfei, and Li Gongyan |
| Nomination Committee                  | Chen Mingfei (Chairman), Xu Yan, and Li Gongyan  |
| Remuneration and Assessment Committee | Liu Jia (Chairman), Chen Mingfei, and Li Gongyan |
| Strategy Committee                    | Li Gongyan (Chairman), Liu Jia, and Xu Yan       |

**(II) During the reporting period, the Audit Committee held a total of six meetings**

| Date               | Content  | Important comments and suggestions   | Other performance of duties |
|--------------------|--|--|-----------------------------|
| April 17, 2024     | <i>The Proposal for the 2024 Q1 Work Report of the Company's Internal Audit Department</i> was reviewed and approved.  | All proposals were unanimously approved after full communication and discussion. | None                        |
| April 17, 2024     | <i>The Proposal for the Performance Report of the Audit Committee in 2023, the Special Report on the Deposit and Actual Use of Funds Raised in 2023, the Proposal for the Financial Final Accounts Report in 2023, the Proposal for the Audit Report in 2023, and the Proposal for the Financial Budget Report in 2024</i> were reviewed and approved. | All proposals were unanimously approved after full communication and discussion. | None                        |
| April 28, 2024     | <i>The Proposal for the Q1 Report of the Company in 2024</i> was reviewed and approved.  | All proposals were unanimously approved after full communication and discussion. | None                        |
| August 29, 2024    | <i>The Proposal for the Semi-annual Report and Abstract of the Company in 2024 and the Proposal for the Semi-annual Special Report on the Deposition and Actual Use of Funds Raised for the Company in 2024</i> were reviewed and approved.  | All proposals were unanimously approved after full communication and discussion. | None                        |
| September 11, 2024 | <i>The Proposal for the Company's Internal Audit Department Q2 Work Summary and Q3 Work Plan in 2024</i> was reviewed and approved.  | All proposals were unanimously approved after full communication and discussion. | None                        |
| October 29, 2024   | <i>The Proposal for the Company's 2024 Q3 Report, and the Proposal for 2024 Q3 Work Summary and Q4 Work Plan of the Company's Internal Audit Department</i> were reviewed and approved.  | All proposals were unanimously approved after full communication and discussion. | None                        |

**(III) During the reporting period, the Strategy Committee held a total of one meeting**

| Date | Content | Important comments and suggestions | Other performance of duties |
|------|---------|------------------------------------|-----------------------------|
|------|---------|------------------------------------|-----------------------------|



|                |   |  |      |
|----------------|---|--|------|
| April 17, 2024 | The <i>Proposal for Applying for General Line of Credit from Banks and Providing Guarantee for Wholly-owned Subsidiaries in 2024</i> , the <i>Proposal for Using Temporary Idle Proprietary Funds for Entrusted Wealth Management</i> , and the <i>Proposal for the Report on the Performance of the Strategy Committee in 2023</i> were reviewed and approved. | All proposals were unanimously approved after full communication and discussion. | None |
|----------------|---|--|------|

**(IV) During the reporting period, the Remuneration and Assessment Committee held three meetings**

| Date           | Content   | Important comments and suggestions   | Other performance of duties |
|----------------|---|--|-----------------------------|
| April 17, 2024 | The <i>Proposal for 2024 Remuneration for Directors</i> , the <i>Proposal for 2024 Remuneration for Senior Management Personnel of the Company</i> , the <i>Proposal for 2023 Performance of the Remuneration and Appraisal Committee</i> , the <i>Proposal for the Phase II Employee Stock Ownership Plan of Wayzim Technology Co., Ltd. and Summary Thereof</i> , and the <i>Proposal for the Management Measures for the Phase II Employee Stock Ownership Plan of Wayzim Technology Co., Ltd.</i> were reviewed and approved. | All proposals were unanimously approved after full communication and discussion. | None                        |
| June 7, 2024   | The <i>Proposal for Adjusting the List and Granted Quantity of Incentive Targets Under the 2024 Restricted Stock Incentive Plan</i> and the <i>Proposal for the First Grant of Restricted Stock to Incentive Targets Under the 2024 Incentive Plan</i> were reviewed and approved.  | All proposals were unanimously approved after full communication and discussion. | None                        |
| August 8, 2024 | The <i>Proposal for Granting Reserved Restricted Stocks to the Incentive Targets of Wayzim 2024 Restricted Stock Incentive Plan</i> , and the <i>Proposal for Allocation of Reserved Shares for Wayzim Phase II Employee Stock Ownership Plan</i> were reviewed and approved.   | All proposals were unanimously approved after full communication and discussion. | None                        |

**(V) During the reporting period, the Nomination Committee held one meeting**

| Date           | Content  | Important comments and suggestions   | Other performance of duties |
|----------------|--|--|-----------------------------|
| April 17, 2024 | The <i>Proposal for the 2023 Performance Report of the Nomination Committee of the Board of Directors</i> was reviewed and approved. | All proposals were unanimously approved after full communication and discussion. | None                        |

**(VI) Specific circumstances of objections**

☐ Applicable ☒ Not applicable

**X. Statement of the Board of Supervisors on the Company's Risks**

☐ Applicable ☒ Not applicable

The Board of Supervisors voiced no objections to the supervisory matters during the reporting period.

**XI. Employees of Parent Company and Major Subsidiaries at the End of the Reporting Period****(I) Employees**

|  |                     |
|--|---------------------|
| Number of current employees of the parent company  | 716                 |
| Number of current employees of major subsidiaries  | 905                 |
| Total number of current employees  | 1621                |
| Number of retired employees requiring subsidies from the parent company and major subsidiaries | 0                   |
| Professional composition   |                     |
| Type   | Number of employees |
| Production personnel   | 748                 |
| Sales personnel  | 211                 |
| R&D personnel  | 472                 |
| Financial personnel  | 28                  |
| Administrative personnel   | 110                 |
| Management personnel   | 52                  |
| Total  | 1,621               |
| Education background   |                     |
| Type   | Number of employees |
| Ph.D.  | 2                   |
| Master   | 219                 |
| Bachelor   | 704                 |
| Junior college degree  | 421                 |
| High school or below graduates   | 275                 |
| Total  | 1,621               |

**(II) Remuneration policy**

☒ Applicable ☐ Not applicable

The Company has developed a remuneration system that is competitive in the market and in line with the Company's strategic development requirements, established different position levels based on the job characteristics and capability requirements of different positions, and gradually improved the remuneration level of employees based on the results of employee performance evaluation to stimulate their initiative and creativity. The Company has formulated budget management methods for remuneration, benefits, and labor costs based on strategic development plans, continuously optimizing staffing and improving personnel efficiency.

**(III) Training plan**

☒ Applicable ☐ Not applicable

The Company has developed a training system tailored to the professional and technical requirements of different positions and prepared employee career plans based on strategic development requirements and employees' development intentions. The Company combines internal and external training. Internal training means that each department regularly prepares plans, organizes professional technical training within the department and across departments, and promotes continuous learning, feedback, and improvement in work. External training means that technical personnel is selected to participate in external technical training for understanding technical development and trends in a timely manner, internalizing, and sharing within the team. In addition, the Company promotes training in management and sharing of work methods to promote the continuous improvement of management skills among management personnel.

**(IV) Labor outsourcing**√ Applicable ☐ Not applicable

|   |                |
|---|----------------|
| Total working hours of labor outsourcing                      | Not applicable |
| Total remuneration paid for labor outsourcing (In CNY 10,000) | 557.33         |

**XII. Plans for Profit Distribution and Conversion of Capital Reserve into Share Capital****(I) Formulation, implementation, and adjustments of cash dividend policy**√ Applicable ☐ Not applicable

In accordance with relevant regulations such as the *Notice on Further Implementation of Cash Dividend of Listed Companies*, *Regulatory Guidelines for Listed Companies No. 3—Distribution of Cash Dividends of Listed Companies*, and *Self-Regulation Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1—Standard Operation*, the Company has clearly defined the principles and forms of profit distribution, cash dividend policy, decision-making procedures and mechanisms for profit distribution schemes, and adjustments to profit distribution policies in the *Articles of Association*. The Company's profit distribution should focus on providing appropriate investment returns to investors and consider the Company's sustainable development.

**(II) Special notes for cash dividend policy**√ Applicable ☐ Not applicable

|   |                                   |
|---|-----------------------------------|
| Whether it complies with provisions of the <i>Articles of Association</i> or the resolution of General Meeting                                  | √ Yes <input type="checkbox"/> No |
| Whether the dividend standards and proportions are specific and clear   | √ Yes <input type="checkbox"/> No |
| Whether relevant decision-making procedures and mechanisms are completed  | √ Yes <input type="checkbox"/> No |
| Whether the independent directors perform their responsibilities or not   | √ Yes <input type="checkbox"/> No |
| Whether medium and small shareholders fully raise their opinions and demands, and whether their lawful rights and interests are protected fully | √ Yes <input type="checkbox"/> No |

**(III) Where no proposal for distribution of cash profits is presented in the existence of profits and positive profits available for distribution by the parent company to shareholders during the reporting period, the Company shall give detailed reasons and provide the purpose and plan for use of those undistributed profits**

☐ Applicable √ Not applicable**(IV) Profit distribution or conversion of capital reserve into share capital in the reporting period**☐ Applicable √ Not applicable**(V) Cash dividend distribution over the past three fiscal years**√ Applicable ☐ Not applicable

In CNY

|   |                |
|---|----------------|
| Net profit attributable to common shareholders of the listed company in the consolidated financial statements for the most recent fiscal year | -84,750,818.23 |
| Undistributed profits at the end of the most recent fiscal year of the parent company   | -5,611,553.06  |
| Total cash dividends (including tax) over the past three fiscal years (1)   | 10,083,734.52  |

|   |                |
|---|----------------|
| Total repurchased and canceled amount over the past three fiscal years (2)                              | -              |
| Total cash dividends and repurchases and cancellations over the past three fiscal years (3) = (1) + (2) | 10,083,734.52  |
| Average net profit over the past three fiscal years (4)   | -60,872,662.47 |
| Cash dividend payout ratio over the past three fiscal years (%) (5) = (3) / (4)                         | Not applicable |
| Total R&D investment over the past three fiscal years   | 522,479,932.22 |
| Proportion of R&D investment in total operating revenue over the past three fiscal years (%)            | 7.74%          |

### XIII. Share Incentive Plan, Employee Stock Ownership Plan, or Other Employee Incentives and Effects Thereof

#### (I) Overall information on equity incentives

√ Applicable ☐ Not applicable

##### 1. Equity incentive plan during the reporting period

In CNY

| Name   | Incentive method           | Number of underlying shares | Proportion of underlying shares (%) | Number of incentive targets | Proportion of incentive targets (%) | Grant price of underlying shares |
|--|----------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|----------------------------------|
| Wayzim Technology Co., Ltd. 2024 Restricted Stock Incentive Plan | Class II restricted stocks | 1,350,000                   | 1.03                                | 49                          | 2.79                                | 17.00                            |

##### 2. Progress of equity incentive implementation during the reporting period

√ Applicable ☐ Not applicable

Unit: 10,000 shares

| Name | Number of equity incentives granted at the beginning of the year | New equity incentives granted during the reporting period | Number of equity incentives that can be vested/exercised/unlocked during the reporting period | Number of equity incentives vested/exercised/unlocked during the reporting period | Grant price/exercise price (CNY) | Number of equity incentives granted at the end of the period | Number of shares attributed/exercised/unlocked at the end of the period |
|------|--|---|---|---|----------------------------------|--|---|
|      |  |   |   |   |                                  |  |   |

|  |   |       |   |   |       |       |   |
|--|---|-------|---|---|-------|-------|---|
| Wayzim Technology Co., Ltd. 2024 Restricted Stock Incentive Plan | 0 | 102.9 | 0 | 0 | 16.92 | 102.9 | 0 |
|--|---|-------|---|---|-------|-------|---|

### 3. Completion of equity incentive assessment indicators and recognized share-based payment expenses during the reporting period

☐ Applicable ☒ Not applicable

#### (II) Incentives disclosed in the temporary announcements and without progresses or changes in the follow-up implementation process

☒ Applicable ☐ Not applicable

| Overview  | Query index   |
|---|---|
| Initial granting of restricted stock to the incentive targets under the Company's 2024 restricted stock incentive plan  | For details, refer to Wayzim's <i>Announcement on the Initial Grant of Restricted Stock to the Incentive Targets under the Company's 2024 Restricted Stock Incentive Plan</i> (Announcement No.: 2024-030) disclosed on the Shanghai Stock Exchange website by the Company on June 8, 2024.   |
| Adjustment of grant price, grant of reserved restricted stock, and cancellation of unvested granted restricted stock under the 2024 restricted stock incentive plan | For details, refer to Wayzim's <i>Announcement on the Adjustment of Grant Price, Grant of Reserved Restricted Stock, and Cancellation of Unvested Granted Restricted Stock under the 2024 Restricted Stock Incentive Plan</i> (Announcement No. 2024-043) disclosed on the Shanghai Stock Exchange website by the Company on August 10, 2024. |

Other notes

☐ Applicable ☒ Not applicable

Employee stock ownership plan

☒ Applicable ☐ Not applicable

#### I. Wayzim Phase I Employee Stock Ownership Plan:

1. On April 24, 2022, the Company held the 17th Meeting of the First Board of Directors and the 6th Meeting of the First Board of Supervisors, at which the *Phase I Employee Stock Ownership Plan (Draft) of Wayzim Intelligent Manufacturing Technology Co. Ltd.*, the *Management Measures for the Phase I Employee Stock Ownership Plan of Wayzim Intelligent Manufacturing Technology Co. Ltd.*, and relevant proposals were reviewed and approved.

2. The Company held the 18th Meeting of the First Board of Directors and the 7th Meeting of the First Board of Supervisors On April 26, 2022, and held the 2021 Annual General Meeting on May 16, 2022, at which the *Proposal for the Phase I Employee Stock Ownership Plan (Draft Amendment) of Wayzim Intelligent Manufacturing Technology Co. Ltd. and Abstract* and other relevant proposals were reviewed and approved.

3. On May 7, 2022, the Company held the First Employee Representative Meeting 2022, at which the *Proposal for the Phase I Employee Stock Ownership Plan (Draft Amendment) of Wayzim Intelligent*

*Manufacturing Technology Co. Ltd. and Abstract and the Proposal for Management Measures for the Phase I Employee Stock Ownership Plan of Wayzim Intelligent Manufacturing Technology Co. Ltd. (Amendment)* were reviewed and approved.

4. On June 29, 2022, the bank accounts and securities accounts for the Phase I Employee Stock Ownership Plan of the Company have been opened, for which the stocks of the Company have not been purchased yet.

5. On July 13, 2022, the Company held the first holders' meeting for the Phase I Employee Stock Ownership Plan, at which relevant proposals were approved, including the *Proposal for Establishing the Management Committee of Phase I Employee Stock Ownership Plan of the Company*, and the *Proposal for Electing Members for the Management Committee of Phase I Employee Stock Ownership Plan of the Company*.

6. On July 29, 2022, the purchase of stocks of the Company was completed for the Phase I Employee Stock Ownership Plan. The underlying stocks purchased as per the Employee Stock Ownership Plan were unlocked successively in ten periods after 12 months from the date of announcement, with 12 months for each period, totaling 120 months.

7. On August 1, 2023, the Company held the second meeting of the Phase I Employee Stock Ownership Plan Management Committee to review and approve the *Arrangements for the Expiration of the First Unlocking Period of Wayzim Phase I Employee Stock Ownership Plan*. The first tranche of the Phase I Employee Stock Ownership Plan has reached the expiration of the first unlocking period, and 10% of the total plan shares were unlocked in this period.

8. On August 29, 2023, the Company held the second shareholders' meeting of the Phase I Employee Stock Ownership Plan to review and approve the *Proposal for Changing the Members of the Management Committee of the Phase I Employee Stock Ownership Plan*.

9. On July 29, 2024, the Company held the third meeting of the Phase I Employee Stock Ownership Plan Management Committee to review and approve the *Proposal for the Arrangements for the Expiration of the Second Unlocking Period of Wayzim Phase I Employee Stock Ownership Plan*.

## **II. Wayzim Phase II Employee Stock Ownership Plan:**

1. On April 20, 2024, the Company held the 9th Meeting of the Second Board of Directors and the 7th Meeting of the Second Board of Supervisors, to review and approve relevant proposals such as the *Proposal for the Phase II Employee Stock Ownership Plan (Draft) and Abstract*, and the *Proposal for the Management Measures of the Phase II Employee Stock Ownership Plan*.

2. On April 28, 2024, the Company held the First Employee Representative Meeting 2024, at which the *Proposal for the Phase II Employee Stock Ownership Plan (Draft) of Wayzim Technology Co., Ltd. and Abstract*, and the *Proposal for Management Measures for the Phase II Employee Stock Ownership Plan of Wayzim Technology Co., Ltd.* were reviewed and approved.

3. On August 8, 2024, the Company held the 14th Meeting of the Second Board of Directors and the 11th Meeting of the Second Board of Supervisors, to review and approve the *Proposal for the Allocation of Reserved Shares for the Wayzim Phase II Employee Stock Ownership Plan*.

4. On August 23, 2024, the Company received the *Securities Transfer Registration Confirmation* issued by China Securities Depository and Clearing Corporation Limited, confirming that 530,400 shares of the Company's stock held by the Wayzim Technology Co., Ltd. Special Securities Account for Share Repurchase (B885343876) were transferred off-market to the securities account of the Wayzim Technology Co., Ltd. Phase II Employee Stock Ownership Plan (B886582245) at a price of CNY 17.00 per share. This employee stock ownership plan (including reserved shares) will be unlocked in six phases. Each phase has a lock-up period of 12 months, and the total lock-up period is 72 months.

5. On August 26, 2024, the Company held the first meeting of the Phase II Employee Stock Ownership Plan holders, to review and approve the *Proposal for Establishing the Phase II Employee Stock Ownership Plan Management Committee for the Company*, the *Proposal for Electing Members of the Phase II Employee Stock Ownership Plan Management Committee for the Company*, and the *Proposal for Authorizing the Phase II Employee Stock Ownership Plan Management Committee and Its Authorized Persons to Handle Matters Related to This Plan*.

Other incentives

☐ Applicable ☒ Not applicable

**(III) Stock ownership incentives granted to the directors, senior management and key technical personnel during the reporting period**

**1. Stock options**

☐ Applicable ☒ Not applicable

**2. Class I restricted stocks**

☐ Applicable ☒ Not applicable

**3. Class II restricted stocks**

☒ Applicable ☐ Not applicable

Unit: 10,000 shares

| Name        | Title                           | Number of restricted stocks granted at the beginning of the year | Number of newly granted restricted stocks during the reporting period | Grant price of restricted stocks (CNY) | Number of shares that can be vested during the reporting period | Number of shares vested during the reporting period | Number of restricted stocks granted at the end of the period | Market price at the end of the reporting period (CNY) |
|-------------|---------------------------------|--|---|--|---|---|--|---|
| Li Xiaobing | Vice General Manager (departed) | 0  | 20.58   | 17                                     | 0   | 0   | 0  | 29.25   |
| Total       | /                               | 0  | 20.58   | /                                      | 0   | 0   | 0  | /   |

On August 8, 2024, the Company held the 14th Meeting of the Second Board of Directors and the 11th Meeting of the Second Board of Supervisors, to review and approve the *Proposal for Canceling Certain Granted but Unvested Restricted Stocks under Wayzim 2024 Restricted Stock Incentive Plan*. The Board of Directors decided to annul 205,800 shares of Class II restricted stocks granted to Mr. Li Xiaobing, who has resigned as Vice General Manager.

**(IV) Establishment and implementation of assessment system and incentive system for senior management during the reporting period**

☒ Applicable ☐ Not applicable

According to the *Articles of Association* and *Executive Remuneration Management System of the Company*, the Company has established a scientific and appropriate salary and performance assessment and evaluation system to maximize the enthusiasm, initiative, and creativity of employees. The incentive system was well implemented during the reporting period. The compensation plan for senior management of the Company is developed by the Compensation and Performance Assessment Committee and executed with the approval of the Board of Directors. The compensation for senior management mainly consists of basic salary and performance bonuses, and is approved and paid based on the annual business operation of the Company, personal job responsibilities, and achievement of goals.

**XIV. Construction and Implementation of Internal Control System during the Reporting Period**√ Applicable ☐ Not applicable

During the reporting period, the Company gradually established an internal control system covering all business activities and a long-term internal control supervision mechanism, and continued to dynamically refine relevant systems and mechanisms by taking into account the characteristics of the industry and the actual status of business development of the Company in strict accordance with relevant laws and regulations, normative documents, for example, the *Company Law*, the *Securities Law*, the *Basic Standard for Enterprise Internal Control*, as well as the requirements of the *Articles of Association* and the *Internal Audit System of the Company*.

Given the operational characteristics of the Company, a risk control framework was established, consisting of corporate governance structures, such as the General Meeting, Board of Directors, and Board of Supervisors, as well as Audit Committees and Internal Audit Department. In the framework, the functions of risk assessment and risk treatment at each level are clearly divided, and relevant response strategies are comprehensively leveraged to achieve effective risk control.

The *2024 Internal Control Evaluation Report* of the Company accurately reflects the facts concerning the construction and implementation of internal control of the Company in an all-round way during the reporting period. According to the identification of deficiencies in the internal control of the Company, no material weaknesses or significant deficiencies were identified for the Company in 2024. In the future, the Company will continue to improve its internal control system, normalize its execution, and intensify its internal control supervision and inspection, so as to facilitate the healthy and sustainable development of the Company.

Explanation on the presence of material weaknesses in internal control during the reporting period

☐ Applicable √ Not applicable**XV. Management and Control of Subsidiaries during the Reporting Period**√ Applicable ☐ Not applicable

The Company practiced management and control of its subsidiaries in accordance with the systems and provisions as set forth in the *Articles of Association*, the *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board*, and the *Measures for the Management of Subsidiaries* during the reporting period.

**XVI. Explanation of Relevant Information of Internal Control Audit Report**√ Applicable ☐ Not applicable

For details of the internal control audit report, see *Wayzim Internal Control Audit Report in 2024* disclosed by the Company on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on April 23, 2025.

Has the Company disclosed the internal control audit report: Yes

Type of opinion in internal control audit report: Standard unqualified opinion

**XVII. Rectification of Self-inspected Problems in the Special Action for Corporate Governance of Listed Companies**

There were no self-inspected problems or rectifications for the Company.

**XVIII. Others**☐ Applicable √ Not applicable



## Section V Environment, Social Responsibility, and Other Corporate Governance

### I. Statement by the Board of Directors on the ESG

In order to improve corporate governance, meet regulatory requirements, and assume corporate social responsibility, the Board of Directors of the Company has been fully supporting the execution of ESG related work. In terms of improving corporate governance, the Company established and continuously improved the modern corporate governance structure, and constantly perfect the operational mechanisms of the General Meeting, Board of Directors, Board of Supervisors, and the Management. When it comes to employee training, two employee stock ownership platforms, Qunchuang Zhongda and Wayzim Yuanchuang, were established successively. The management and backbone employees of the Company are the holders of the stocks, fully mobilizing the enthusiasm and initiative of core employees, and striving to cultivate a group of outstanding management and technical talents in the Company. On protection of the rights and interests of investors, the Company effectively conveyed its business highlights and development prospects via information disclosure, research, and SSE E-interactive, fully safeguarding the right to know and interests of all shareholders and relevant investors.

### II. Overall ESG Work Results

☐ Applicable ☒ Not applicable

### III. Environmental Information

|  |     |
|--|-----|
| Whether environmental protection mechanisms are established                        | Yes |
| Investment in environmental protection during the reporting period (In CNY 10,000) | 52  |

#### (I) Is it a key pollution-discharging unit announced by the environmental protection authorities?

☐ Yes ☒ No

#### (II) Administrative penalties due to environmental issues during the reporting period

No administrative penalties occurred to the Company due to environmental issues during the reporting period.

#### (III) Resource and energy consumption and emissions

☒ Applicable ☐ Not applicable

The Company industry is not a heavy pollution industry, and the main pollutants generated during the production of the Company include exhaust gas, wastewater, noise, and solid waste. According to the national environmental protection law and relevant regulations on energy conservation and emission reduction, the Company strictly implements national and local laws and regulations during construction and operation, and executes project environmental assessment and environmental management systems to the letter.

The Company has established relevant management mechanisms in line with the ISO14001 Environmental Management System and has been certified by the above system. During the reporting period, the Company abided by environmental laws and regulations. Neither environmental pollution accident in its production or operation, nor violation of environmental laws and regulations happened to the Company, let alone punishment by relevant administrative authorities.

**1. Greenhouse gas emission**

☐ Applicable ☒ Not applicable

**2. Energy and resource consumption**

☒ Applicable ☐ Not applicable

Electricity and natural gas consumption in production and office of the Company dominates its energy and resource consumption. The Company advocates resource conservation and the use of energy-saving equipment. By optimizing product design and manufacturing processes, the Company reduces energy losses in the production, continuously improves the utilization of energy and resources, and calls on employees to save water and electricity, practice green office, refine office processes, reduce paper consumption or raise recycle rates.

**3. Waste and pollutant discharge**

☒ Applicable ☐ Not applicable

The main pollutants generated during the production of the Company include wastewater, exhaust gas, noise, and solid waste.

**1. Wastewater**

The wastewater of the Company mainly refers to production sewage and domestic sewage of employees. The production sewage is pretreated by water treatment equipment and then connected to the sewage treatment plant through the municipal pipe network for centralized treatment, which will not be discharged until it satisfies the *Wastewater Quality Standards for Discharge to Municipal Sewers* (GB/T31962-2015) and the *Discharge Standard of Main Water Pollutants for Municipal Wastewater Treatment Plant and Key Industries of Taihu Area*.

**2. Exhaust gas**

The Company strictly controls the uncontrolled emission of exhaust gas, ensuring that the collection and treatment efficiency of various process exhaust gases, as well as the height of exhaust funnels, meet environmental requirements. After effective collection and treatment, the exhaust gas is emitted through a 15-meter-high exhaust funnel. The emission concentration and rate of volatile organic compounds (VOCs) at the outlet of the exhaust funnel comply with the *Emission Control Standard of Volatile Organic Compounds for Industrial Enterprises* (DB 12/524-2020). the particulate matter beyond the plant boundary meets the maximum concentration limit requirements of the monitoring points in the *Integrated Emission Standard of Air Pollutants* (GB16297-1996).

**3. Noise**

The Company selects low noise equipment, reasonably arranges and takes effective noise reduction measures such as vibration reduction and sound insulation to ensure that the equivalent sound levels of the noise monitoring points around the plant boundary during the day and night conform to the Class III standard limit requirements in the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB 12348-2008).

**4. Solid waste**

The Company implements measures for the collection, disposal, and comprehensive utilization of various types of solid waste in accordance with the disposal principles of reduction, resource utilization, and harmlessness, entrusts the Environmental Sanitation Department to handle household waste, performs comprehensive utilization and disposal of general waste, and commissions qualified units to dispose of wastes such as scrap rubber, spent activated carbon, and waste filter cotton. Before transferring the wastes, the transfer procedures must be handled by the environmental protection administrative department. The stacking, storage, and transfer of solid waste in the plant area shall comply with the relevant requirements of the *Standard for Pollution Control of General Industrial Solid Waste Storage and Disposal Sites* (GB18599-2020) and the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2001), without generating secondary pollution.

**4. Environmental protection management system of the Company**√ Applicable ☐ Not applicable

The Company has been certified by ISO 14001:2015 Environmental Management System, faithfully implements environmental protection laws and regulations, such as the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Environmental Impact Assessment* in daily production and operation, and consciously fulfills its social responsibility for ecological environment protection. The Company has established a sound environmental protection management system, and issued relevant regulations including the *Waste Management Regulations*, the *Wastewater and Noise Management Procedures*, the *Hazardous Chemical Management Procedures*, the *Procedures for Identification, Evaluation and Update of Environmental Factors*, the *Management Procedures for Monitoring and Measurement of Environment and Occupational Health and Safety*, and the *Management Procedures for Objectives, Indicators, and Plan of Environment and Occupational Health and Safety*. Furthermore, the Company inspects and patrols important environmental factors such as exhaust gas, wastewater, solid waste, and noise, and organizes environmental training to raise employees' environmental awareness.

**(IV) Measures taken to reduce carbon emission and their effects during the reporting period**

|   |   |
|---|---|
| Whether to take carbon reduction measures   | Yes   |
| Reduction of carbon dioxide equivalent (unit: ton)  | 260   |
| Types of carbon reduction measures (for example, clean energy power generation, carbon reduction technologies in production, and research and development of new products for carbon reduction) | The annual photovoltaic energy consumption is 418,652 kWh, equivalent to a reduction of approximately 260 tons of carbon dioxide emissions. |

**Detailed description**√ Applicable ☐ Not applicable

The Company industry is not a high-energy consuming industry, and energy consumption mainly involves electricity, gasoline, and natural gas. The Company reduces greenhouse gas emissions per unit of product through scientific energy-saving measures and production technology optimization and upgrading.

**(V) New technologies, products, and services in carbon emission reduction**√ Applicable ☐ Not applicable

The Company actively promotes the application of photovoltaic technology, saving approximately CNY 80,000 in electricity costs annually through the installation and use of photovoltaic equipment. In addition, the Company actively promotes the ECOVADIS rating, continuously optimizes the environmental management system, and enhances the Company's environmental sustainability performance in the global supply chain.

**(VI) Information conducive to ecological protection, pollution prevention, and performance of environmental responsibility**√ Applicable ☐ Not applicable**1. Establish and improve the environmental protection management system of the Company**

The Company strictly observes the laws and regulations, for instance, the *Environmental Protection Law*, the *Law on Environmental Impact Assessment*, and the *Law on the Prevention and Control of Environmental Pollution by Solid Waste*, and continuously reinforces environmental risk management to ensure that the production and operation of the Company comply with relevant laws, regulations, and standards. According to the national and local government requirements, the Company formulates and strictly practices internal systems, including the *Exhaust Gas Emission Management System*, the *Domestic Sewage Discharge Management System*, and the *Waste Management Procedure* to ensure that all emissions reach the standards, and develops emission reduction paths based on facts of the Company.

**2. Identify significant environmental factors**

The Company identified major environmental factors in various regions and departments, and employed a series of control measures, for example, selecting flame-retardant materials to reduce toxic gas emissions, classifying hazardous waste for unified recycling, and continuously carrying out recycling of recyclable packing barrels. Besides, corresponding targets were set, and the results were tested and measured to control environmental risks.

**3. Launch a hazardous waste management plan**

The Company launched a hazardous waste management plan and appointed the General Manager as the person in charge to effectively advance the plan. The Company analyzed the overview of hazardous waste generation, set the annual target of hazardous waste generation, and reduced the environmental hazard of toxic and harmful substances from the source by purchasing low toxic raw and auxiliary materials, selecting materials that are easy to degrade and recycle, and eliminating and updating equipment.

**(VII) Measures taken to address global climate change and their effects**√ Applicable ☐ Not applicable

The Company actively promotes the ECOVADIS rating, continuously optimizes the environmental management system, and enhances the Company's environmental sustainability performance in the global supply chain.

**IV. Social Responsibilities****(I) Social contribution and key industry indicators of the main business**

Refer to "I. Discussion and Analysis of Operations" and "II. Description of the Main Business, Business Model, Industry Situation and R&D Engaged in by the Company during the Reporting Period" in "Section III Discussions and Analysis by the Management".

**(II) Promotion of technological innovation**

Refer to "(IV) Key technologies and R&D progress" of "II. Description of the Main Business, Business Model, Industry Situation and R&D Engaged in by the Company during the Reporting Period" in "Section III Discussions and Analysis by the Management".

**(III) Compliance with scientific and technological ethics**

The Company strictly adheres to the principles of prudence and stability in product R&D and application, and consistently upholds scientific and technological ethics. The Company focuses on data privacy protection, ensures that the application of results meets ethical requirements, strives to bring positive impacts to society, and avoids potential ethical risks.

**(IV) Data security and privacy protection**

The Company always places data security and network security in a key position. The Company strictly follows the latest laws and regulations of China and other countries, and creates a comprehensive and multi-layered information security management system combining industry and the Company's own situation. By continuously improving the compliance system construction, the Company has established a management framework that complies with laws and regulations of China and other countries. In terms of organizational management, the Company conducts onboarding and periodic information security and confidentiality training for all employees, enhancing the information security awareness of all staff and effectively reducing security risks due to human factors. In terms of R&D data security protection, the Company attaches great importance to ensuring the confidentiality, integrity, and availability of core data, strengthening the technical defense. The Company separates its internal and external networks and ensures strict isolation between the two to effectively protect confidential company data and files.

In the future, the Company will regard data security a core element of digital transformation, and continuously enhance data security governance through institutional, technological, and management innovations, providing a solid guarantee for high-quality business development.

**(V) Types and contributions of public welfare projects and charity activities**

| Type   | Amount | Notes  |
|--|--------|--|
| Donations contributed                            |        |  |
| Including: Fund (in CNY 10,000)                  | -      |  |
| Amount of goods and materials<br>(in CNY 10,000) | -      |  |
| Public welfare projects                          |        |  |
| Including: Fund (in CNY 10,000)                  | -      |  |
| Number of beneficiaries (person)                 | -      |  |
| Rural revitalization                             |        |  |
| Including: Fund (in CNY 10,000)                  | 1      | Paid to Nanling Charity Foundation, which made targeted donations to Changle Village in Nanling County for rural revitalization efforts. |
| Amount of goods and materials<br>(in CNY 10,000) | -      | Not applicable   |
| Quantity of employment<br>(person)               | -      | Not applicable   |

**1. Specific public welfare projects and charitable activities**

☐ Applicable ☒ Not applicable

**2. Consolidating the achievements in fighting against poverty and in rural vitalization**

√ Applicable □ Not applicable

| Poverty alleviation and rural revitalization projects                           | Quantity/Content | Notes                   |
|---|------------------|-------------------------|
| Total Investment (in CNY 10,000)  | 1                |                         |
| Including: Fund (in CNY 10,000)   | 1                |                         |
| Amount of goods and materials (in CNY 10,000)                                   | -                | Not applicable          |
| Number of beneficiaries (person)  | 50               | CNY 200 for each person |
| Forms (for example, poverty alleviation in industry, employment, and education) |                  |                         |

Detailed description

□ Applicable √ Not applicable

**(VI) Protection of the rights and interests of shareholders and creditors**

During the reporting period, the Company continuously improved its corporate governance structure and focused on standardized operations in accordance with relevant laws, regulations, and normative documents such as the *Company Law* and the *Securities Law*. Based on the *Articles of Association*, the Company established and bettered various internal management systems, and set up a decision-making and operating system with the General Meeting, Board of Directors, and Board of Supervisors as the main structure. The convening, holding, and voting procedures of the General Meeting, Board of Directors, and Board of Supervisors of the Company all complied with relevant regulations.

The Company strictly fulfilled its information disclosure obligations, and guaranteed the truthfulness, accuracy, timeliness, and completeness of information disclosure during the reporting period. At the same time, the Company publicly disclosed information to all investors, ensuring that all shareholders have equal opportunities to access information. In addition, the Company interacted and communicated with investors by multiple means, including announcements, General Meetings, investor research (including but not limited to telephone consultation, email communication, and on-the-spot communication), and SSE E-interactive.

**(VII) Protection of the rights and interests of employees**

The Company signed labor contracts with employees in strict accordance with the *Labor Law*, effectively safeguarded their rights and interests, protected their personal privacy, continuously improved employment management, and created a harmonious office atmosphere. It attracted and retained talents depending on robust salary incentive policies and equity incentive mechanisms, and stimulated employees' enthusiasm for work. The talent development system was constantly refined, and clear career development channels were built to help employees achieve career development. An equal employment mechanism was established. Moreover, a learning and development platform was provided for employees, and internal and external training mechanisms were developed to help employees improve their professional skills and knowledge.

**Stockholdings of employees**

|  |          |
|--|----------|
| Number of stockholding employees (person)                                      | 75       |
| Percentage of stockholding employees in the total employees of the Company (%) | 4.63     |
| Quantity of stockholdings of employees (in 10,000 shares)                      | 4,099.62 |
| Percentage of stockholdings of employees in the total shares (%)               | 31.15    |

Note: The above stockholdings refer to the corporate stocks directly held by employees (including Directors, Supervisors, Senior Management, and key technical personnel) or indirectly held by employees (including Directors, Supervisors, Senior Management, and key technical personnel) through the stockholding platforms, Qunchuang Zhongda and Wayzim Yuanchuang, before the first issue as of the end of the reporting period, as well as that held through the Wayzim Phase I Employee Stock Ownership Plan and Wayzim Phase II Employee Stock Ownership Plan, excluding the corporate stocks purchased from the secondary market by other employees other than the Directors, Supervisors and Senior Management.

**(VIII) Protection of the rights and interests of suppliers, customers, and consumers**

The Company, advocating the philosophy of provision of considerate service, fully respects and protects the rights and interests of partners, suppliers, and customers, and establishes and maintains long-term good cooperative and win-win relationships with them.

**(IX) Product safety guarantee**

As guided by the spirit of "Technological innovation and premium quality", the Company established a technology innovation system with enterprises as the main body, and continued to provide customers with first-class products and attentive professional services. According to the requirements of the quality management system, the Company executed comprehensive quality management in product production, installation, and after-sales service to manage product safety and quality in an all-round way, in order to ensure the high-speed, stable and highly reliable product operation, and better meet customer needs.

**(X) Intellectual property protection**

Since intellectual property is the source of enterprise innovation, the protection of intellectual property rights such as patents and trademarks is crucial for the sustainable development of a company. The Company will continue to value the protection of patents and trademarks in the future, and enhance the profitability of the Company relying on independent innovation technology and independent intellectual property rights. The Company has formulated relevant information security management systems, specified the rights and responsibilities as to information security management, and standardized detailed management procedures for information security and related equipment and facilities, and perfected the standard process for identifying information security risks and handling incidents, all of which were made to ensure the information security of the Company, normalize and manage the equipment and facilities, software systems, data information, and operations connected to the information system of the Company, and guarantee that the information system enables efficient support of business management of the Company.

**(XI) Other situations in assuming social responsibility**√ Applicable ☐ Not applicable

Refer to "I. Discussion and Analysis of Operations" and "II. Description of the Main Business, Business Model, Industry Situation and R&D Engaged in by the Company during the Reporting Period" in "Section III Discussions and Analysis by the Management".

**V. Other Situations of Corporate Governance****(I) Party building**√ Applicable ☐ Not applicable

The Party branch of the Company has a total of 87 party members, consisting of 1 party branch secretary, 3 party branch committee members, 1 probationary party members, and 82 formal party members.

Since the establishment of the Company's party branch, the Company has unwaveringly aligned with the Party's leadership, fully integrated the Party's advanced ideas and policies into the Company's strategic planning and daily operations, and ensured the Company proceeds steadily under the guidance of national policies, without deviation. The company deeply understands that the fundamental reason for the Company's growth and expansion lies in having a workforce with a firm political stance, excellent professional skills, and noble ideological realms. Therefore, the Company's party branch attaches great importance to the core role of party building work in talent development. By regularly holding activities such as "Three Meetings and One Lesson" and themed party days, the Company not only enhances the political quality of party members but also provides a wide platform for the broad workforce for ideological growth and capacity enhancement. Under the guidance of the party branch, all employees of the Company are united in their thoughts and efforts, continuously pursue excellence, treat each task with a perfection-seeking attitude, and demonstrate responsibility and commitment through their actions. The Company firmly believes that with the engagement of party branch members, all employees of the Company will contribute greater strength to the development of the enterprise and society.

**(II) Investor relations and protection**

| Type  | Number of times                   | Details   |
|---|-----------------------------------|---|
| Performance briefing  | 3                                 | During the reporting period, the Company held three performance briefings, namely, "2023 and 2024 Q1 Performance Briefing", "2024 Semi-annual Performance Briefing", and "2024 Q3 Performance Briefing". The performance briefings were all held by the Shanghai Stock Exchange (SSE) Roadshow Center via online interaction. |
| Investor relations management activities via new media      | 0                                 | None  |
| Set-up of investor relations column on the official website | √ Yes <input type="checkbox"/> No | www.wayzim.com Investor Relations Column  |



Specific implementation of investor relations management and protection

☒ Applicable ☐ Not applicable

According to the provisions of the *Company Law*, the *Securities Law*, the *Guidelines for the Work on Listed Companies and Investor Relations*, the *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board*, the *Articles of Association*, and other relevant laws and regulations, the Company has developed the *Investor Relations Management System of Wayzim Technology Co., Ltd.* based on the facts of the Company to increase information communication between the Company, investors, and potential investors, effectively establish a good communication platform between the Company and investors, perfect the corporate governance structure, and faithfully protect the legitimate rights and interests of investors, so that a long-term, stable, and harmonious positive interactive relationship is formed between the Company and investors.

Communication and exchange with investors by other means

☒ Applicable ☐ Not applicable

During the reporting period, the Company also fully strengthened communication and exchange with investors through company hotlines, emails, and the SSE e-interactive platform, and established a good investor interaction mechanism.

### **(III) Transparency of information disclosure**

☒ Applicable ☐ Not applicable

The Company has developed relevant information disclosure management systems based on the facts of the Company in accordance with relevant laws and regulations, for instance, the *Company Law*, the *Securities Law*, the *Administrative Measures for the Disclosure of Information of Listed Companies*, the *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board*, and the relevant provisions of the *Articles of Association*, in order to normalize the information disclosure behavior, strengthen the management of information disclosure affairs, promote the legal and regulated operation of the Company, and safeguard the legitimate rights and interests of the Company, investors and other stakeholders. The Company discloses relevant information completely in strict accordance with relevant regulations in a truthful, accurate, and timely manner, continuously improving the transparency and quality of information disclosure, and ensuring that shareholders and investors have equal access to information.

### **(IV) Participation of institutional investors in corporate governance**

☐ Applicable ☒ Not applicable

### **(V) Operation status of anti-commercial bribery and anti-corruption mechanisms**

☐ Applicable ☒ Not applicable

### **(VI) Other situations of corporate governance**

☐ Applicable ☒ Not applicable

## Section VII Important Matters

### I. Fulfillment of Commitments

#### (I) Commitments of interested parties including the actual controllers, shareholders, affiliates, acquirers and the Company during or up to the reporting period

√ Applicable □ Not applicable

| Commitment background      | Commitment type   | Committing entity                    | Commitment description | Commitment time | With performance period or not | Commitment period               | Performed in a timely and strict manner or not | Specific reasons if not performed in a timely manner | Further plan if not performed in a timely manner |
|----------------------------|-------------------|--------------------------------------|------------------------|-----------------|--------------------------------|---------------------------------|--|--|--|
| Commitments related to IPO | Restricted shares | Li Gongyan                           | Note 1                 | June 29, 2020   | Yes                            | 42 months from October 26, 2021 | Yes  | N/A  | N/A  |
|                            | Restricted shares | Wayzim Yuanchuang, Qunchuang Zhongda | Note 2                 | June 29, 2020   | Yes                            | 42 months from October 26, 2021 | Yes  | N/A  | N/A  |
|                            | Others            | Li Gongyan                           | Note 3                 | June 29, 2020   | No                             | Permanent                       | Yes  | N/A  | N/A  |
|                            | Others            | Wayzim Yuanchuang, Qunchuang Zhongda | Note 4                 | June 29, 2020   | No                             | Permanent                       | Yes  | N/A  | N/A  |
|                            | Others            | Zhongke Micro Investment, Yao Yajuan | Note 5                 | June 29, 2020   | No                             | Permanent                       | Yes  | N/A  | N/A  |
|                            | Others            | Company                              | Note 6                 | June 29, 2020   | Yes                            | 36 months from October 26, 2021 | Yes  | N/A  | N/A  |

|  |        |   |         |               |     |                                 |     |     |     |
|--|--------|---|---------|---------------|-----|---------------------------------|-----|-----|-----|
|  | Others | Li Gongyan  | Note 7  | June 29, 2020 | Yes | 36 months from October 26, 2021 | Yes | N/A | N/A |
|  | Others | Li Gongyan, Yao Yi, Du Ping, Xi Yuxiang, Lai Qi, Ke Li, Li Xiaobing, Zou Xi | Note 8  | June 29, 2020 | Yes | 36 months from October 26, 2021 | Yes | N/A | N/A |
|  | Others | Company   | Note 9  | June 29, 2020 | No  | Permanent                       | Yes | N/A | N/A |
|  | Others | Li Gongyan  | Note 10 | June 29, 2020 | No  | Permanent                       | Yes | N/A | N/A |
|  | Others | Company   | Note 11 | June 29, 2020 | No  | Permanent                       | Yes | N/A | N/A |
|  | Others | Li Gongyan  | Note 12 | June 29, 2020 | No  | Permanent                       | Yes | N/A | N/A |
|  | Others | All Directors and Senior Management   | Note 13 | June 29, 2020 | No  | Permanent                       | Yes | N/A | N/A |
|  | Others | Company   | Note 14 | June 29, 2020 | No  | Permanent                       | Yes | N/A | N/A |
|  | Others | Company   | Note 15 | June 29, 2020 | No  | Permanent                       | Yes | N/A | N/A |
|  | Others | Li Gongyan  | Note 16 | June 29, 2020 | No  | Permanent                       | Yes | N/A | N/A |
|  | Others | Wayzim Yuanchuang, Qunchuang Zhongda, Zhongke Micro Investment, Yao Yajuan  | Note 17 | June 29, 2020 | No  | Permanent                       | Yes | N/A | N/A |
|  | Others | All Directors, Supervisors,   | Note 18 | June 29, 2020 | No  | Permanent                       | Yes | N/A | N/A |

|  |        |  |         |               |    |           |     |     |     |
|--|--------|--|---------|---------------|----|-----------|-----|-----|-----|
|  |        | Senior Management, and key technical personnel |         |               |    |           |     |     |     |
|  | Others | Li Gongyan                                     | Note 19 | June 29, 2020 | No | Permanent | Yes | N/A | N/A |
|  | Others | Li Gongyan                                     | Note 20 | June 29, 2020 | No | Permanent | Yes | N/A | N/A |
|  | Others | Li Gongyan                                     | Note 21 | June 29, 2020 | No | Permanent | Yes | N/A | N/A |

**Note 1: Commitment of Li Gongyan, the actual controller of the issuer, on stock sale restriction**

1. Within 36 months from the listing date of the stocks of the issuer, I will not transfer or entrust others to manage the shares, which are issued by the issuer before its IPO and shall not be repurchased by the issuer, held directly or indirectly by me, and I will handle the share lockup procedures as per law.
2. After the aforementioned lockup period expires, I will not transfer more than 25% of the total number of issuer's shares held by me each year during the tenure of the issuer, and I will not transfer my issuer's shares within six months after I leave office.
3. Where my shareholdings are reduced within two years after the expiration of the lockup period, the price of reduction shall be no lower than the issue price. If the closing price of the issuer's shares is lower than the issue price for 20 consecutive trading days within 6 months after the issuer goes public, or the closing price of the issuer's shares at the end of 6 months after the issuer goes public is lower than the issue price, the lockup period for the issuer's shares shall be automatically extended for at least 6 months.
4. During the period when I am identified as the actual controller of the issuer, I will declare to the issuer the shares and changes in them that I directly or indirectly hold.
5. I will also observe the laws and regulations as well as other provisions on share lockup as set forth in the *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board*.

**Note 2: Commitments of shareholders Wayzim Yuanchuang and Qunchuang Zhongda on stock sale restriction**

1. Within 36 months from the listing date of the stocks of the issuer, the Company will not transfer or entrust others to manage the shares, which are issued by the issuer before its IPO and shall not be repurchased by the issuer, held directly or indirectly by the Company, and the Company will handle the share lockup procedures as per law.

If the closing price of the issuer's shares is lower than the issue price for 20 consecutive trading days within 6 months after the issuer goes public, or the closing price of the issuer's shares at the end of 6 months after the issuer goes public is lower than the issue price, the lockup period for the issuer's shares shall be automatically extended for at least 6 months. Where the issuer performs ex dividend and ex right including dividend payouts, stock dividends, and conversion of capital reserve to share capital after the issuer goes public, the above issue price shall be the price after ex dividend and ex right.

3. During the period when the Company acts as the persons acting in concert with the actual controller of the issuer, the Company will declare to the issuer the shares and changes in them that it directly or indirectly holds.

4. The Company will also observe the laws and regulations as well as other provisions on share lockup as set forth in the *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board*.

**Note 3: Commitment of Li Gongyan, the actual controller of the issuer, on the intention of shareholding and shareholding reduction**

1. I will continue to be optimistic about the development prospects of the issuer and its industry in the future, and I am willing to steadily hold the issuer's shares for a long period of time. After the issuer goes public, I may reduce my holdings of the issuer's shares as needed after the lockup period expires.

2. I will abide by the requirements of the initial public offering prospectus and of the restriction period stated by various commitments made, and strictly observe relevant laws and regulations. I will not reduce my holdings of the pre-listing issuer's shares during the restriction period. After the above restriction conditions are lifted, I may decide to reduce my holdings, and I will announce the reduction plan three trading days before the reduction.

3. Where the issuer engages in serious illegal activities as stipulated in the *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board*, triggering the delisting criteria, I will not reduce my holdings of the issuer's shares from the date of the relevant administrative penalty decision or judicial adjudication to the date before the listing of issuer's stocks is terminated.

4. The specific arrangement for reducing my shareholding from the date of expiration of the lockup period is as follows:

(1) Number of shares to be reduced: If planning to reduce my shares after the lockup period expires, I will notify the issuer in writing of my intention to reduce my shares and the number of shares to be reduced in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange on shareholding reduction of shareholders, and the Company will make a timely announcement;

(2) Method of reduction: The reduction of holdings may be achieved by the centralized bidding trading system and the block trading system of the stock exchange, or by transfer by agreement;

(3) Price of reduction: Where my shareholdings are to be reduced within two years after the expiration of the lockup period, the price of reduction shall be no lower than the issue price; where the shares are to be reduced after 2 years from the expiration of the lockup period, the price of reduction shall conform to the relevant laws and regulations;

(4) Period of reduction: The period for shareholding reduction is 6 months after the announcement of the reduction plan. After the period of reduction expires, if it is still planned to continue the shareholding reduction, it is necessary to make a reduction announcement again according to the above arrangement.

5. In case of new rules and requirements for stock reduction by the China Securities Regulatory Commission or the stock exchange after the lockup period expires, I will observe these rules and requirements at the same time for my stock reduction.

**Note 4: Commitments of shareholders Wayzim Yuanchuang and Qunchuang Zhongda on the intention of shareholding and shareholding reduction**

1. The Company will continue to be optimistic about the development prospects of the issuer and its industry in the future, and the Company is willing to steadily hold the issuer's shares for a long period of time. After the issuer goes public, the Company may reduce its holdings of the issuer's shares as needed after the lockup period expires.

2. The Company will abide by the requirements of the IPO prospectus and of the restriction period stated by various commitments made, and strictly observe relevant laws and regulations. The Company will not reduce its holdings of the pre-listing issuer's shares during the restriction period. After the above restriction

conditions are lifted, the Company may decide to reduce its holdings, and the Company will announce the reduction plan three trading days before the reduction.

3. Where the issuer engages in serious illegal activities as stipulated in the *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board*, triggering the delisting criteria, the Company will not reduce its holdings of the issuer's shares from the date of the relevant administrative penalty decision or judicial adjudication to the date before the listing of issuer's stocks is terminated.

4. The specific arrangement for reducing its shareholding from the date of expiration of the lockup period is as follows:

(1) Number of shares to be reduced: If planning to reduce its shares after the lockup period expires, the Company will notify the issuer in writing of its intention to reduce its shares and the number of shares to be reduced in accordance with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange on shareholding reduction of shareholders, and the Company will make a timely announcement;

(2) Method of reduction: The reduction of holdings may be achieved by the centralized bidding trading system and the block trading system of the stock exchange, or by transfer by agreement;

(3) Price of reduction: Where the pre-listing issuer's shares directly or indirectly held by the Company are to be reduced within 2 years after the lockup period expires, the price of reduction shall be determined according to the secondary market price at that time, and shall not be lower than the issue price (Where the Company performs ex dividend and ex right for the stocks, including dividend payouts, stock dividends, and conversion of capital reserve to share capital, the issue price shall be the price after ex dividend and ex right); where the shares are to be reduced after 2 years from the expiration of the lockup period, the price of reduction shall conform to the relevant laws and regulations;

(4) Period of reduction: The period for shareholding reduction is 6 months after the announcement of the reduction plan. After the period of reduction expires, if it is still planned to continue the shareholding reduction, it is necessary to make a reduction announcement again according to the above arrangement.

5. In case of new rules and requirements for stock reduction by the China Securities Regulatory Commission or the stock exchange after the lockup period expires, the Company will observe these rules and requirements at the same time for its stock reduction.

**Note 5: Commitments of shareholders Zhongke Micro Investment and Yao Yajuan on the intention of shareholding and shareholding reduction**

1. The Company/I will continue to be optimistic about the development prospects of the issuer and its industry in the future, and the Company is/I am willing to steadily hold the issuer's shares for a long period of time. After the issuer goes public, the Company/I may reduce its/my holdings of the issuer's shares as needed after the lockup period expires.

2. The Company/I will abide by the requirements of the IPO prospectus and of the restriction period stated by various commitments made, and strictly observe relevant laws and regulations. The Company/I will not reduce its/my holdings of the pre-listing issuer's shares during the restriction period. After the above restriction conditions are lifted, the Company/I may decide to reduce its/my holdings, and the Company/I will announce the reduction plan three trading days before the reduction.

3. Where the issuer engages in serious illegal activities as stipulated in the *Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board*, triggering the delisting criteria, the Company/I will not reduce its/my holdings of the issuer's shares from the date of the relevant administrative penalty decision or judicial adjudication to the date before the listing of issuer's stocks is terminated.

4. The specific arrangement for reducing its/my shareholding from the date of expiration of the lockup period is as follows:

(1) Number of shares to be reduced: If planning to reduce its/my shares after the lockup period expires, the Company/I will notify the issuer in writing of its/my intention to reduce its/my shares and the number of shares to be reduced in accordance with the relevant regulations of the China Securities Regulatory Commission

and the Shanghai Stock Exchange on shareholding reduction of shareholders, and the Company/I will make a timely announcement;

(2) Method of reduction: The reduction of holdings may be achieved by the centralized bidding trading system and the block trading system of the stock exchange, or by transfer by agreement;

(3) Price of reduction: Where the pre-listing issuer's shares directly or indirectly held by the Company/me are to be reduced after the lockup period expires, the price of reduction shall be determined according to the secondary market price at that time, and shall satisfy the relevant provisions of the China Securities Regulatory Commission and Shanghai Stock Exchange on shareholding reduction of shareholder at that time;

(4) Period of reduction: The period for shareholding reduction is 6 months after the announcement of the reduction plan. After the period of reduction expires, if it is still planned to continue the shareholding reduction, it is necessary to make a reduction announcement again according to the above arrangement.

5. In case of new rules and requirements for stock reduction by the China Securities Regulatory Commission or the stock exchange after the lockup period expires, the Company/I will observe these rules and requirements at the same time for its/my stock reduction.

**Note 6: Measures and commitments of the Company on stabilizing stock prices**

1. Within three years after the IPO and listing of the Company on the Science and Technology Innovation Board (hereinafter referred to as the Offering and Listing"), if the closing price of the stock of the Company has been lower than the latest audited net asset value per share of the Company for 20 consecutive trading days (after the benchmark date of the latest audit, in case of change in the net asset value of the Company due to profit distribution, conversion of capital reserve to share capital, secondary public offering and right issue, the net asset value per share shall be adjusted accordingly, the same below) (hereinafter referred to as the "Launch Conditions"), except for force majeure, the Company may stabilize the stock price of the Company by repurchasing the stocks of the Company provided that the action complies with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange on stock repurchase, stockholding increase, and information disclosure. The specific arrangements are as follows:

(1) Repurchase of the stocks by the Company to stabilize the stock price shall conform to the provisions of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Measures on Administration of Listed Company's Buying Back the Shares held by the Public (for trial implementation)*, the *Supplementary Provisions on the Share Repurchase by Listed Companies by Means of Centralized Bidding*, the *Opinions on Supporting Share Repurchase by Listed Companies*, the *Detailed Rules of Shanghai Stock Exchange for the Implementation of Share Repurchase by Listed Companies*, and other relevant laws and regulations as well as normative documents, and shall ensure that the equity distribution of the Company complies with the listing conditions.

(2) The resolution on the stock repurchase plan made by General Meeting of the Company shall be subject to more than 2/3 of the voting shares of the present shareholders at the meeting, and the actual controller of the Company promises to vote in favor of the consideration of such the stock repurchase proposal. The General Meeting of the Company may authorize the Board of Directors to make resolutions on the stock repurchase plan. The authorization proposal and the resolution of the General Meeting specify the specific circumstances and duration of authorization. The resolution of the Board of Directors of the Company on the stock repurchase plan must be approved by a board meeting attended by more than two-thirds of the Directors.

(3) After the General Meeting discusses and approves the stock repurchase plan, the Company shall inform the creditors as per law, and shall submit the relevant materials to and handle the approval or filing formalities with the competent authorities such as China Securities Regulatory Commission and Shanghai Stock Exchange. The corresponding stock repurchase plan may be implemented only after the necessary approval, filing, information disclosure, and other procedures are completed. If the stock repurchase plan fails to be approved by the General Meeting, the Company shall cause the actual controller to fulfill the obligation of increasing the holding of the stock of the Company in accordance with the commitment made by him.

(4) The Board of Directors of the Company shall closely attend to the financial condition, debt discharge capability, and going concern ability of the Company, and carefully develop and implement a stock repurchase plan. The number and scale of stock repurchases shall match the actual financial condition of the Company. In principle, the funds used by the Company for stock repurchase at a time shall not exceed 1% of the total share capital of the Company. The aforesaid proportion may be increased according to the authorization given by the General Meeting of the Company to the Board of Directors, and with the approval of the Board of Directors; The said stock repurchase may be achieved by the self-owned funds, funds raised through the issuance of preferred shares and bonds, excessive funds raised through the issuance of ordinary shares, surplus funds from equity investment projects, funds raised that have been legally changed to permanent supplementary working capital, loans from financial institutions, and other legitimate funds of the Company.

(5) Price of stock repurchase: In principle, the price of stock repurchase shall not exceed the latest audited net asset value per share of the Company.

2. After the Launch Conditions are triggered, the Company shall convene a meeting of the Board of Directors within 10 days and a General Meeting within 30 days to consider the specific stock price stability proposal, specify the implementation period of the same, and launch the implementation of the same within 5 trading days after the proposal is reviewed and approved by the General Meeting.

3. Before or during the implementation of measures to stabilize stock prices, if the closing price of the stock of the Company is higher than the latest audited net asset value per share for 20 consecutive trading days, these measures shall be ceased, except for those that are not allowed to be ceased according to laws, regulations, and normative documents.

After the specific stock price stability proposal has been implemented or ceased, in case of any circumstances triggering the Launch Conditions, the stock price stability plan will be launched again.

4. When the Launch Conditions for the stock price stability measures are met, if the Company fails to take the above specific measures to stabilize the stock price, the Company will publicly explain the specific reasons for failure to take such measures at the General Meeting of the Company and on the information disclosure media designated by CSRC and apologize to the shareholders of the Company and public investors; at the same time, the Company will continue to practice the specific measures to stabilize the stock price within the deadline.

5. Before appointing new Directors and Senior Management within three years after the Offering and Listing, the Company will require them to sign a commitment letter to ensure that they will fulfill the corresponding commitments made by the Directors and Senior Management at the time of this Offering and Listing.

**Note 7: Measures and commitment of Li Gongyan, the actual controller, on stabilizing stock prices**

1. Within three years after the IPO and listing of the issuer on the Science and Technology Innovation Board (hereinafter referred to as the Offering and Listing"), if the closing price of the issuer's stock has been lower than the latest audited net asset value per share of the issuer for 20 consecutive trading days (after the benchmark date of the latest audit, in case of change in the net asset value of the issuer due to profit distribution, conversion of capital reserve to share capital, secondary public offering and right issue, the net asset value per share shall be adjusted accordingly, the same below) (hereinafter referred to as the "Launch Conditions"), except for force majeure, I may stabilize the stock price of the Company by increasing the holding of the issuer's stocks provided that the action complies with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange on stock repurchase, stockholding increase, and information disclosure. The specific arrangements are as follows:

(1) When the Launch Conditions for stabilizing stock price are triggered, but the issuer is unable to implement stock repurchase, I will increase my holdings of the issuer's stocks provided that the conditions and requirements of laws, regulations, and normative documents such as the *Administrative Measures on Acquisition of Listed Companies* are complied with, and that the increase in shareholding would not result in the non-compliance of the issuer's equity distribution with the listing conditions and/or the obligation of tender offer that the actual controller shall fulfill.



(2) When the above provisions are met, I shall inform the issuer of the specific shareholding increase plan (the contents include but are not limited to shareholding increase range, planned shareholding increase price ceiling, and time limit) in writing within 10 trading days after the Launch Conditions for stock price stability are triggered, and the issuer shall make an announcement within 3 trading days before the shareholding increase. I can increase my holdings of the issuer's shares by centralized bidding or other legal means in the secondary market.

(3) I will increase my holdings of the issuer's stocks within 12 months by no more than 2% of the issued stocks of the issuer. Specifically, within the next 12 months from the date of the initial increase in shareholding, I, with the right timing, may continue to increase my holdings of the issuer's stocks in the secondary market, from which a cumulative increase in shareholding ratio shall not exceed 2% of the total issued share capital (including the initial increase in shareholding) of the issuer. Meanwhile, the stocks I increased during this period shall not be sold within 6 months after the completion of the increase.

(4) The total amount of funds used by me to increase the stockholdings for a single time or accumulatively within 12 months shall not exceed 50% of the cumulative after-tax cash dividends received from the issuer since its listing (in case of conflict with the aforementioned increase ratio, the above ratio limit shall prevail).

(5) Price of stockholding increase: In principle, the price of stocks to be increased shall not exceed the issuer's latest audited net asset value per share.

2. After the Launch Conditions are triggered, the issuer shall convene a meeting of the Board of Directors within 10 days and a General Meeting within 30 days to consider the specific stock price stability proposal, specify the implementation period of the same, and launch the implementation of the same within 5 trading days after the proposal is reviewed and approved by the General Meeting.

3. Before or during the implementation of measures to stabilize stock prices, if the closing price of the stock of the issuer is higher than the latest audited net asset value per share for 20 consecutive trading days, these measures shall be ceased, except for those that are not allowed to be ceased according to laws, regulations, and normative documents.

After the specific stock price stability proposal has been implemented or ceased, in case of any circumstances triggering the Launch Conditions, the stock price stability plan will be launched again.

4. When the Launch Conditions for the stock price stability measures are met, if I fail to take the above specific measures to stabilize the stock price, I will publicly explain the specific reasons for failure to take such measures at the General Meeting of the issuer and on the information disclosure media designated by CSRC and apologize to the shareholders of the issuer and public investors; at the same time, I will continue to practice the specific measures to stabilize the stock price within the deadline.

If I fail to fulfill the aforesaid shareholding increase commitment, then, the issuer may delay the payment of the cash dividends (if any) for the year when the shareholding increase obligation is triggered and the subsequent year. Meanwhile, the issuer's stocks that I hold shall not be transferred, until I take and complete the corresponding stock price stability actions according to the aforesaid plan.

**Note 8: Measures and commitments of Directors Li Gongyan, Yao Yi, Du Ping, Xi Yuxiang, Lai Qi and other Senior Management Ke Li, Li Xiaobing, and Zou Xi on stabilizing stock prices**

1. Within three years after the IPO and listing of the issuer on the Science and Technology Innovation Board (hereinafter referred to as the Offering and Listing"), if the closing price of the issuer's stock has been lower than the latest audited net asset value per share of the issuer for 20 consecutive trading days (after the benchmark date of the latest audit, in case of change in the net asset value of the issuer due to profit distribution, conversion of capital reserve to share capital, secondary public offering and right issue, the net asset value per share shall be adjusted accordingly, the same below) (hereinafter referred to as the "Launch Conditions"), except for force majeure, I may stabilize the stock price of the Company by increasing the holding of the issuer's stocks provided that the action

complies with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange on stock repurchase, stockholding increase, and information disclosure. The specific arrangements are as follows:

(1) When the Launch Conditions for stabilizing stock price are triggered, but the issuer is unable to implement stock repurchase, and the actual controller is unable to increase the holdings of the issuer's stocks, I will launch the stockholding increase provided that the conditions and requirements of laws, regulations, and normative documents such as the *Administrative Measures on Acquisition of Listed Companies* and the *Rules on the Management of Company Shares Held by Directors, Supervisors and Senior Management of Listed Companies and Their Changes* are complied with, and that the increase in shareholding would not result in the non-compliance of the issuer's equity distribution with the listing conditions.

(2) When the above provisions are met, I shall inform the issuer of the specific shareholding increase plan (the contents include but are not limited to shareholding increase range, planned shareholding increase price ceiling, and time limit) in writing within 10 trading days after the Launch Conditions for stock price stability are triggered, and the issuer shall make an announcement within 3 trading days before the shareholding increase.

(3) The amount of funds used by me to increase the stockholdings for a single time shall not be less than 10% of the total amount of after-tax cash dividends (if any), salaries (if any), and allowances (if any) received from the issuer in the previous year. However, the total amount of funds used to increase the holding of the issuer's stocks for a single time or accumulatively within 12 months shall not exceed 50% of the total amount of after-tax cash dividends (if any), salaries (if any), and allowances (if any) received from the issuer in the previous year.

(4) Price of stockholding increase: In principle, the price of stocks to be increased shall not exceed the issuer's latest audited net asset value per share.

2. After the Launch Conditions are triggered, the issuer shall convene a meeting of the Board of Directors within 10 days and a General Meeting within 30 days to consider the specific stock price stability proposal, specify the implementation period of the same, and launch the implementation of the same within 5 trading days after the proposal is reviewed and approved by the General Meeting.

3. Before or during the implementation of measures to stabilize stock prices, if the closing price of the stock of the issuer is higher than the latest audited net asset value per share for 20 consecutive trading days, these measures shall be ceased, except for those that are not allowed to be ceased according to laws, regulations, and normative documents.

After the specific stock price stability proposal has been implemented or ceased, in case of any circumstances triggering the Launch Conditions, the stock price stability plan will be launched again.

4. When the Launch Conditions for the stock price stability measures are met, if I fail to take the above specific measures to stabilize the stock price, I will publicly explain the specific reasons for failure to take such measures at the General Meeting of the issuer and on the information disclosure media designated by CSRC and apologize to the shareholders of the issuer and public investors; at the same time, I will continue to practice the specific measures to stabilize the stock price within the deadline.

If I fail to fulfill the aforesaid shareholding increase commitment, then, the issuer may delay the payment of the cash dividends (if any) for the year when the shareholding increase obligation is triggered and the subsequent year, as well as 50% of the total salary and allowances for the current year. Meanwhile, the issuer's stocks that I hold shall not be transferred, until I take and complete the corresponding stock price stability actions according to the aforesaid plan.

**Note 9: Share repurchase commitment of the Company on fraudulent issuance and listing**

1. The Company guarantees that there is no fraudulent issuance of this public offering and listing on the Science and Technology Innovation Board.
2. If the Company does not meet the conditions for offering and listing, has fraudulently obtained the issuance registration permit, and has already issued shares and

has been listed, the Company will initiate the share repurchase procedures within five (5) working days after confirmation by the China Securities Regulatory Commission or other competent authorities to buy back the Company's all new shares of the IPO according to relevant laws, regulations, and provisions of the *Articles of Association* of the Company.

3. The price of stock repurchase shall not be lower than the issue price of the stocks publicly issued by the Company plus bank deposit interest for the same period.

**Note 10: Share repurchase commitment of Li Gongyan, the actual controller of the Company, on fraudulent issuance and listing**

1. I guarantee that there is no fraudulent issuance of this public offering and listing of the issuer on the Science and Technology Innovation Board.

2. If the issuer does not meet the conditions for offering and listing, has fraudulently obtained the issuance registration permit, and has already issued shares and has been listed, the issuer will initiate the share repurchase procedures within five (5) working days after confirmation by the China Securities Regulatory Commission or other competent authorities to buy back the issuer's all new shares of the IPO according to relevant laws, regulations, and provisions of the *Articles of Association*.

3. The price of stock repurchase shall not be lower than the issue price of the stocks publicly issued by the issuer plus bank deposit interest for the same period.

**Note 11: Measures and commitments of the Company to fill in the diluted immediate returns**

1. Measures to fill in the diluted immediate returns

In order to reduce the dilution impact of this issuance on the immediate returns of the Company, the Company plans to enhance the overall strength of the issuer, increase future earnings, achieve sustainable development, and fill in returns by strengthening the management of funds raised, accelerating the investment progress of equity investment projects, improving the profitability of the issuer, and reinforcing the investor return mechanism. The Company will take the following measures:

(1) Strengthening the management of funds raised

The Company has developed management measures for funds raised. As long as the funds are in place, they will be deposited in a special account designated by the Board of Directors. The Company will regularly inspect the use of the funds raised to intensify the supervision of equity investment projects and ensure the appropriate, standard, and effective use of the funds raised.

(2) Accelerating the investment progress of equity investment projects

After the funds raised in this issuance are in place, the Company will allocate various internal resources, accelerate the implementation of equity investment projects, improve the efficiency of the use of funds raised, strive to cause the equity investment projects to reach design capacity as soon as possible and achieve expected benefits, in order to enhance the profitability of the issuer. Before the funds raised are in place, in order to achieve profitability of the equity investment projects as soon as possible, the Company plans to actively raise funds through various channels, reasonably allocate resources, carry out preliminary preparation work for the equity investment projects, raise shareholder returns, and reduce the risk of dilution of immediate returns caused by this issuance.

(3) Improving the profitability of the Company

The Company will continuously improve its service quality, expand its brand influence, and enhance its overall profitability. While actively promoting cost management, the Company strictly controls cost expenses and improves the profitability of the issuer. In addition, the Company will increase its efforts in talent introduction, enhance its attractiveness to high-quality talents by bettering employee compensation assessment and incentive mechanisms, and provide guarantees for the sustainable development of the Company.

**(4) Reinforcing the investor return mechanism**

The Company implements an active profit distribution policy and focuses on appropriate returns on investment by investors with guaranteed sustainability and stability. The Company has worked out the applicable articles of association (draft) of the issuer after listing in accordance with the relevant regulations and regulatory requirements of the China Securities Regulatory Commission, made detailed provisions and public commitments on profit distribution policies, and developed a shareholder return plan of the Company for the next three years, fully safeguarding the rights of the issuer's shareholders to legally enjoy returns on assets and other rights, and providing the issuer's future return ability.

**2. Commitment to measures to fill in the diluted immediate returns**

The Company is committed to actively fulfilling the measures to fill in the diluted immediate returns. In case of failure to maintain the aforementioned commitments, the Company will promptly announce the facts and reasons for the failure. Except for force majeure or other reasons not attributable to the Company, the Company shall make an apology to its shareholders and public investors, propose supplementary or alternative commitments to investors to protect their interests to the largest extent, and execute the supplementary or alternative commitments after approval by the General Meeting of the Company.

**Note 12: Measures and commitment of Li Gongyan, the actual controller of the Company, to fill in the diluted immediate returns**

1. I undertake not to exceed the authority to intervene in the issuer's operation and management activities and not to encroach on the issuer's interests;
2. I undertake to fulfill this commitment and I am willing to bear any legal liability arising from my breach of the above commitment.

**Note 13: Measures and commitments of all Directors and Senior Management to fill in the diluted immediate returns**

1. I undertake not to offer benefits to any other entities or individuals at no cost or upon unfair conditions, nor jeopardize the issuer's interest in other ways;
2. I undertake to restrain my position-related consumptions;
3. I undertake not to use the issuer's assets to engage in investment or consumption activities unrelated to the performance of my duties;
4. I undertake that the remuneration system formulated by the Board of Directors or the Compensation Committee and the compensation system is linked with the implementation of the issuer's return measures;
5. I undertake that, if the issuer launches subsequent equity incentive plans, the vesting conditions of the equity incentive will be linked to the implementation of return measures of the issuer;
6. I undertake to fulfill this commitment and I am willing to bear any legal liability arising from my breach of the above commitment.

**Note 14: Commitment of the Company to profit distribution policy**

The Company will strictly comply with the provisions of the *Articles of Association* and relevant laws and regulations regarding profit distribution policies, and fulfill the dividend obligations in accordance with the *Three-Year Dividend Return Plan for Shareholders after Listing of Wayzim Intelligent Manufacturing Technology Co. Ltd.* After this issuance and listing, when making profit distribution decisions and arguments, the Board of Directors, the Board of Supervisors, and General Meeting of the Company shall fully take into consideration the opinions of independent directors and public investors, in order to protect the interests of minority shareholders and public investors.

**Note 15: Commitment of the Company to performing restraints for public commitments**

1. The Company guarantees to strictly fulfill the commitments disclosed in the IPO and listing prospectus, and undertakes to strictly comply with the following restraints:

(1) Where the Company fails to fulfill the relevant commitments disclosed in this prospectus, the Company will publicly explain the specific reasons for the failure to fulfill the commitments, as well as the remedies and corrections at the General Meeting and in the newspapers designated by the China Securities Regulatory Commission, and make an apology to the shareholders and public investors;

(2) Where the investors suffer losses in securities trading due to the Company's failure to fulfill relevant commitments, the Company will compensate the investors for the relevant losses as per law;

(3) The Company will take measures such as reducing or suspending the payment of salaries or allowances to the Directors, Supervisors, and Senior Management who are personally responsible for such the failure to fulfill the commitments (if they receive salaries from the Company).

2. If the Company fails to fulfill, certainly fails to fulfill, or fails to fulfill on schedule the commitments made by the Company due to objective reasons beyond its control such as changes of relevant laws, regulations, and policies, natural disasters, and other force majeure, the Company will take the following actions:

(1) Disclose specific reasons why the Company fails to fulfill, certainly fails to fulfill, or fails to fulfill on schedule the commitments;

(2) Make a supplementary commitment or an alternative commitment to the investors of the Company (For relevant commitments, relevant approval procedures are required to be performed according to the provisions of laws, regulations, and the *Articles of Association*), in order to protect the interests of the investors as much as possible.

**Note 16: Commitment of Li Gongyan, the actual controller, on performing restraints for public commitments**

1. I undertake to strictly fulfill the commitments disclosed in the Offering and Listing prospectus of the Company, and undertake to strictly comply with the following restraints:

(1) Where I fail to fulfill the relevant commitments disclosed in the prospectus, I will publicly explain the specific reasons for the failure to fulfill the commitments, as well as the remedies and corrections at the General Meeting and in the newspapers designated by the China Securities Regulatory Commission, and make an apology to the shareholders and public investors;

(2) Where the investors suffer losses in securities trading due to my failure to fulfill relevant commitments, I will compensate the investors for the relevant losses as per law. If I fail to bear the aforementioned liability for compensation, the issuer has the right to deduct the cash dividends to be paid to me to bear the aforementioned liability for compensation on behalf of me. Meanwhile, during the period when I have not borne the aforementioned liability for compensation, I am not allowed to transfer the issuer's shares directly or indirectly held by me;

(3) During my tenure as the actual controller of the issuer, if the issuer fails to fulfill the commitments disclosed in the prospectus and causes losses to investors, I undertake to bear the liability for compensation as per law.

2. If I fail to fulfill, certainly fail to fulfill, or fail to fulfill on schedule the commitments made by me due to objective reasons beyond my control such as changes in relevant laws, regulations, and policies, natural disasters, and other force majeure, I will take the following actions:

(1) Disclose specific reasons why I fail to fulfill, certainly fail to fulfill, or fail to fulfill on schedule the commitments;

(2) Make a supplementary commitment or an alternative commitment to the investors of the Company (Relevant commitments require to perform relevant approval procedures according to the provisions of laws, regulations, and the *Articles of Association*), in order to protect the interests of the investors as much as possible.

**Note 17: Commitments of shareholders Wayzim Yuanchuang, Qunchuang Zhongda, Zhongke Micro Investment and Yao Yajuan on performing restraints for public commitments**

1. The Company/I guarantees/guarantee to strictly fulfill the commitments disclosed in the Offering and Listing prospectus of the Company, and undertakes/undertake to strictly comply with the following restraints:

(1) Where the Company/I fails/fail to fulfill the relevant commitments disclosed in the prospectus, the Company/I will publicly explain the specific reasons for the failure to fulfill the commitments, as well as the remedies and corrections at the General Meeting and in the newspapers designated by the China Securities Regulatory Commission, and make an apology to the shareholders and public investors;

(2) Where the investors suffer losses in securities trading due to the Company's/my failure to fulfill relevant commitments, the Company/I will compensate the investors for the relevant losses as per law. If the Company/I fails/fail to bear the aforementioned liability for compensation, the Company has the right to deduct the cash dividends to be paid to the Company/me to bear the aforementioned liability for compensation on behalf of the Company/me. Meanwhile, during the period when the Company/I has/have not borne the aforementioned liability for compensation, the Company/I is/am not allowed to transfer the issuer's shares directly or indirectly held by the Company/me;

2. If the Company/I fails/fail to fulfill, certainly fails/fail to fulfill, or fails/fail to fulfill on schedule the commitments made by the Company/me due to objective reasons beyond its/my control such as changes of relevant laws, regulations and policies, natural disaster and other force majeure, the Company/I will take the following actions:

(1) Disclose specific reasons why the Company/I fails/fail to fulfill, certainly fails/fail to fulfill, or fails/fail to fulfill on schedule the commitments;

(2) Make a supplementary commitment or an alternative commitment to the investors of the Company (Relevant commitments require to perform relevant approval procedures according to the provisions of laws, regulations, and the *Articles of Association*), in order to protect the interests of the investors as much as possible.

**Note 18: Commitments of all Directors, Supervisors, Senior Management, and key technical personnel on performing restraints for public commitments**

1. I undertake to strictly fulfill the commitments disclosed in the Offering and Listing prospectus of the Company, and undertake to strictly comply with the following restraints:

(1) Where I fail to fulfill the relevant commitments disclosed in the prospectus, I will publicly explain the specific reasons for the failure to fulfill the commitments, as well as the remedies and corrections at the General Meeting and in the newspapers designated by the China Securities Regulatory Commission, and make an apology to the shareholders and public investors;

(2) Where the investors suffer losses in securities trading due to my failure to fulfill relevant commitments, I will compensate the investors for the relevant losses as per law. If I fail to bear the aforementioned liability for compensation, the issuer has the right to stop paying the wages and salaries to be received by me from the issuer during the period from the date the relevant investors suffer losses until I fulfill the liability for compensation. Meanwhile, during the period when I have not borne the aforementioned liability for compensation, I am not allowed to transfer the issuer's shares (if any) directly or indirectly held by me.

2. If I fail to fulfill, certainly fail to fulfill, or fail to fulfill on schedule the commitments made by me due to objective reasons beyond my control such as changes in relevant laws, regulations, and policies, natural disasters, and other force majeure, I will take the following actions:

(1) Disclose specific reasons why I fail to fulfill, certainly fail to fulfill, or fail to fulfill on schedule the commitments;

(2) Make a supplementary commitment or an alternative commitment to the investors of the Company (Relevant commitments require to perform relevant approval procedures according to the provisions of laws, regulations, and the *Articles of Association*), in order to protect the interests of the investors as much as possible.

**Note 19: Commitment of Li Gongyan, the actual controller, to avoiding horizontal competition**

1. Except for the issuer and its subsidiaries, I currently do not engage in any of the same business or any similar business, self-operated, jointly operated with others,

or operated for others, as/to that of the issuer and its subsidiaries. No horizontal competition is present between me and other enterprises under my control and the issuer and its subsidiaries.

2. During the period when I directly or indirectly hold the issuer's shares and I am confirmed as the actual controller of the issuer in accordance with Chinese laws and regulations, other enterprises under my control and I will not directly or indirectly engage in any business which is consistent with, similar to or substantially competes with the business of the issuer and its subsidiaries through minority equity participation, holding, joint operation, JV and cooperation or otherwise;

3. Where I or any other enterprises under my control obtain a business opportunity or engage in a business that is consistent with, similar to, or substantially competes with the main business of the issuer and its subsidiaries, I agree to stop operating the competitive business, or bring the competitive business under the control of the issuer, or transfer the competitive business to an unrelated third party at the request of the issuer, so as not to damage the interests of the issuer and its shareholders.

4. If I fail to fulfill the above commitments, all relevant interests obtained as a result will belong to the issuer, and any losses caused to the issuer and its shareholders as a result shall be borne by me.

**Note 20: Commitment of Li Gongyan, the actual controller, to reducing affiliate transactions**

1. I strictly abide by the *Articles of Association* of the issuer and other affiliate transaction management systems at present, and I will do the same in the future, perform my information disclosure obligations, and handle relevant approval procedures according to relevant laws, regulations, and stock exchange rules, ensuring not to damage the legitimate rights and interests of the issuer and its shareholders by any affiliate transaction.

2. I will do my best to reduce and regulate the affiliate transactions with the issuer. In case of any affiliate transaction with the issuer that cannot be avoided or for appropriate reasons, I undertake to proceed with the affiliate transaction in accordance with the principles of fairness, justice, and compensation of equal value, sign an agreement as per law, and undergo legal procedures, in order to ensure not to transfer and transport interests to or jeopardize the legitimate rights and interests of the issuer and other shareholders.

3. As to the affiliate transactions between myself and the issuer, I will strictly comply with the requirements of the *Articles of Association* and relevant normative and legal documents, avoid voting at the relevant meeting of the Board of Directors and General Meeting, and not secure illegitimate benefits from the affiliate transactions with the issuer by taking advantage of my position as the actual controller.

4. In case of breach of any of the above commitments, I am willing to bear the direct or indirect economic losses, compensation claims, and related expenses arising therefrom to the issuer and its shareholders.

**Note 21: Commitment of Li Gongyan, the actual controller, on the payment of social insurance and housing provident fund of the Company**

If the issuer and its subsidiaries are deemed by relevant government departments or judicial authorities to be required to make a supplementary payment for social insurance premiums (including endowment insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing provident fund at any time, or are punished for social insurance premiums and housing provident fund matters, or are legally claimed by any relevant party in any way regarding social insurance premiums and housing provident fund, I will unconditionally and fully bear all social insurance premiums, housing provident fund, fines or compensation amounts recognized by relevant government departments or judicial authorities that need to be paid by the issuer and its subsidiaries, and also fully bear all social insurance premiums, housing provident fund or compensation amounts required by any relevant party in any way, as well as all related expenses incurred by the issuer and its subsidiaries due to the above matters.

**(II) If there is a profit forecast for the assets or projects of the Company, and the reporting period is still in the profit forecast period,**

**the Company shall explain whether the assets or projects have reached the original profit forecast and the reasons for it**

☐ Achieved ☐ Not achieved ☒ Not applicable

**(III) Completion status of performance commitment and its impact on goodwill impairment test**

☐ Applicable ☒ Not applicable



**II. Non-operating Utilization of Funds by Controlling Shareholders and Other Affiliates During the Reporting Period**

☐ Applicable ☒ Not applicable

**III. Illegal Guarantee**

☐ Applicable ☒ Not applicable

Explanation of the Board of Directors of the Company on the "Audit Report of Non-standard Opinions" of Accounting Firms

☐ Applicable ☒ Not applicable

**IV. Analysis and Explanation of the Company on Significant Changes in Accounting Policies, Accounting Estimates or Reasons and Impacts of Correcting Major Accounting Errors****(I) Analysis and explanation of the Company on reasons and impacts of changes in accounting policies and accounting estimates**

☒ Applicable ☐ Not applicable

Refer to Section X.V.40, "Changes in significant accounting policies and accounting estimates" for details.

**(II) Analysis and explanation of the Company on reasons and impacts of correcting major accounting errors**

☐ Applicable ☒ Not applicable

**(III) Communication with the previous accounting firm**

☐ Applicable ☒ Not applicable

**(IV) Approval procedures and other explanations**

☐ Applicable ☒ Not applicable

**V. Appointment and Dismissal of Accounting Firm**

In CNY

|  | Current appointment          |
|--|------------------------------|
| Name of domestic accounting firm   | KPMG Huazhen LLP             |
| Remuneration of domestic accounting firms  | 1,990,000.00                 |
| Audit term of domestic accounting firm   | 4                            |
| Name of the certified public accountant of the domestic accounting firm            | Huang Xiaodong and Chen Yuze |
| Audit service years of a certified public accountant of a domestic accounting firm | 4 and 2                      |

|  | Name             | Compensation |
|--|------------------|--------------|
| Accounting firm for internal control audit | KPMG Huazhen LLP | 360,000.00   |

Explanation on appointment and dismissal of accounting firm

☒ Applicable ☐ Not applicable

The Company held the 9th Meeting of the Second Board of Directors and the 7th Meeting of the Second Board of Supervisors on April 20, 2024, and held the 2023 annual shareholder meeting on May 13,

2024, to review and approve the *Proposal for the Further Appointment of Accounting Firm in 2024* with a term of one year.

Explanation for changing accounting firm during the audit

☐ Applicable ☒ Not applicable

Explanation of the situation where audit fees have decreased by more than 20% (including 20%) compared to the previous year

☐ Applicable ☒ Not applicable

## **VI. Risk of Delisting**

### **(I) Reasons for leading to delisting risk warning**

☐ Applicable ☒ Not applicable

### **(II) Countermeasures to be taken by the Company**

☐ Applicable ☒ Not applicable

### **(III) Conditions and reasons for termination of listing**

☐ Applicable ☒ Not applicable

## **VII. Matters Concerning Bankruptcy and Restructuring**

☐ Applicable ☒ Not applicable

## **VIII. Major Lawsuit and Arbitration Matters**

☐ The Company has significant lawsuit or arbitration matters in the current year ☒ The company has no significant lawsuit or arbitration matters in the current year

## **IX. Suspected Violations, Penalties, and Rectification of the Listed Company and Its Directors, Supervisors, Senior Management, Controlling Shareholders, and Actual Controllers**

☐ Applicable ☒ Not applicable

## **X. Credit Conditions of the Company and Its Controlling Shareholders and Actual Controller during the Reporting Period**

☒ Applicable ☐ Not applicable

During the reporting period, the Company and the actual controller of the Company maintain a good credit standing, without a bad credibility record of failure to carry out the valid court decision or any overdue debt with significant amount.

## **XI. Material Affiliate Transaction**

### **(I) Affiliate transactions related to the Company's day-to-day operation**

#### **1. Matters disclosed in the interim announcement and without progress or changes in the follow-up implementation process**

☐ Applicable ☒ Not applicable

## 2. Matters disclosed in the temporary announcement, but with progress or changes during the follow-up implementation process

√ Applicable □ Not applicable

The Company held the 9th Meeting of the Second Board of Directors and the 7th Meeting of the Second supervisory board on April 20, 2024, at which the *Proposal for Confirming the Execution of the Company's Daily Related Party Transactions for 2023 and the Expected Daily Related Party Transactions for 2024* was reviewed and approved, with related directors Gao Bo and Yao Yi abstaining from the vote. The *Wayzim's Announcement on Confirming the Implementation of Daily Affiliate Transactions in 2023 and the Expected Daily Affiliate Transactions in 2024* (announcement No.: 2024-025) has been disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn). The follow-up development of the above related matters is as follows:

(In CNY 10,000)

| Type of transaction                           | Affiliates   | Estimated amount for 2024 | Actual amount in 2024 |
|---|--|---------------------------|-----------------------|
| Purchase of goods/acceptance of labor service | Jiangsu Carnival Technology Co., Ltd.                            | 3,600.00                  | 221.61                |
|   | Institute of Microelectronics of the Chinese Academy of Sciences | 50.00                     | -                     |
| Lease of affiliates                           | Beijing Zhongke Micro Investment Management Co., Ltd.            | 285.18                    | 280.35                |
| Reimbursed expenses of affiliates             | Institute of Microelectronics of the Chinese Academy of Sciences | 70.00                     | 62.58                 |

## 3. Matters undisclosed in the temporary announcement

□ Applicable √ Not applicable

### (II) Affiliate transactions during sales and equity acquisition

#### 1. Matters disclosed in the interim announcement and without progress or changes in the follow-up implementation process

□ Applicable √ Not applicable

#### 2. Matters disclosed in the temporary announcement, but with progress or changes during the follow-up implementation process

□ Applicable √ Not applicable

#### 3. Matters undisclosed in the temporary announcement

□ Applicable √ Not applicable

#### 4. Matters concerning performance achievement during the reporting period should be disclosed if a performance agreement is involved

□ Applicable √ Not applicable

**(III) Significant affiliate transactions for joint external investments****1. Matters disclosed in the interim announcement and without progress or changes in the follow-up implementation process**☐ Applicable ☒ Not applicable**2. Matters disclosed in the temporary announcement, but with progress or changes during the follow-up implementation process**☐ Applicable ☒ Not applicable**3. Matters undisclosed in the temporary announcement**☐ Applicable ☒ Not applicable**(IV) Transactions of related creditor's rights and debts****1. Matters disclosed in the interim announcement and without progress or changes in the follow-up implementation process**☐ Applicable ☒ Not applicable**2. Matters disclosed in the temporary announcement, but with progress or changes during the follow-up implementation process**☐ Applicable ☒ Not applicable**3. Matters undisclosed in the temporary announcement**☐ Applicable ☒ Not applicable**(V) Financial transactions between the Company and the associated finance companies, or between the holding finance companies and affiliates**☐ Applicable ☒ Not applicable**(VI) Others**☐ Applicable ☒ Not applicable**XII. Material Contracts and Performance****(I) Trusteeship, contracting, and leasing****1. Trusteeship**☐ Applicable ☒ Not applicable**2. Contracting**☐ Applicable ☒ Not applicable**3. Leasing**☐ Applicable ☒ Not applicable

**(II) Guarantee**

□ Applicable √ Not applicable

**(III) Cash asset management entrusted to others****1. Entrusted asset management****(1) Overall situation of entrusted asset management**

√ Applicable □ Not applicable

In CNY

| Type                               | Sources of funding | Amount incurred  | Balance before maturity | Amount overdue but not recovered |
|------------------------------------|--------------------|------------------|-------------------------|----------------------------------|
| Bank products for asset management | Equity fund        | 1,825,588,500    | 585,588,500             | -                                |
| Bank products for asset management | Idle funds raised  | 2,141,000,000    | 513,694,166.67          | -                                |
| Total                              |                    | 3,966,588,500.00 | 1,099,282,666.67        | -                                |

Other circumstances

□ Applicable √ Not applicable

**(2) Individual entrusted asset management**

√ Applicable □ Not applicable

In CNY

| Trustee   | Type of entrusted asset management | Amount of entrusted asset management | Beginning date of entrusted asset management | Ending date of entrusted asset management | Funds           | Funds             | Whether there are any restrictions | Remuneration determination method | Annualized     | Expected earnings | Actual             | Amount within the contract period | Amount overdue but not recovered | Whether through legal procedures | Any entrusted asset management plan in the future | Amount of impairment provision (if any) |
|---|------------------------------------|--------------------------------------|--|---|-----------------|-------------------|------------------------------------|-----------------------------------|----------------|-------------------|--------------------|-----------------------------------|----------------------------------|----------------------------------|---|---|
|   |                                    |                                      |  |   | Source of funds | Funds invested to |                                    |                                   | rate of return | (if any)          | earnings or losses |                                   |                                  |                                  |   |   |
| Bank of Communications Co., Ltd. Wuxi Chengbei Sub-branch | Bank products for asset management | 101,714,166.67                       | 2023/11/9                                    | 2026/5/6                                  | Funds raised    | Bank              | No                                 | As agreed in the contract         | 3.30%          | 8,359,232.49      | /                  | /                                 | /                                | Yes                              | Yes   | /                                       |
| Bank of Communications Co., Ltd. Wuxi Chengbei Sub-branch | Bank products for asset management | 101,980,000.00                       | 2023/12/8                                    | 2026/5/6                                  | Funds raised    | Bank              | No                                 | As agreed in the contract         | 3.30%          | 8,113,696.44      | /                  | /                                 | /                                | Yes                              | Yes   | /                                       |

|   |                                    |               |            |                |              |                    |     |                           |                        |            |   |   |   |     |     |   |
|---|------------------------------------|---------------|------------|----------------|--------------|--------------------|-----|---------------------------|------------------------|------------|---|---|---|-----|-----|---|
| Bank of Communications Co., Ltd. Wuxi Chengbei Sub-branch | Bank products for asset management | 10,000,000.00 | 2024/5/28  | Not applicable | Funds raised | Bank               | Yes | As agreed in the contract | 1.35%                  | /          | / | / | / | Yes | Yes | / |
| Bank of Communications Co., Ltd. Wuxi Chengbei Sub-branch | Bank products for asset management | 60,000,000.00 | 2024/8/1   | 2025/1/8       | Equity fund  | Bank               | No  | As agreed in the contract | 1.44%/2.5%/2.7%        | 657,534.25 | / | / | / | Yes | Yes | / |
| GF Securities Co., Ltd.                                   | Beneficiary certificate            | 20,000,000.00 | 2024/7/12  | 2025/4/9       | Equity fund  | Securities company | No  | As agreed in the contract | 0.5% to 4.68%          | 74,246.58  | / | / | / | Yes | Yes | / |
| China Minsheng Bank Wuxi Xishan Branch                    | Bank products for asset management | 10,588,500.00 | 2024/11/29 | 2026/2/17      | Equity fund  | Bank               | No  | As agreed in the contract | 3.07%                  | 396,314.50 | / | / | / | Yes | Yes | / |
| Bank of Nanjing Co., Ltd. Wuxi Chengnan Sub-branch        | Bank products for asset management | 40,000,000.00 | 2024/8/1   | 2025/2/6       | Equity fund  | Bank               | No  | As agreed in the contract | 1.80%, 2.12%, or 2.70% | 439,101.37 | / | / | / | Yes | Yes | / |
| Bank of Nanjing Co., Ltd. Wuxi Chengnan Sub-branch        | Bank products for asset management | 15,000,000.00 | 2024/8/26  | 2025/2/24      | Equity fund  | Bank               | No  | As agreed in the contract | 1.50%, 2.07%, or 2.60% | 154,824.66 | / | / | / | Yes | Yes | / |
| Bank of Nanjing Co., Ltd. Wuxi Chengnan Sub-branch        | Bank products for asset management | 20,000,000.00 | 2024/8/29  | 2025/2/6       | Funds raised | Bank               | No  | As agreed in the contract | 1.50%, 2.07%, or 2.60% | 182,613.70 | / | / | / | Yes | Yes | / |
| Bank of Nanjing Co., Ltd. Wuxi Chengnan Sub-branch        | Bank products for asset management | 30,000,000.00 | 2024/9/9   | 2025/1/10      | Equity fund  | Bank               | No  | As agreed in the contract | 1.50%, 2.15%, or 2.60% | 217,356.16 | / | / | / | Yes | Yes | / |

|  |                                    |                |            |           |              |      |    |                           |                        |              |   |   |   |     |     |   |
|--|------------------------------------|----------------|------------|-----------|--------------|------|----|---------------------------|------------------------|--------------|---|---|---|-----|-----|---|
| Bank of Nanjing Co., Ltd. Wuxi Chengnan Sub-branch | Bank products for asset management | 30,000,000.00  | 2024/9/9   | 2025/3/31 | Equity fund  | Bank | No | As agreed in the contract | 1.70%, 2.20%, or 2.60% | 367,068.49   | / | / | / | Yes | Yes | / |
| Bank of Nanjing Co., Ltd. Wuxi Chengnan Sub-branch | Bank products for asset management | 15,000,000.00  | 2024/9/26  | 2025/1/6  | Funds raised | Bank | No | As agreed in the contract | 1.50%, 2.15%, or 2.60% | 90,123.29    | / | / | / | Yes | Yes | / |
| Bank of Nanjing Co., Ltd. Wuxi Chengnan Sub-branch | Bank products for asset management | 250,000,000.00 | 2024/10/14 | 2025/1/21 | Equity fund  | Bank | No | As agreed in the contract | 1.50%, 2.10%, or 2.60% | 1,423,972.60 | / | / | / | Yes | Yes | / |
| Bank of Nanjing Co., Ltd. Wuxi Chengnan Sub-branch | Bank products for asset management | 50,000,000.00  | 2024/10/14 | 2025/1/21 | Funds raised | Bank | No | As agreed in the contract | 1.50%, 2.10%, or 2.60% | 284,794.52   | / | / | / | Yes | Yes | / |
| Bank of Nanjing Co., Ltd. Wuxi Chengnan Sub-branch | Bank products for asset management | 100,000,000.00 | 2024/10/14 | 2025/1/21 | Funds raised | Bank | No | As agreed in the contract | 1.50%, 2.10%, or 2.60% | 569,589.04   | / | / | / | Yes | Yes | / |
| Bank of Nanjing Co., Ltd. Wuxi Chengnan Sub-branch | Bank products for asset management | 60,000,000.00  | 2024/11/11 | 2025/5/12 | Equity fund  | Bank | No | As agreed in the contract | 1.45%, 2.22%, or 2.62% | 783,846.58   | / | / | / | Yes | Yes | / |
| Bank of Ningbo Co., Ltd. Wuxi Xishan Sub-branch    | Bank products for asset management | 60,000,000.00  | 2024/10/18 | 2025/1/21 | Funds raised | Bank | No | As agreed in the contract | 1.50% to 2.55%         | 398,219.18   | / | / | / | Yes | Yes | / |
| Bank of Ningbo Co., Ltd. Wuxi Xishan Sub-branch    | Bank products for asset management | 60,000,000.00  | 2024/11/25 | 2025/2/25 | Equity fund  | Bank | No | As agreed in the contract | 1.50% to 2.45%         | 370,520.55   | / | / | / | Yes | Yes | / |

|   |                                    |               |            |          |              |      |    |                           |                |            |   |   |   |     |     |   |
|---|------------------------------------|---------------|------------|----------|--------------|------|----|---------------------------|----------------|------------|---|---|---|-----|-----|---|
| Bank of Ningbo Co., Ltd. Wuxi Xishan Sub-branch | Bank products for asset management | 10,000,000.00 | 2024/11/29 | 2025/3/3 | Equity fund  | Bank | No | As agreed in the contract | 1.00% to 2.45% | 63,095.89  | / | / | / | Yes | Yes | / |
| Bank of Ningbo Co., Ltd. Wuxi Xishan Sub-branch | Bank products for asset management | 20,000,000.00 | 2024/11/29 | 2025/3/3 | Funds raised | Bank | No | As agreed in the contract | 1.00% to 2.45% | 126,191.78 | / | / | / | Yes | Yes | / |
| Bank of Ningbo Co., Ltd. Wuxi Xishan Sub-branch | Bank products for asset management | 35,000,000.00 | 2024/12/30 | 2025/4/1 | Funds raised | Bank | No | As agreed in the contract | 1.00% to 2.45% | 216,136.99 | / | / | / | Yes | Yes | / |

Other circumstances

☐ Applicable ☒ Not applicable

### (3) Provision for impairment of entrusted asset management

☐ Applicable ☒ Not applicable

## 2. Entrusted loan

### (1) Overall situation of entrusted loan

☐ Applicable ☒ Not applicable

Other circumstances

☐ Applicable ☒ Not applicable

### (2) Situation of single entrusted loan

☐ Applicable ☒ Not applicable

Other circumstances

☐ Applicable ☒ Not applicable

### (3) Provision for impairment of entrusted loan

☐ Applicable ☒ Not applicable

## 3. Other circumstances

☐ Applicable ☒ Not applicable



**(IV) Other material contracts**

□ Applicable √ Not applicable

**XIII. Progress in Use of Funds Raised**

√ Applicable □ Not applicable

**(I) Overall use of funds raised**

√ Applicable □ Not applicable

In CNY

| Source of funds raised            | Time when funds raised are available | Total amount of funds raised | Net amount of raised funds (1) | Total committed investment of raised funds in prospectus or offering document (2) | Total amount of oversubscribed funds (3) = (1) - (2) | Accumulated total investment amount of funds raised as of the end of the reporting period (4) | Total amount of oversubscribed funds accumulated by the end of the reporting period (5) | Accumulated investment progress of raised funds by the end of the reporting period (%) (6)=(4)/(1) | Accumulated investment progress of oversubscribed funds by the end of the reporting period (%) (7)=(5)/(3) | Investment amount this year (8) | Proportion of investment amount this year (%) (9)=(8)/(1) | Total amount of funds raised whose use changes |
|-----------------------------------|--------------------------------------|------------------------------|--------------------------------|---|--|---|---|--|--|---------------------------------|---|--|
| Initial public offering of shares | October 20, 2021                     | 2,976,600,000.00             | 2,748,557,661.34               | 1,339,429,072.00  | 1,409,128,589.34                                     | 2,309,675,726.11  | 1,399,128,589.34  | 84.03  | 99.29  | 467,390,599.54                  | 17.00   | 0  |
| Total                             | /                                    | 2,976,600,000.00             | 2,748,557,661.34               | 1,339,429,072.00  | 1,409,128,589.34                                     | 2,309,675,726.11  | 1,399,128,589.34  | 84.03  | 99.29  | 467,390,599.54                  | 17.00   | 0  |

**Other notes**

□ Applicable √ Not applicable

**(II) Details of equity investment projects**

√ Applicable □ Not applicable

**1. Raised fund usage details**

√ Applicable □ Not applicable

In CNY

| Source of funds raised            | Project  | Description                             | Whether it is a committed investment project in the prospectus or offering circular | Whether a change in investment orientation is involved | Total planned investment amount of raised funds (1) | Amount invested in this year | Accumulated total investment amount of funds raised as of the end of the reporting period (2) | Accumulated investment progress as of the end of the reporting period (%) (3)=(2)/(1) | Date when the project reaches the scheduled usable state | Whether the project is finally accepted | Is the investment progress in line with the schedule | Specific reasons for the failure of investment progress to reach the schedule | Benefits achieved this year | Benefits or R&D results achieved by the project | Whether the project feasibility has changed significantly? If yes, please state the details | Balance        |
|-----------------------------------|--|---|---|--|---|------------------------------|---|---|--|---|--|---|-----------------------------|---|---|----------------|
| Initial public offering of shares | Intelligent Equipment Manufacturing Center Project                   | Production and construction             | Yes   | No   | 292,521,749.00                                      | 1,080,000.00                 | 73,306,266.33   | 25.06   | 2025/10/26   | No                                      | Yes  | Not applicable  | Not applicable              | No  | No  | Not applicable |
| Initial public offering of shares | Nanling Manufacturing Base Digital Workshop Construction Project     | Production and construction             | Yes   | No   | 180,288,098.00                                      | 0.00                         | 103,475,845.16  | 57.39   | 2023/10/26   | Yes                                     | Yes  | Not applicable  | Not applicable              | No  | No  | Not applicable |
| Initial public offering of shares | Intelligent Equipment and Artificial Intelligence R&D Center Project | R&D                                     | Yes   | No   | 225,938,725.00                                      | 38,049,403.21                | 116,459,523.93  | 51.54   | 2025/10/26   | No                                      | Yes  | Not applicable  | Not applicable              | No  | No  | Not applicable |
| Initial public offering of shares | Market sales and product service base construction project           | Operations management                   | Yes   | No   | 140,680,500.00                                      | 19,407,595.96                | 34,558,071.69   | 24.56   | 2025/10/26   | No                                      | Yes  | Not applicable  | Not applicable              | No  | No  | Not applicable |
| Initial public offering of shares | Supplementary working capital  | Compensation current and loan repayment | Yes   | No   | 500,000,000.00                                      |                              | 500,000,000.00  | 100.00  | Not applicable   | No                                      | Yes  | Not applicable  | Not applicable              | No  | No  | Not applicable |
| Initial public offering of shares | Project completion supplementary flow                                | Others                                  | Yes   | No   | -   | 352.19                       | 82,747,429.66   |   | Not applicable   | No                                      | Yes  | Not applicable  | Not applicable              | No  | No  | Not applicable |
| Initial public offering           | Permanent supplementation of working capital                         | Others                                  | Yes   | No   | 1,219,330,448.18                                    | 373,853,248.18               | 1,219,330,448.18  | 100   | Not applicable   | No                                      | Yes  | Not applicable  | Not applicable              | No  | No  | Not applicable |

|                                   |                        |        |     |    |                  |                |                  |       |                |    |     |                |                |    |    |                |
|-----------------------------------|------------------------|--------|-----|----|------------------|----------------|------------------|-------|----------------|----|-----|----------------|----------------|----|----|----------------|
| of shares                         |                        |        |     |    |                  |                |                  |       |                |    |     |                |                |    |    |                |
| Initial public offering of shares | Excessive funds raised | Others | Yes | No | 10,000,000.00    |                |                  |       | Not applicable | No | Yes | Not applicable | Not applicable | No | No | Not applicable |
| Initial public offering of shares | Share repurchase       | Others | Yes | No | 179,798,141.16   | 35,000,000.00  | 179,798,141.16   | 100   | Not applicable | No | Yes | Not applicable | Not applicable | No | No | Not applicable |
| Total                             | /                      | /      | /   | /  | 2,748,557,661.34 | 467,390,599.54 | 2,309,675,726.11 | 84.34 | -              | /  | /   | /              | /              | /  | /  | /              |

## 2. Oversubscribed fund usage details

√ Applicable □ Not applicable

In CNY

| Use  | nature       | Total amount of oversubscribed funds to be invested (1) | Accumulated total investment amount of oversubscribed funds by the end of the reporting period (2) | Accumulated investment progress as of the end of the reporting period (%) (3)=(2)/(1) | Remarks |
|--|--------------|---|--|---|---------|
| Permanent supplementation of working capital | Others       | 1,219,330,448.18  | 1,219,330,448.18   | 100   |         |
| Excessive funds raised                       | Not yet used | 10,000,000.00   |  | 0   |         |
| Share repurchase                             | Repurchase   | 179,798,141.16  | 179,798,141.16   | 100   |         |
| Total  | /            | 1,409,128,589.34  | 1,399,128,589.34   | 99.29   | /       |

## (III) Changes or termination of equity investment during the reporting period

□ Applicable √ Not applicable

**(IV) Other situations regarding the use of funds raised during the reporting period**

1. Upfront investment and replacement of projects invested by funds raised

☐ Applicable ☒ Not applicable

2. Temporary supplementation of working capital with idle funds raised

☐ Applicable ☒ Not applicable

3. Cash management of idle funds raised and investment in related products

☒ Applicable ☐ Not applicable

In CNY 10,000

| Date of board review | Effective approval amount for cash management using raised funds | Start date        | End date          | Cash management balance at the end of the reporting period | Whether the highest balance during the period exceeded the authorized limit |
|----------------------|--|-------------------|-------------------|--|---|
| November 12, 2022    | 110,000  | November 12, 2022 | November 12, 2023 | 0  | No  |
| November 16, 2023    | 110,000  | November 16, 2023 | November 15, 2024 | 0  | No  |
| November 15, 2024    | 60,000   | November 15, 2024 | November 15, 2025 | 8,630.58   | No  |

**Other notes**

On November 12, 2022, at the 22nd Meeting of the First Board of Directors and the 10th Meeting of the First Board of Supervisors of the Company, the Company reviewed and approved the *Proposal for Using Excessive Funds Raised and Part of Idle Funds Raised for Cash Management*. It was agreed that the Company and its wholly-owned subsidiaries may use up to CNY 1.1 billion (inclusive) of excessive funds raised and some idle funds raised for cash management. The term of use lasts 12 months from the date of approval by the Company's Board of Directors. For details, refer to the *Announcement of Wayzim on Using Excessive Funds Raised and Part of Idle Funds Raised for Cash Management* (announcement No.: 2022-029) disclosed on the website of the Shanghai Stock Exchange on November 15, 2022.

On November 16, 2023, at the 6th Meeting of the Second Board of Directors and the 6th Meeting of the Second Board of Supervisors of the Company, the Company reviewed and approved the *Proposal for Using Excessive Funds Raised and Part of Idle Funds Raised for Cash Management*. It was agreed that the Company and its wholly-owned subsidiaries may use up to CNY 1.1 billion (inclusive) of excessive funds raised and some idle funds raised for cash management. The term of use lasts 12 months from the date of approval by the Company's Board of Directors. For details, refer to the *Announcement of Wayzim on Using Excessive Funds Raised and Part of Idle Funds Raised for Cash Management* (announcement No.: 2023-049) disclosed on the website of the Shanghai Stock Exchange on November 18, 2023.

On November 15, 2024, the Company held the 18th Meeting of the Second Board of Directors and the 14th Meeting of the Second Board of Supervisors, to review and approve the *Proposal for the Use of Oversubscribed Funds and Part of the Idle Raised Funds for Cash Management*. The Company and its wholly-owned subsidiaries are authorized to use no more than CNY 600 million (inclusive) of the oversubscribed funds and part of the idle raised funds for cash management. The usage period is valid for 12 months after the proposal is reviewed and approved at the 18th Meeting of the Second Board of Directors. For details, refer to the *Announcement of Wayzim on Using Excessive Funds Raised and Part of Idle Funds Raised for Cash Management* (announcement No.: 2024-058) disclosed on the website of the Shanghai Stock Exchange on November 18, 2024.

## 4. Others

√ Applicable ☐ Not applicable

On October 24, 2023, at the 4th Meeting of the Second Board of Directors and the 4th Meeting of the Second Board of Supervisors of the Company, the Company reviewed and approved the *Proposal for the Completion of the Nanling Manufacturing Base Digital Workshop Construction Project and Permanently Supplementing Working Capital with the Remaining Raised Funds*. It was agreed to end the Nanling Manufacturing Base Digital Workshop Construction Project and use the remaining raised funds of CNY 82,253,500 (the actual amount is subject to the balance in the special account for fund raising on the day of fund transfer) to permanently supplement the Company's working capital. For details, refer to the *Announcement of Wayzim on the Completion of Some Equity Investment Projects and the Permanent Supplement of Working Capital with the Remaining Raised Funds* (announcement No.: 2023-037) disclosed by the Company on the website of the Shanghai Stock Exchange on October 26, 2023.

On October 24, 2023, at the 4th Meeting of the Second Board of Directors and the 4th Meeting of the Second Board of Supervisors of the Company, the Company reviewed and approved the *Proposal for Paying Equity Investment Projects with Owned Foreign Exchange and Substituting the Foreign Exchange with Equivalent Raised Funds*. It was agreed to use owned foreign exchange to pay part of the funds required for equity investment projects during the implementation of the equity investment projects, without affecting the normal progress of the project. Later, the foreign exchange can be substituted with equivalent raised funds that will be transferred from the raised funds account to the Company and its subsidiaries' general accounts. For details, refer to the *Announcement of Wayzim on Paying Equity Investment Projects with Owned Foreign Exchange and Substituting the Foreign Exchange with Equivalent Raised Funds* (announcement No.: 2023-039) disclosed by the Company on the website of the Shanghai Stock Exchange on October 26, 2023.

On October 24, 2023, at the 4th Meeting of the Second Board of Directors and the 4th Meeting of the Second Board of Supervisors of the Company, the Company reviewed and approved the *Proposal for Changing the Implementation Locations of Some Equity Investment Projects*. It was agreed to change the implementation location of the Market Sales and Product Service Base Construction Project as required during the implementation. For details, refer to the *Announcement of Wayzim on Changing the Implementation Locations of Some Equity Investment Projects* (announcement No.: 2023-040) disclosed by the Company on the website of the Shanghai Stock Exchange on October 26, 2023.

On October 24, 2023, at the 4th Meeting of the Second Board of Directors and the 4th Meeting of the Second Board of Supervisors of the Company, the Company reviewed and approved the *Proposal for the Internal Investment Structure Adjustment of Some Equity Investment Projects*. It was agreed that the Company can adjust the internal investment structure of projects featuring initial public offerings (Intelligent Equipment and Artificial Intelligence R&D Center Project and Market Sales and Product Service Base Construction Project) while keeping the total amount of investment unchanged. For details, refer to the *Announcement of Wayzim on the Internal Investment Structure Adjustment of Some Equity Investment Projects* (announcement No.: 2023-038) disclosed by the Company on the website of the Shanghai Stock Exchange on October 26, 2023.

On October 24, 2023, at the 4th Meeting of the Second Board of Directors and the 4th Meeting of the Second Board of Supervisors of the Company, the Company reviewed and approved the *Proposal for the Postponement of Some Equity Investment Projects*. It was agreed to change the date when the project reaches the scheduled usable state of the equity investment projects Intelligent Equipment Manufacturing Center Project, Intelligent Equipment and Artificial Intelligence R&D Center Project, and Market Sales and Product Service Base Construction Project from the original date of October 26, 2023, to October 26, 2025. The above postponement does not change the investment content, total investment amount, or implementation entities of the projects, and will not have a substantial impact on the implementation of the projects. For details, refer to the *Announcement of Wayzim on the Postponement of Some Equity Investment Projects* (announcement No.: 2023-036) disclosed by the Company on the website of the Shanghai Stock Exchange on October 26, 2023.

On November 16, 2023, at the 6th Meeting of the Second Board of Directors and the 6th Meeting of the Second Board of Supervisors of the Company, the Company reviewed and approved the *Proposal for the Scheme for Repurchasing Company Shares through Centralized Price Bidding*. It was agreed that the Company would repurchase part of the ordinary CNY shares (A shares) issued by the Company through centralized bidding via the Shanghai Stock Exchange with the initial excessive funds raised. The total

repurchase amount shall not be less than CNY 25 million (inclusive) and not more than CNY 50 million (inclusive). The repurchased shares are intended to be used for implementing an employee stock ownership plan or equity incentive. The repurchase period shall be 12 months from the date of approval of this repurchase plan by the Board of Directors of the Company. For details, refer to the *Announcement of Wayzim on the Scheme for Repurchasing Company Shares through Centralized Price Bidding* (announcement No.: 2023-050) disclosed by the Company on the website of the Shanghai Stock Exchange on November 18, 2023.

On April 20, 2024, the Company held the 9th Meeting of the Second Board of Directors and the 7th Meeting of the Second Board of Supervisors. On May 13, 2024, the Company held the 2023 annual shareholder meeting, which reviewed and approved the *Proposal for the Use of Part of the Oversubscribed Funds to Permanently Supplement Working Capital*. The Company agreed to use part of the oversubscribed funds from the initial public offering amounting to CNY 373,853,248.18 (excluding interest and cash management income) to permanently supplement the working capital, accounting for 26.53% of the total oversubscribed funds, to be used for the Company's production and operations related to its main business. For details, refer to the *Announcement from Wayzim Regarding the Use of Part of the Excess Raised Funds to Permanently Supplement Working Capital* (announcement No.: 2024-015) disclosed by the Company on the website of the Shanghai Stock Exchange on April 23, 2024.

#### **XIV. Description of Other Major Matters that Have a Significant Impact on Investors' Value**

##### **Determination and Investment Decision**

☐ Applicable ☒ Not applicable

## Section VII Changes in Shares and Shareholders

### I. Changes in Share Capital

#### (I) Changes in shares

##### 1. Changes in shares

During the reporting period, there were no changes in the total number of shares and capital structure of the Company.

##### 2. Notes on changes in shares

☐ Applicable ☒ Not applicable

##### 3. Effect of equity change on financial indicators including earnings per share and net asset per share in recent year and period (if any)

☐ Applicable ☒ Not applicable

##### 4. Other contents to be disclosed as the Company deems it necessary or at the request of the securities regulators

☐ Applicable ☒ Not applicable

#### (II) Changes in restricted shares

☐ Applicable ☒ Not applicable

### II. Securities Issuance and Listing

#### (I) Securities issuance as of the reporting period

☐ Applicable ☒ Not applicable

Notes on securities issuance as of the reporting period (please specify bonds with different interest rates in duration separately):

☐ Applicable ☒ Not applicable

#### (II) Changes in the total shares and shareholder structure of the Company, as well as changes in the asset and liability structure of the Company

☐ Applicable ☒ Not applicable

### III. Shareholders and Actual Controllers

#### (I) Total number of shareholders

|  |        |
|--|--------|
| Total number of common shareholders as of the end of the reporting period (Nos.)   | 11,068 |
| Total number of common shareholders as of the end of the month prior to the date of disclosure of annual report (Nos.)                               | 10,996 |
| Total number of preferred shareholders with recovered voting power at the end of the reporting period (Nos.)   | 0      |
| Total number of preferred shareholders with recovered vote rights as of the end of the month prior to the date of disclosure of annual report (Nos.) | 0      |
| Total number of shareholders of special shares with voting power as of the end of the reporting period (Nos.)  | 0      |
| Total number of shareholders of special shares with voting power as of the end of the month prior  | 0      |

to the date of disclosure of annual report (Nos.)

**Number of holders of depository receipts**

□ Applicable √ Not applicable

**(II) Shareholding of top ten shareholders and top ten floating stockholders (or unrestricted shareholders) as of the end of the reporting period**

Unit: share

| Shareholding of top ten shareholders (excluding shares lent through refinancing) |   |   |                |   |                              |        |                                       |
|--|---|---|----------------|---|------------------------------|--------|---------------------------------------|
| Name of shareholder (full name)  | Increase/decrease in the reporting period | Number of shares held as of the end of the period | Proportion (%) | Number of shares held with restrictions on sale | Pledge, marking, or freezing |        | Shareholder nature                    |
|  |   |   |                |   | Share status                 | Amount |                                       |
| Wuxi Wayzim Yuanchuang Investment Enterprise (Limited Partnership)               | 0   | 27,000,000  | 20.52          | 27,000,000                                      | None                         | 0      | Others                                |
| Li Gongyan   | 0   | 19,800,000  | 15.04          | 19,800,000                                      | None                         | 0      | Domestic natural person               |
| Wuxi Qunchuang Zhongda Investment Partnership (Limited Partnership)              | 0   | 19,800,000  | 15.04          | 19,800,000                                      | None                         | 0      | Others                                |
| Beijing Zhongke Micro Investment Management Co., Ltd.                            | 0   | 13,500,000  | 10.26          | 0   | None                         | 0      | State-owned legal person              |
| Yao Yajuan   | 0   | 5,400,000   | 4.10           | 0   | None                         | 0      | Domestic natural person               |
| Zhu Yi   | -711,558                                  | 2,449,546   | 1.86           | 0   | None                         | 0      | Domestic natural person               |
| Wang Yilin   | 1,579,706                                 | 1,699,274   | 1.29           | 0   | None                         | 0      | Domestic natural person               |
| CITIC Securities Investment Co., Ltd.  | 0   | 990,000   | 0.75           | 0   | None                         | 0      | Domestic non-state-owned legal person |



| Wuxi Industry Jufeng Investment Management Co., Ltd. - Wuxi Internet of Things Industry Investment Management Partnership (Limited Partnership) | 0   | 978,264                    | 0.74       | 0 | None | 0 | Others                  |
|---|---|----------------------------|------------|---|------|---|-------------------------|
| Yang Liuqing  | 115,140                                     | 730,845                    | 0.56       | 0 | None | 0 | Domestic natural person |
| Shareholding of the top ten unrestricted shareholders (excluding shares lent through stock transfer and re-lending)                             |   |                            |            |   |      |   |                         |
| Name of shareholder   | Number of unrestricted tradable shares held | Type and quantity of share |            |   |      |   |                         |
|   |   | Type                       | Quantity   |   |      |   |                         |
| Beijing Zhongke Micro Investment Management Co., Ltd.   | 13,500,000                                  | CNY ordinary shares        | 13,500,000 |   |      |   |                         |
| Yao Yajuan  | 5,400,000                                   | CNY ordinary shares        | 5,400,000  |   |      |   |                         |
| Zhu Yi  | 2,449,546                                   | CNY ordinary shares        | 2,449,546  |   |      |   |                         |
| Wang Yilin  | 1,699,274                                   | CNY ordinary shares        | 1,699,274  |   |      |   |                         |
| CITIC Securities Investment Co., Ltd.   | 990,000                                     | CNY ordinary shares        | 990,000    |   |      |   |                         |
| Wuxi Industry Jufeng Investment Management Co., Ltd. - Wuxi Internet of Things Industry Investment Management Partnership (Limited Partnership) | 978,264                                     | CNY ordinary shares        | 978,264    |   |      |   |                         |
| Yang Liuqing  | 730,845                                     | CNY ordinary shares        | 730,845    |   |      |   |                         |
| Kong Fanqiang   | 631,000                                     | CNY ordinary shares        | 631,000    |   |      |   |                         |
| Zhou Wei'an   | 536,688                                     | CNY ordinary shares        | 536,688    |   |      |   |                         |
| Wayzim Technology Co., Ltd.—Phase II Employee Stock Ownership Plan  | 530,400                                     | CNY ordinary shares        | 530,400    |   |      |   |                         |

|   |  |
|---|--|
| Special accounts for repurchase by top ten shareholders                                     | Wayzim Technology Co., Ltd. repurchase special securities account held 4,554,770 shares of the Company at the end of the reporting period.   |
| Explanation of the above shareholders on delegating/receiving/waiving voting power          | Not applicable   |
| Description of related relationship or acting in concert with the above shareholders        | 1. Li Gongyan is the Executing Partner of Qunchuang Zhongda and Wayzim Yuanchuang;<br>2. It is unknown whether or not the above-said other shareholders of the Company are correlated with each other or the persons acting in concert as specified in the <i>Administrative Measures on Acquisition of Listed Companies</i> . |
| Description of preferred shareholders with recovered voting power and number of shares held | Not applicable   |

Share lending under the margin financing and securities lending (MFSL) program by shareholders holding over 5% equity, the top ten shareholders, and the top ten shareholders of unrestricted outstanding shares

☐ Applicable ☒ Not applicable

Changes compared to the previous period in the top ten shareholders and the top ten shareholders of unrestricted outstanding shares due to share lending/return under the margin financing and securities lending (MFSL) program

☐ Applicable ☒ Not applicable

Number of shares held by top ten shareholders with restrictions on sale and the restrictions on sale

☒ Applicable ☐ Not applicable

Unit: share

| No.  | Name of shareholders with restrictions on sale                      | Number of shares held with restrictions on sale                                 | Tradable conditions for shares with restrictions on sale |                                 | Restrictions on sale                                  |
|--|---|---|--|---------------------------------|---|
|  |   |   | Tradable time  | Number of newly tradable shares |   |
| 1  | Wuxi Wayzim Yuanchuang Investment Enterprise (Limited Partnership)  | 27,000,000  | 2025.4.26  | 0                               | Lockup for 42 months from the date of company listing |
| 2  | Li Gongyan  | 19,800,000  | 2025.4.26  | 0                               | Lockup for 42 months from the date of company listing |
| 3  | Wuxi Qunchuang Zhongda Investment Partnership (Limited Partnership) | 19,800,000  | 2025.4.26  | 0                               | Lockup for 42 months from the date of company listing |
| Description of related relationship or acting in concert with the above shareholders |   | Li Gongyan is the Executing Partner of Qunchuang Zhongda and Wayzim Yuanchuang. |  |                                 |   |

Note: 66.6 million restricted shares held by Wuxi Wayzim Yuanchuang Investment Enterprise (limited partnership), Wuxi Qunchuang Zhongda Investment Partnership (limited partnership), and Li Gongyan will become tradable on April 28, 2025. According to the *Interim Measures for the Administration of Shareholding Reduction by Shareholders of Listed Companies*, if the closing price of the Company's stock (adjusted for dividends) is lower than the stock issuance price of the initial public offering at any time during the most recent twenty trading days, the actual controller of the Company, Li Gongyan, and his concerted actors, Wuxi Wayzim Yuanchuang Investment Enterprise (limited

partnership) and Wuxi Qunchuang Zhongda Investment Partnership (limited partnership), are prohibited from reducing their shareholdings through centralized bidding trading or block trading on the Shanghai Stock Exchange.

**Table of the top ten domestic depository receipt holders of the Company as of the end of the reporting period**

☐ Applicable ☒ Not applicable

Share lending of holders of depository receipts holding more than 5% of shares, the top ten holders of depository receipts, and the top ten holders of unrestricted depository receipts participating in the securities lending and borrowing business

☐ Applicable ☒ Not applicable

Changes in the top ten holders of depository receipts and the top ten holders of unrestricted depository receipts compared to the previous period due to lending/returning of shares in the securities lending and borrowing business

☐ Applicable ☒ Not applicable

**Number of shares held by top ten depository receipt holders with restrictions on sale and the restrictions on sale**

☐ Applicable ☒ Not applicable

**(III) Top ten shareholders with voting power as of the end of the reporting period**

☐ Applicable ☒ Not applicable

**(IV) Strategic investors or general legal persons being the top ten shareholders due to rights issue/depository receipt**

☐ Applicable ☒ Not applicable

**(V) IPO strategic placement**

**1. Senior management and key employees establish a special asset management plan and participate in the IPO strategic placement and shareholding**

☐ Applicable ☒ Not applicable

**2. Relevant subsidiaries of the Sponsor participate in the IPO strategic placement and shareholding**

☒ Applicable ☐ Not applicable

Unit: share

| Name of shareholder                   | Relation with the Sponsor | Number of rights issue/depository receipt | Tradable time | Increase/decrease of shares during the reporting period | Number of holdings including refinancing and loaning shares/depository receipts at the end of the period |
|---------------------------------------|---------------------------|---|---------------|---|--|
| CITIC Securities Investment Co., Ltd. | Wholly-owned subsidiary   | 990,000                                   | 2023.10.26    | 0   | 990,000  |

**IV. Controlling Shareholders and Actual Controllers**

**(I) Controlling shareholders**

**1. Legal person**

☐ Applicable ☒ Not applicable

**2. Natural person**

☐ Applicable ☒ Not applicable

**3. Special explanations for the absence of a controlling shareholder**

☒ Applicable ☐ Not applicable

The shareholding ratio of Wayzim Yuanchuang, the largest shareholder of the Company, Li Gongyan, the second largest shareholder, and Qunchuang Zhongda, the third largest shareholder, is relatively close, and is not more than 30%, respectively, so the Company has no controlling shareholder.

**4. Explanation for changes in controlling shareholders during the reporting period**

☐ Applicable ☒ Not applicable

**5. Block diagram for the property and control relations between the Company and the controlling shareholders**

☐ Applicable ☒ Not applicable

**(II) Actual controllers****1. Legal person**

☐ Applicable ☒ Not applicable

**2. Natural person**

☒ Applicable ☐ Not applicable

|   |                    |
|---|--------------------|
| Name  | Li Gongyan         |
| Nationality   | China              |
| Obtaining the right of residence in other countries or regions or not                           | No                 |
| Main profession and position  | Chairman of Wayzim |
| Information on other domestic and overseas listed companies holding equity in the past 10 years | None               |

**3. Special explanations for the absence of an actual controller**

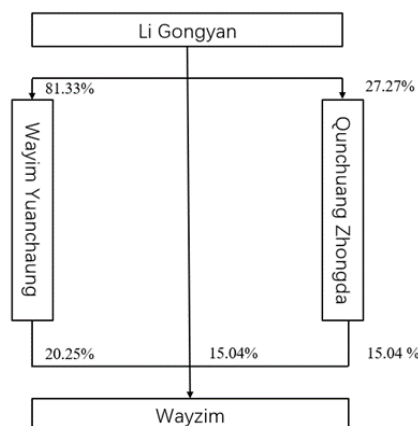
☐ Applicable ☒ Not applicable

**4. Explanations to changes in the Company's control during the reporting period**

☐ Applicable ☒ Not applicable

**5. Block diagram for the property and control relation between the Company and its actual controller**

☒ Applicable ☐ Not applicable



**6. Actual controller controlling the Company through trusts or other asset management methods**

☐ Applicable ☒ Not applicable

**(III) Introduction to other information on controlling shareholders and actual controllers**

☐ Applicable ☒ Not applicable

**V. The Cumulative Number of Pledged Shares of the Company's Controlling Shareholder or the Largest Shareholder and Its Concerted Actors Accounts for More Than 80% of That of the Company's Shares**

☐ Applicable ☒ Not applicable

**VI. Other Corporate Shareholders with At Least 10% Shares**

☒ Applicable ☐ Not applicable

In CNY 10,000

| Name of corporate shareholder                         | Person in charge or legal representative | Date of establishment | Organization code | Registered capital | Main business or management activities   |
|---|--|-----------------------|-------------------|--------------------|--|
| Beijing Zhongke Micro Investment Management Co., Ltd. | Ma Chao                                  | August 5, 2011        | 58086712-8        | 1,481.88           | Investment management; copyright trade; trademark agency; technical development, technical consultation; technical services; conference services; undertaking of exhibition and display activities; and renting out commercial premises. |
| Notes   | N/A                                      |                       |                   |                    |  |

**VII. Information on Restricted Share/Depository Receipt Selling**

☐ Applicable ☒ Not applicable

**VIII. Specific Implementation of Share Repurchase During the Reporting Period**

☒ Applicable ☐ Not applicable

In CNY 10,000

|  |  |
|--|--|
| Name of the share repurchase plan  | Plan of Wayzim Technology on Company Share Repurchase through Centralized Bidding                                      |
| Disclosure time of the share repurchase plan   | November 18, 2023  |
| Number of shares to be repurchased and their proportion to the total share capital (%) | Number of shares to be repurchased: 466,244 to 932,487 shares<br>Proportion to the total share capital: 0.35% to 0.71% |
| Proposed amount of repurchase  | CNY 25 million (inclusive) to CNY 50 million (inclusive)   |

|  |   |
|--|---|
| Proposed repurchase period   | Within 12 months from the date of approval of the share repurchase plan at the 6th Meeting of the Second Board of Directors   |
| Purpose of repurchase  | The repurchased shares are intended to be used for implementing an employee stock ownership plan or equity incentive. If the repurchased shares are not transferred within 36 months after the date of announcement of the repurchase results and changes in the shares, the Company will follow the legal procedures to reduce the registered capital, and the untransferred shares will be cancelled. |
| Number of shares repurchased (shares)  | 1,290,498   |
| Proportion of the number of shares repurchased to the underlying shares involved in the equity incentive plan (%) (if any) | None  |
| Progress of shares reduction and repurchase by means of centralized bidding by the Company                                 | None  |

|  |   |
|--|---|
| Name of the share repurchase plan  | Plan of Wayzim Technology on Company Share Repurchase through Centralized Bidding   |
| Disclosure time of the share repurchase plan   | July 10, 2024   |
| Number of shares to be repurchased and their proportion to the total share capital (%)                                     | Number of shares to be repurchased: 540,700 to 1,081,500 shares<br>Proportion to the total share capital: 0.41% to 0.82%  |
| Proposed amount of repurchase  | CNY 15 million to 30 million  |
| Proposed repurchase period   | 3 months after review and approval at the shareholder meeting   |
| Purpose of repurchase  | To maintain the Company's value and shareholders' rights, the Company will sell the repurchased shares through centralized bidding trading method 12 months after announcing the results and changes in the number of shares, with a holding period of 3 years. If the sale is not completed within 3 years after the completion of the share repurchase, the Company will cancel the unsold shares in accordance with relevant regulations and go through the corresponding review procedures. |
| Number of shares repurchased (shares)  | 555,672   |
| Proportion of the number of shares repurchased to the underlying shares involved in the equity incentive plan (%) (if any) | Not applicable  |
| Progress of shares reduction and repurchase by means of centralized bidding by the Company                                 | None  |

## **Section VIII Preferred Shares**

☐ Applicable ☒ Not applicable

## **Section IX Bonds**

### **I. Corporate Bonds (Including Enterprise Bonds) and Non-financial Corporate Debt Financing Instruments**

☐ Applicable ☒ Not applicable

### **II. Convertible Corporate Bonds**

☐ Applicable ☒ Not applicable



## Section X Financial Report

### I. Audit Report

√ Applicable ☐ Not applicable

#### (I) Audit Opinion

We have audited the attached financial statements of Wayzim Technology (hereinafter referred to as "Wayzim"), including the consolidated and parent company balance sheet as of December 31, 2024, the consolidated and parent company income statement, consolidated and parent company cash flow statement, consolidated and parent company shareholders' equity change statement and relevant notes to the financial statements in 2024.

We think that the attached financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance of the People's Republic of China in all major aspects (hereinafter referred to as "Accounting Standards for Business Enterprises"), and fairly reflect the merger of Wayzim as of December 31, 2024, and the financial status of the parent company, as well as the merger in 2024 and the operating results and cash flows of the parent company.

#### (II) Basis for the Opinion

We conducted our audit work in accordance with the Auditing Standards of Chinese Certified Public Accountants (hereinafter referred to as "Auditing Standards"). The "CPA's Responsibility for Auditing Financial Statements" section in the Audit Report further explains our responsibilities under those standards. According to the code of professional ethics for Chinese CPAs, we are independent of Wayzim and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidence received by us is adequate and appropriate, which provides the basis for offering audit opinions.

#### (III) Key Audit Matters

Key audit matters are those which we consider to be the most important for the audit of the current financial statements based on our professional judgment. Those matters are handled in the context that we audit the financial statements as a whole and form an audit opinion, and we do not express a separate opinion on these matters.

**Audit Report (Continued)**

BMWHZSZ No. 2513624

**III.Key Audit Matters**

Key audit matters are those which we consider to be the most important for the audit of the current financial statements based on our professional judgment. Those matters are handled in the context that we audit the financial statements as a whole and form an audit opinion, and we do not express a separate opinion on these matters.

| <b>Revenue recognition on sales of goods</b>   |   |
|--|---|
| Refer to the accounting policies described in 39 under Section X.V "Significant Accounting Policies and Accounting Estimates" and the descriptions in 61 under Section X.VII "Notes to Items in Consolidated Financial Statements".  |   |
| <b>Key audit matters</b>   | <b>How key audit matters were handled in the audit</b>  |
| <p>Wayzim and its subsidiaries (hereinafter referred to as "Wayzim Group") are mainly engaged in comprehensive solutions to intelligent warehouse and logistics automation systems. In 2024 (hereinafter referred to as the "reporting period"), the operating revenue generated from selling goods was CNY 2,381,028,682.72.</p> <p>Wayzim Group recognized the revenue at a time point when the customer obtained the control right of the relevant goods. Wayzim Group evaluated the contract terms and business arrangements, identified the performance obligations in the contract, and determined whether the performance obligations were fulfilled at a certain time point or within a certain period of time.</p> <p>The time point of sales recognition by Wayzim Group was that Wayzim Group delivered the goods to the place designated by the customers, completed the installation and commissioning, and recognized the revenue while obtaining the final acceptance certificate from the customers according to the sales contract.</p> | <p>The audit procedures related to the evaluation of the recognition of revenue from sales of goods mainly include the following:</p> <ul style="list-style-type: none"> <li>• Understand and evaluate the design and operational effectiveness of key financial reporting internal controls related to revenue recognition.</li> <li>• Select samples to inspect the sales contracts signed between Wayzim Group and customers, identify the main terms related to the control right transfer, and evaluate whether the accounting policies of the revenue recognition meet the requirements of the Accounting Standards for Business Enterprises.</li> <li>• Select specific customers and take a site visit to the office or place of production and operation of the customers, observe the production and operation activities of relevant customers, and interview their staff to inquire about their business dealings with Wayzim Group and to check if there are any abnormal situations.</li> <li>• Select major customers and access information on their shareholders, directors, and supervisors by querying publicly available industrial and commercial information (such as, by means of the "National Enterprise Credit Information Publicity System"), and compare it with the information provided by Wayzim Group to check if there is any affiliate relationship.</li> </ul> |

**Audit Report (Continued)**

BMWHZSZ No. 2513624

**III.Key Audit Matters (Continued)**

| <b>Revenue recognition on sales of goods (continued)</b>  |   |
|---|---|
| Refer to the accounting policies described in 39 under Section X.V "Significant Accounting Policies and Accounting Estimates" and the descriptions in 61 under Section X.VII "Notes to Items in Consolidated Financial Statements".   |   |
| <b>Key audit matters</b>  | <b>How key audit matters were handled in the audit</b>  |
| Since revenue recognition is one of the key performance indicators of Wayzim Group, and there is an inherent risk that the Management will control the timing of revenue recognition on sales of goods in order to achieve specific goals or expectations, we identify the revenue recognition on the sales of goods as a key audit matter. | <ul style="list-style-type: none"> <li>• Check the revenue during the reporting period against relevant supporting documents, such as sales contracts, acceptance certificates, and sales invoices, based on audit sampling to evaluate whether the relevant revenue has been recognized in accordance with the accounting policies of Wayzim Group.</li> <li>• Execute confirmation procedure for the balance of accounts receivable and contractual liabilities at the balance sheet date and the sales transaction amount during the reporting period based on audit sampling.</li> <li>• Select sales transactions close to the balance sheet date and check them against relevant supporting documents such as sales contracts, acceptance certificates, and sales invoices to evaluate whether the relevant revenue has been properly recorded in the appropriate accounting period.</li> <li>• Check if there are sales returns after the balance sheet date. In case of sales returns, check them against relevant supporting documents to evaluate whether the revenue has been properly recorded in the appropriate period. and</li> <li>• Select revenue accounting entries that meet specific risk standards, and check relevant supporting documents.</li> </ul> |

**Audit Report (Continued)**

BMWHZSZ No. 2513624

**III. Key Audit Matters (Continued)**

| <b>Work-in-progress inventory falling price reserves</b>   |   |
|--|---|
| Refer to the accounting policies described in 16 under Section X.V "Significant Accounting Policies and Accounting Estimates" and the descriptions in 10 under Section X.VII "Notes to Items in Consolidated Financial Statements".  |   |
| <b>Key audit matters</b>   | <b>How key audit matters were handled in the audit</b>  |
| <p>The inventories of Wayzim Group mainly included the work in progress that was still awaiting customer acceptance during the installation process. As of December 31, 2024, the book balance of work in progress was CNY 1,675,512,173.94, accounting for 83% of the inventory balance.</p> <p>At the balance sheet date, inventories were measured at the lower of cost and net realizable value. The net realizable value was determined as the estimated sale price of inventories less the estimated costs to be incurred upon completion (if any), estimated sale expenses, and related taxes of inventories. When determining the net realizable value, the Management made judgments and estimates by taking into account the expected contract price, work-in-progress status, average acceptance period, historical cost forecast, and estimated costs to be incurred upon completion (if any).</p> <p>Due to the fact that significant judgments and estimates by the Management are involved in determining the work-in-progress inventory falling price reserves, we identify the work-in-progress inventory falling price reserves as a key audit matter.</p> | <p>The audit procedures related to the evaluation of the work-in-progress inventory falling price reserves mainly include the following:</p> <ul style="list-style-type: none"> <li>• Understand and evaluate the design and operational effectiveness of key financial reporting internal controls related to inventory management (including evaluating inventory falling price reserves).</li> <li>• Evaluate whether the inventory falling price reserve policies of Wayzim Group comply with the requirements of the Accounting Standards for Business Enterprises, and check the accuracy of the calculation for the amount of inventory falling price reserves based on the inventory falling price reserve policies.</li> <li>• Select samples, check the relevant supporting materials such as raw material delivery notes corresponding to the work in progress at the balance sheet date, and evaluate the accuracy of the inventory age information provided by the Management.</li> <li>• Select samples and take a visit to the customers' premises to inspect the work-in-progress status at the end of the year, interview relevant staff of the customers, and inquire about the installation, commissioning, trial operation, and acceptance process of work in progress with a long inventory age, and check if any situations may prevent the final sales of the work in progress.</li> </ul> |

**Audit Report (Continued)**

BMWHZSZ No. 2513624

**III. Key Audit Matters (Continued)**

| <b>Work-in-progress inventory falling price reserves (continued)</b>  |   |
|---|---|
| Refer to the accounting policies described in 16 under Section X.V "Significant Accounting Policies and Accounting Estimates" and the descriptions in 10 under Section X.VII "Notes to Items in Consolidated Financial Statements". |   |
| <b>Key audit matters</b>  | <b>How key audit matters were handled in the audit</b>  |
|   | <ul style="list-style-type: none"> <li>• Understand the reasons for long-term non-acceptance as to the work in progress with a long acceptance period based on the inventory age, check the key terms of the corresponding sales contract, and analyze any circumstances failing to meet the final acceptance conditions, in order to evaluate the rationality of the estimates made by the Management in the calculation of net realizable value. and</li> <li>• Select samples, and compare the estimates used in determining the net realizable value of the work in progress with the actual completion cost and actual selling price of the work in progress that occurred subsequently, in order to evaluate whether there are any signs of Management bias.</li> </ul> |

## **Audit Report (Continued)**

BMWHZSZ No. 2513624

### **IV. Other Information**

The Management of Wayzim is responsible for other information. Other information includes those covered by the Annual Report 2024 of Wayzim but excludes the Financial Statements and our Audit Report.

Our audit opinion on financial statements does not include other information, and no authentication conclusion on other information has been made by us in any form.

Our responsibility is to read such other information together with our audit of financial statements. In this process, we consider whether there is any material inconsistency or other material misstatement between other information and the financial statements or what we have learned during the audit process.

If we determine that there is a material misstatement in such other information based on the work we have performed, we should report such material misstatement. In this regard, we have nothing to report.

### **V. Responsibilities of the Management and the Governance Team for the Financial Statements**

The responsibilities of the Management include preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation; designing, implementing, and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the Financial Statements, the Management is responsible for assessing the ability for continuous operations of Wayzim, disclosing matters relating to continuous operations (if applicable) and applying the assumption of going concern unless there is plan to liquidate, terminate operations or have no other realistic options.

The Governance Team is responsible for overseeing the financial reporting process of Wayzim.

**Audit Report (Continued)**

BMWHZSZ No. 2513624

**VI.CPA's Responsibility for Auditing Financial Statements**

Our goal is to obtain appropriate assurance as to whether the entire financial statements are free from any material misstatement due to frauds or errors, and to issue an audit report containing audit opinions. The appropriate assurance is a high level of assurance, but it does not guarantee that the audit conducted in accordance with the auditing standards can always identify all material misstatements. Misstatement may be caused by frauds or errors. It is usually considered that the misstatement is significant if it is reasonably expected that the misstatement alone or aggregated may affect the economic decision made by the financial statement users based on the financial statements.

In the course of carrying out audit work in accordance with the auditing standards, we use professional judgment and maintain professional suspicion. At the same time, we also perform the following tasks:

- (1) Identify and assess risks of material misstatement of financial statements due to frauds or errors, design and implement audit procedures to address these risks, and obtain adequate and appropriate audit evidence as a basis for expressing audit opinions. Since frauds may involve collusion, falsification, intentional omission, misrepresentation, or override of internal controls, the risk of failing to identify a material misstatement due to frauds is higher than that of failing to identify a material misstatement due to errors.
- (2) Understand audit-related internal controls to design appropriate audit procedures.
- (3) Assess the appropriateness of the accounting policies selected and the reasonableness of the accounting estimates and relevant disclosures made by the Management.
- (4) Draw conclusion on the appropriateness of the going-concern assumption used by the Management. Meanwhile, we conclude whether material uncertainties in matters or circumstances may cast significant doubt on Wayzim's ability to continue as a going concern based on the audit evidence acquired. If we conclude that there is material uncertainty, the auditing standards require us to draw the statement user's attention in the audit report to relevant disclosures in the financial statements; and if the disclosure is inadequate, we shall give non-unqualified opinions. Our conclusions are based on the information available as of the date of the audit report. However, future events or circumstances may impair Wayzim's ability to continue as a going concern.
- (5) Evaluate the overall presentation (including disclosure), structure, and content of financial statements and whether the financial statements fairly reflect relevant transactions and matters.

## **Audit Report (Continued)**

BMWHZSZ No. 2513624

### **VI.CPA's Responsibility for Auditing Financial Statements (Continued)**

- (6) Obtain sufficient and appropriate audit evidence for the financial information of the entities or business activities of Wayzim to express our audit opinions on the financial statements. We are responsible for guiding, supervising, and executing the group audit, and take full responsibility for our audit opinion.

We communicate with the Governance Team on the planned audit scope, timing, and major audit findings, including communication on the noteworthy internal control deficiencies that we identified during the audit.

We also provide a statement to the Governance Team that we have complied with the professional ethics requirements related to our independence, and communicate with the Governance Team all relationships and other matters that may reasonably be considered to affect our independence as well as relevant preventive measures (if applicable).

From the matters on which we communicate with the Governance Team, we determine which matters are the most important for the audit of the financial statements for the current period and thus constitute the key audit matters. We describe these matters in our audit report, and unless laws and regulations prohibit the public disclosure of these matters or in rare cases, if it is reasonably expected that the negative consequence of communicating certain matters in the audit report will outweigh the benefits in the public interest, we determine that such matters shall not be communicated in the audit report.

KPMG Huazhen LLP

Chinese Certified Public Accountant

Huang Xiaodong (project partner)

Beijing, China

Chen Yuze



## II. Financial Statements

### Consolidated Balance Sheet

December 31, 2024

In CNY

| Item                                   | Refer To         | December 31, 2024 | December 31, 2023 |
|--|------------------|-------------------|-------------------|
| <b>Current assets:</b>                 |                  |                   |                   |
| Monetary funds                         | Section X.VII.1  | 474,828,723.13    | 476,093,592.90    |
| Trading financial assets               | Section X.VII.2  | 1,101,036,564.26  | 1,217,980,705.57  |
| Notes receivable                       | Section X.VII.4  | 9,825,153.25      | 2,411,000.00      |
| Accounts receivable                    | Section X.VII.5  | 499,268,675.32    | 628,574,662.64    |
| Accounts receivable financing          | Section X.VII.7  | 2,065,547.83      | 1,800,000.00      |
| Advance payments                       | Section X.VII.8  | 124,241,978.10    | 111,826,733.12    |
| Other accounts receivable              | Section X.VII.9  | 19,502,820.90     | 15,973,931.68     |
| Inventory                              | Section X.VII.10 | 1,702,392,683.79  | 2,130,990,980.59  |
| Contractual assets                     | Section X.VII.6  | 95,087,117.85     | 87,643,899.86     |
| Non-current assets due within one year | Section X.VII.12 | 12,959,919.36     | 21,651,996.28     |
| Other current assets                   | Section X.VII.13 | 45,062,543.53     | 78,353,069.56     |
| Total current assets                   |                  | 4,086,271,727.32  | 4,773,300,572.20  |
| <b>Non-current assets:</b>             |                  |                   |                   |
| Long-term receivables                  | Section X.VII.16 | 37,696,861.25     | 50,316,282.43     |
| Investment in other equity instruments | Section X.VII.18 | 167,827,676.77    | 166,100,742.87    |
| Investment property                    | Section X.VII.20 | 106,558,858.70    | 28,534,784.98     |
| Fixed assets                           | Section X.VII.21 | 682,982,278.50    | 740,692,197.42    |
| Construction in progress               | Section X.VII.22 | 567,721,126.09    | 456,836,010.48    |
| Right-of-use assets                    | Section X.VII.25 | 17,805,101.49     | 19,311,139.18     |
| Intangible assets                      | Section X.VII.26 | 158,947,652.18    | 163,741,122.45    |
| Long-term deferred expenses            | Section X.VII.28 | 9,696,219.76      | 6,082,427.94      |
| Deferred income tax assets             | Section X.VII.29 | 157,462,151.80    | 139,962,671.02    |
| Other non-current financial assets     | Section X.VII.19 | 5,797,417.08      | 11,472,767.17     |
| Other non-current assets               | Section X.VII.30 | 192,337,568.32    | 141,973,277.22    |
| Total non-current assets               |                  | 2,104,832,911.94  | 1,925,023,423.16  |
| Total assets                           |                  | 6,191,104,639.26  | 6,698,323,995.36  |

|  |                  |                  |                  |
|--|------------------|------------------|------------------|
| <b>Current liabilities:</b>  |                  |                  |                  |
| Short-term borrowings  | Section X.VII.32 | -                | 20,017,722.23    |
| Notes payable  | Section X.VII.35 | 14,698,032.02    | 171,544,171.87   |
| Accounts payable   | Section X.VII.36 | 815,643,006.39   | 905,830,897.28   |
| Contract liabilities   | Section X.VII.38 | 1,040,361,965.04 | 1,233,397,851.67 |
| Payroll payable  | Section X.VII.39 | 56,816,282.37    | 65,354,152.79    |
| Taxes payable  | Section X.VII.40 | 25,521,653.59    | 22,228,526.22    |
| Other accounts payable   | Section X.VII.41 | 244,262,927.94   | 326,104,774.61   |
| Non-current liabilities due within one year                                | Section X.VII.43 | 43,110,966.18    | 11,558,159.67    |
| Other current liabilities  | Section X.VII.44 | 215,590,846.15   | 81,236,281.22    |
| Total current liabilities  |                  | 2,456,005,679.68 | 2,837,272,537.56 |
| <b>Non-current liabilities:</b>  |                  |                  |                  |
| Lease liabilities  | Section X.VII.47 | 11,182,412.03    | 13,981,159.00    |
| Long-term accounts payable   | Section X.VII.48 | 22,494,504.52    | 48,897,179.02    |
| Estimated liabilities  | Section X.VII.50 | 24,459,037.01    | 23,677,259.13    |
| Deferred income  | Section X.VII.51 | 132,650,839.35   | 123,607,380.08   |
| Total non-current liabilities  |                  | 190,786,792.91   | 210,162,977.23   |
| Total liabilities  |                  | 2,646,792,472.59 | 3,047,435,514.79 |
| <b>Shareholders' equity:</b>   |                  |                  |                  |
| Paid-in capital (or share capital)   | Section X.VII.53 | 131,608,698.00   | 131,608,698.00   |
| Capital reserves   | Section X.VII.55 | 3,287,302,684.98 | 3,278,664,483.15 |
| Subtract: Treasury stock   | Section X.VII.56 | 171,998,237.73   | 144,419,760.96   |
| Other comprehensive income   | Section X.VII.57 | 61,189,119.43    | 58,197,006.50    |
| Special reserves   | Section X.VII.58 | 8,957,269.93     | 4,750,807.87     |
| Surplus reserves   | Section X.VII.59 | 39,327,753.08    | 39,327,753.08    |
| Undistributed profits  | Section X.VII.60 | 187,925,095.05   | 282,759,647.80   |
| Total owner's (or shareholders') equity attributable to the parent company |                  | 3,544,312,382.74 | 3,650,888,635.44 |
| Minority equity  |                  | -216.07          | -154.87          |
| Total owner's (or shareholders') equity                                    |                  | 3,544,312,166.67 | 3,650,888,480.57 |

|   |  |                  |                  |
|---|--|------------------|------------------|
| Total liabilities and owner's (or shareholders') equity |  | 6,191,104,639.26 | 6,698,323,995.36 |
|---|--|------------------|------------------|

Person in charge of the Company: Li Gongyan      Person in charge of the accounting affairs: Yao Yi  
 Person in charge of the accounting organization: Yao Yi

### Balance Sheet of Parent Company

December 31, 2024

In CNY

| Item                                   | Refer To        | December 31, 2024 | December 31, 2023 |
|--|-----------------|-------------------|-------------------|
| <b>Current assets:</b>                 |                 |                   |                   |
| Monetary funds                         |                 | 291,338,154.12    | 409,924,967.75    |
| Trading financial assets               |                 | 1,101,036,564.26  | 1,191,977,557.08  |
| Notes receivable                       |                 | 9,685,303.28      | 2,411,000.00      |
| Accounts receivable                    | Section X.XIX.1 | 494,390,514.93    | 619,725,141.61    |
| Accounts receivable financing          |                 | 2,065,547.83      | 1,800,000.00      |
| Advance payments                       |                 | 101,906,791.11    | 85,957,967.65     |
| Other accounts receivable              | Section X.XIX.2 | 487,535,529.27    | 461,723,330.13    |
| Inventory                              |                 | 1,558,780,974.66  | 1,909,385,903.95  |
| Contractual assets                     |                 | 95,052,951.08     | 87,643,899.86     |
| Non-current assets due within one year |                 | 12,359,919.36     | 20,651,996.28     |
| Other current assets                   |                 | 6,525,129.64      | 11,935,234.92     |
| Total current assets                   |                 | 4,160,677,379.54  | 4,803,136,999.23  |
| <b>Non-current assets:</b>             |                 |                   |                   |
| Long-term receivables                  |                 | 36,146,701.97     | 48,276,365.38     |
| Long-term equity investments           | Section X.XIX.3 | 502,480,693.30    | 429,884,929.59    |
| Investment in other equity instruments |                 | 161,927,676.77    | 156,100,742.87    |
| Investment property                    |                 | 17,938,129.99     | -                 |
| Fixed assets                           |                 | 242,741,407.41    | 250,470,316.89    |
| Construction in progress               |                 | 3,821,562.27      | 8,945,601.94      |
| Right-of-use assets                    |                 | 10,194,640.56     | 12,956,930.05     |
| Intangible assets                      |                 | 27,693,588.14     | 29,630,938.26     |
| Long-term deferred expenses            |                 | 7,660,644.60      | 2,757,288.41      |
| Deferred income tax assets             |                 | 102,584,400.97    | 96,448,746.76     |
| Other non-current financial assets     |                 | 5,797,417.08      | 11,472,767.17     |
| Other non-current assets               |                 | 146,300,682.45    | 126,601,484.14    |
| Total non-current assets               |                 | 1,265,287,545.51  | 1,173,546,111.46  |
| Total assets                           |                 | 5,425,964,925.05  | 5,976,683,110.69  |
| <b>Current liabilities:</b>            |                 |                   |                   |
| Short-term borrowings                  |                 | -                 | 20,017,722.23     |
| Notes payable                          |                 | 250,000,000.00    | 297,249,452.34    |
| Accounts payable                       |                 | 392,904,881.66    | 505,179,482.79    |
| Contract liabilities                   |                 | 942,878,454.10    | 1,207,332,489.99  |
| Payroll payable                        |                 | 34,012,001.93     | 38,564,808.17     |
| Taxes payable                          |                 | 5,243,133.84      | 2,709,214.41      |
| Other accounts payable                 |                 | 344,312,342.11    | 379,174,737.90    |

|   |  |                  |                  |
|---|--|------------------|------------------|
| Non-current liabilities due within one year             |  | 20,913,680.05    | 4,581,988.14     |
| Other current liabilities                               |  | 33,696,733.63    | 17,525,351.34    |
| Total current liabilities                               |  | 2,023,961,227.32 | 2,472,335,247.31 |
| <b>Non-current liabilities:</b>                         |  |                  |                  |
| Lease liabilities                                       |  | 7,437,553.01     | 10,496,341.53    |
| Long-term accounts payable                              |  | 7,320,290.33     | 22,027,767.67    |
| Estimated liabilities                                   |  | 23,915,575.14    | 23,653,025.85    |
| Deferred income   |  | 9,633,007.57     | 9,857,902.57     |
| Total non-current liabilities                           |  | 48,306,426.05    | 66,035,037.62    |
| Total liabilities                                       |  | 2,072,267,653.37 | 2,538,370,284.93 |
| <b>Owner's (or shareholders') equity:</b>               |  |                  |                  |
| Capital stock   |  | 131,608,698.00   | 131,608,698.00   |
| Capital reserves  |  | 3,287,978,099.90 | 3,279,014,631.09 |
| Subtract: Treasury stock                                |  | 171,998,237.73   | 144,419,760.96   |
| Other comprehensive income                              |  | 63,927,676.77    | 58,100,742.87    |
| Special reserves  |  | 8,464,834.72     | 4,539,755.32     |
| Surplus reserves  |  | 39,327,753.08    | 39,327,753.08    |
| Undistributed profits                                   |  | -5,611,553.06    | 70,141,006.36    |
| Total owner's (or shareholders') equity                 |  | 3,353,697,271.68 | 3,438,312,825.76 |
| Total liabilities and owner's (or shareholders') equity |  | 5,425,964,925.05 | 5,976,683,110.69 |

Person in charge of the Company: Li Gongyan    Person in charge of the accounting affairs: Yao Yi  
Person in charge of the accounting organization: Yao Yi

### Consolidated Income Statement

January to December, 2024

In CNY

| Item  | Refer To         | Year 2024        | Year 2023        |
|---|------------------|------------------|------------------|
| I. Gross operating revenue                    | VII. 61          | 2,474,450,455.33 | 1,957,396,951.00 |
| Including: Operating revenue                  |                  | 2,474,450,455.33 | 1,957,396,951.00 |
| II. Total operating costs                     | Section X.VII.61 | 2,423,135,377.87 | 1,926,352,250.62 |
| Including: Operating costs                    | Section X.VII.61 | 1,950,300,162.80 | 1,509,987,892.45 |
| Taxes and surcharges                          | Section X.VII.62 | 25,996,787.97    | 19,514,340.31    |
| Selling expenses                              | Section X.VII.63 | 142,185,094.45   | 109,629,938.02   |
| Administrative expenses                       | Section X.VII.64 | 153,637,210.46   | 125,750,505.90   |
| R&D expenses                                  | Section X.VII.65 | 147,967,191.24   | 167,836,859.93   |
| Financial expenses (gains expressed with "-") | Section X.VII.66 | 3,048,930.95     | -6,367,285.99    |
| Including: Interest expenses                  |                  | 3,966,937.39     | 1,567,031.72     |
| Interest income                               |                  | 8,474,252.40     | 5,916,928.81     |
| Plus: Other income                            | Section X.VII.67 | 34,185,598.80    | 65,072,719.86    |
| Investment income (loss expressed with "-")   | Section X.VII.68 | 3,562,975.13     | 3,757,788.06     |

|  |                  |                 |                 |
|--|------------------|-----------------|-----------------|
| Gains from the changes in fair value (loss expressed with "-")                                     | Section X.VII.70 | 19,490,528.84   | 29,499,769.86   |
| Credit impairment losses (losses expressed with "-")   | Section X.VII.71 | 14,732,869.33   | 61,286,579.77   |
| Asset impairment loss (loss expressed with "-")  | Section X.VII.72 | -216,526,055.41 | -171,742,256.41 |
| Income from asset disposal (loss expressed with "-")   | Section X.VII.73 | -973,497.17     | -417,887.78     |
| III. Operating profit (loss expressed with "-")  |                  | -94,212,503.02  | 18,501,413.74   |
| Plus: Non-operating revenue  | Section X.VII.74 | 1,181,161.84    | 1,317,156.33    |
| Subtract: Non-operating expenses   | Section X.VII.75 | 3,376,755.20    | 2,408,661.06    |
| IV. Total profit (total loss expressed with "-")   |                  | -96,408,096.38  | 17,409,909.01   |
| Minus: Income taxes  | Section X.VII.76 | -11,657,216.95  | -3,442,636.61   |
| V. Net profit (net loss expressed with "-")  |                  | -84,750,879.43  | 20,852,545.62   |
| (I) Classification by operation continuity:  |                  |                 |                 |
| 1. Continuing operations (net loss expressed with "-")   |                  | -84,750,879.43  | 20,852,545.62   |
| 2. Discontinued operations (net loss expressed with "-")   |                  | -               | -               |
| (II) Classified by ownership   |                  |                 |                 |
| 1. Net profit attributable to shareholders of the parent company (net loss expressed with "-")     |                  | -84,750,818.23  | 20,852,700.49   |
| 2. Minority interest income (net loss expressed with "-")  |                  | -61.20          | -154.87         |
| VI. After-tax net amount of other comprehensive income   | Section X.VII.57 | 2,992,112.93    | 58,186,514.24   |
| (I) After-tax net amount of other comprehensive income attributable to the parent company's owners |                  | 2,992,112.93    | 58,186,514.24   |
| 1. Other comprehensive income not to be re-classified into profit or loss                          |                  | 1,726,933.90    | 58,100,742.87   |
| 2. Other comprehensive income to be reclassified into profit or loss                               |                  | 1,265,179.03    | 85,771.37       |
| 1) Translation difference of financial statements in foreign currency                              |                  | 1,265,179.03    | 85,771.37       |
| (II) After-tax net amount of other comprehensive income attributable to minority shareholders      |                  |                 |                 |
| VII. Total comprehensive income  |                  | -81,758,766.50  | 79,039,059.86   |
| (I) Total comprehensive income attributable to the owner of the parent company                     |                  | -81,758,705.30  | 79,039,214.73   |
| (II) Total comprehensive income attributable to minority shareholders                              |                  | -61.2           | -154.87         |
| VIII. Earnings per share:  |                  |                 |                 |
| (I) Basic earnings per share (CNY/share)   |                  | -0.67           | 0.16            |

|  |  |       |      |
|--|--|-------|------|
| (II) Diluted earnings per share<br>(CNY/share) |  | -0.66 | 0.16 |
|--|--|-------|------|

Person in charge of the Company: Li Gongyan    Person in charge of the accounting affairs: Yao Yi  
 Person in charge of the accounting organization: Yao Yi

### Income Statement of Parent Company

January to December, 2024

In CNY

| Item   | Refer To        | Year 2024        | Year 2023        |
|--|-----------------|------------------|------------------|
| I. Operating revenue   | Section X.XIX.4 | 2,476,733,660.19 | 1,965,681,399.70 |
| Subtract: Operating costs  | Section X.XIX.4 | 2,028,597,009.13 | 1,614,024,214.43 |
| Taxes and surcharges   |                 | 10,405,302.12    | 7,096,654.49     |
| Selling expenses   |                 | 132,607,706.91   | 132,671,708.16   |
| Administrative expenses  |                 | 97,999,106.89    | 92,011,917.58    |
| R&D expenses   |                 | 136,110,661.59   | 148,769,423.61   |
| Financial expenses<br>(gains expressed with "-")                                 | Section X.XIX.4 | -19,693,588.03   | -14,451,032.50   |
| Including: Interest expenses   |                 | 2,419,337.65     | 4,128,238.23     |
| Interest income  |                 | 25,643,165.61    | 15,157,966.58    |
| Plus: Other income   |                 | 16,002,681.72    | 27,485,819.72    |
| Investment income (loss<br>expressed with "-")                                   | Section X.XIX.5 | 3,555,103.89     | 3,754,385.42     |
| Gains from the changes in fair<br>value (loss expressed with "-")                |                 | 19,490,528.84    | 29,496,621.37    |
| Credit impairment losses<br>(losses expressed with "-")                          |                 | 25,583,191.14    | 64,606,180.27    |
| Asset impairment loss (loss<br>expressed with "-")                               |                 | -226,502,002.95  | -176,878,829.19  |
| Income from asset disposal<br>(loss expressed with "-")                          |                 | 69,519.12        | 12,687.55        |
| II. Operating profit (loss expressed<br>with "-")                                |                 | -71,093,516.66   | -65,964,620.93   |
| Plus: Non-operating revenue  |                 | 825,119.12       | 187,913.44       |
| Subtract: Non-operating expenses   |                 | 1,535,774.67     | 1,772,676.54     |
| III. Total profit (total loss expressed<br>with "-")                             |                 | -71,804,172.21   | -67,549,384.03   |
| Minus: Income taxes  |                 | -6,135,347.31    | -22,662,156.96   |
| IV. Net profit (net loss expressed with<br>"-")                                  |                 | -65,668,824.90   | -44,887,227.07   |
| (1) Net profit on continuing<br>operations (net loss expressed with<br>"-")      |                 | -65,668,824.90   | -44,887,227.07   |
| (II) Net profit from discontinued<br>operation (net loss expressed with "-<br>") |                 | -                | -                |
| V. After-tax net amount of other<br>comprehensive income                         |                 | 5,826,933.90     | 58,100,742.87    |
| I. Other comprehensive income not<br>to be re-classified into profit or loss     |                 | 5,826,933.90     | 58,100,742.87    |
| 1. Changes in fair value of<br>investment in other equity<br>instruments         |                 | 5,826,933.90     | 58,100,742.87    |
| VI. Total comprehensive income   |                 | -59,841,891.00   | 13,213,515.80    |

Person in charge of the Company: Li Gongyan    Person in charge of the accounting affairs: Yao Yi  
 Person in charge of the accounting organization: Yao Yi

### Consolidated Cash Flow Statement

January to December, 2024

In CNY

| Item   | Refer To             | Year 2024         | Year 2023         |
|--|----------------------|-------------------|-------------------|
| <b>I. Cash flows from operating activities:</b>  |                      |                   |                   |
| Cash received from sales of goods or rendering of services   |                      | 2,377,464,419.20  | 3,377,098,466.71  |
| Tax refund received  |                      | 4,462,014.75      |                   |
| Cash received from other operating activities  | Section X.VII.78 (1) | 144,791,854.92    | 129,728,201.18    |
| Subtotal of cash inflows from operating activities   |                      | 2,526,718,288.87  | 3,506,826,667.89  |
| Cash paid for goods purchased and services received  |                      | -1,548,985,848.75 | -2,138,536,064.86 |
| Cash paid to and for employees   |                      | -366,582,550.51   | -325,807,450.15   |
| Tax payments   |                      | -80,543,138.72    | -80,597,009.69    |
| Cash paid for other operating activities   | Section X.VII.78 (1) | -269,152,000.62   | -339,400,803.55   |
| Subtotal of cash outflows from operating activities  |                      | -2,265,263,538.60 | -2,884,341,328.25 |
| Net cash flow from operating activities  | Section X.VII.79(1)  | 261,454,750.27    | 622,485,339.64    |
| <b>II. Cash flows from investing activities:</b>   |                      |                   |                   |
| Cash received from the disposal of investments   | Section X.VII.78 (2) | 3,986,000,000.00  | 4,571,000,000.00  |
| Cash received from investment income   |                      | 23,312,085.31     | 30,122,621.31     |
| Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets         |                      | 102,653.77        | 370,164.17        |
| Cash received from other investing activities  | Section X.VII.78 (2) | 8,474,252.40      | 5,916,928.81      |
| Subtotal of cash inflows from investing activities   |                      | 4,017,888,991.48  | 4,607,409,714.29  |
| Cash paid for the purchase and construction of fixed assets, intangible assets, and other long-term assets |                      | -295,410,979.60   | -523,900,292.71   |
| Cash paid for investment   | Section X.VII.78 (2) | -3,866,588,500.00 | -4,594,694,166.67 |
| Subtotal of cash outflows from investing activities  |                      | -4,161,999,479.60 | -5,118,594,459.38 |
| Net cash flow from investing activities  |                      | -144,110,488.12   | -511,184,745.09   |
| <b>III. Cash flows from financing activities:</b>  |                      |                   |                   |
| Cash received from borrowings  | Section X.VII.78 (3) | 91,500.00         | 20,000,000.00     |
| Cash received from other financing activities  | Section X.VII.78 (3) | 9,016,800.00      |                   |
| Subtotal of cash inflows from financing activities   |                      | 9,108,300.00      | 20,000,000.00     |
| Cash paid for debt repayments  |                      | -20,091,500.00    | -122,544,450.00   |

|   |                      |                |                 |
|---|----------------------|----------------|-----------------|
| Cash paid for distribution of dividends and profits or payment of interests |                      | -10,487,156.85 | -2,913,864.67   |
| Cash paid for other financing activities                                    | VII. 78(3)           | -58,187,444.07 | -27,203,063.11  |
| Subtotal of cash outflows from financing activities                         |                      | -88,766,100.92 | -152,661,377.78 |
| Net cash flow from financing activities                                     |                      | -79,657,800.92 | -132,661,377.78 |
| <b>IV. Impact of exchange rate changes on cash and cash equivalents</b>     |                      | 1,234,466.02   | 6,957,575.01    |
| <b>V. Net decrease in cash and cash equivalents</b>                         | Section X.VII.79 (1) | 38,920,927.25  | -14,403,208.22  |
| Plus: Balance of cash and cash equivalents at the beginning of the year     |                      | 409,953,935.18 | 424,357,143.40  |
| <b>VI. Balance of cash and cash equivalents at the end of the year</b>      | Section X.VII.79 (4) | 448,874,862.43 | 409,953,935.18  |

Person in charge of the Company: Li Gongyan    Person in charge of the accounting affairs: Yao Yi  
Person in charge of the accounting organization: Yao Yi

**Cash Flow Statement of Parent Company**  
January to December, 2024

In CNY

| Item   | Refer To | Year 2024         | Year 2023         |
|--|----------|-------------------|-------------------|
| <b>I. Cash flows from operating activities:</b>  |          |                   |                   |
| Cash received from sales of goods or rendering of services   |          | 2,525,347,456.56  | 3,037,485,226.36  |
| Cash received from other operating activities  |          | 114,401,012.72    | 62,947,135.72     |
| Subtotal of cash inflows from operating activities   |          | 2,639,748,469.28  | 3,100,432,362.08  |
| Cash paid for goods purchased and services received  |          | -2,152,937,033.29 | -2,109,826,804.20 |
| Cash paid to and for employees   |          | -190,414,019.14   | -197,766,902.67   |
| Tax payments   |          | -23,780,806.49    | -39,426,758.93    |
| Cash paid for other operating activities   |          | -282,750,446.75   | -283,474,795.69   |
| Subtotal of cash outflows from operating activities  |          | -2,649,882,305.67 | -2,630,495,261.49 |
| Net cash flow from operating activities  |          | -10,133,836.39    | 469,937,100.59    |
| <b>II. Cash flows from investing activities:</b>   |          |                   |                   |
| Cash received from the disposal of investments   |          | 3,960,000,000.00  | 4,569,000,000.00  |
| Cash received from investment income   |          | 23,301,065.58     | 30,108,214.67     |
| Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets |          | 76,387.04         | 632,598.56        |
| Cash received from other investing activities  |          | 135,366,908.11    | 67,936,374.49     |



|  |  |                   |                   |
|--|--|-------------------|-------------------|
| Subtotal of cash inflows from investing activities   |  | 4,118,744,360.73  | 4,667,677,187.72  |
| Cash paid for the purchase and construction of fixed assets, intangible assets, and other long-term assets |  | -57,778,471.53    | -47,487,343.61    |
| Cash paid for investment   |  | -3,934,966,346.77 | -4,652,523,344.63 |
| Cash paid for other investing activities   |  | -119,462,087.83   | -346,170,147.55   |
| Subtotal of cash outflows from investing activities  |  | -4,112,206,906.13 | -5,046,180,835.79 |
| Net cash flow from investing activities  |  | 6,537,454.60      | -378,503,648.07   |
| <b>III. Cash flows from financing activities:</b>  |  |                   |                   |
| Cash received from borrowings  |  | -                 | 20,000,000.00     |
| Cash received from other financing activities  |  | 9,016,800.00      | -                 |
| Subtotal of cash inflows from financing activities   |  | 9,016,800.00      | 20,000,000.00     |
| Cash paid for debt repayments  |  | -20,000,000.00    | -122,544,450.00   |
| Cash paid for distribution of dividends and profits or payment of interests                                |  | -10,922,966.09    | -2,913,864.67     |
| Cash paid for other financing activities   |  | -53,424,994.91    | -45,867,300.58    |
| Subtotal of cash outflows from financing activities  |  | -84,347,961.00    | -171,325,615.25   |
| Net cash flow from financing activities  |  | -75,331,161.00    | -151,325,615.25   |
| <b>IV. Impact of exchange rate changes on cash and cash equivalents</b>                                    |  | 525,342.53        | 6,728,815.36      |
| <b>V. Net increase in cash and cash equivalents</b>  |  | -78,402,200.26    | -53,163,347.37    |
| Plus: Balance of cash and cash equivalents at the beginning of the year                                    |  | 346,324,341.68    | 399,487,689.05    |
| <b>VI. Balance of cash and cash equivalents at the end of the year</b>                                     |  | 267,922,141.42    | 346,324,341.68    |

Person in charge of the Company: Li Gongyan    Person in charge of the accounting affairs: Yao Yi  
 Person in charge of the accounting organization: Yao Yi

**Consolidated Statement of Changes in Owner's Equity**  
January to December, 2024

In CNY

| Item   | Year 2024   |                  |                          |                            |                  |                 |                       |                  |                 |                            |
|--|---|------------------|--------------------------|----------------------------|------------------|-----------------|-----------------------|------------------|-----------------|----------------------------|
|  | Owner's equity attributable to the parent company |                  |                          |                            |                  |                 |                       |                  | Minority equity | Total shareholders' equity |
|  | Paid-in capital (or share capital)                | Capital reserves | Subtract: Treasury stock | Other comprehensive income | Special reserves | Surplus reserve | Undistributed profits | Sub-total        |                 |                            |
| I. Ending balance of the previous year   | 131,608,698.00                                    | 3,278,664,483.15 | -<br>144,419,760.96      | 58,197,006.50              | 4,750,807.87     | 39,327,753.08   | 282,759,647.80        | 3,650,888,635.44 | -154.87         | 3,650,888,480.57           |
| II. Beginning balance of the current year  | 131,608,698.00                                    | 3,278,664,483.15 | -<br>144,419,760.96      | 58,197,006.50              | 4,750,807.87     | 39,327,753.08   | 282,759,647.80        | 3,650,888,635.44 | -154.87         | 3,650,888,480.57           |
| III. Increases/decreases in the amount of the current year (decrease expressed with "-") | -   | 8,638,201.83     | -27,578,476.77           | 2,992,112.93               | 4,206,462.06     | -               | -94,834,552.75        | -106,576,252.70  | -61.2           | -106,576,313.90            |
| (I) Total comprehensive income   | -   | -                | -                        | 2,992,112.93               | -                | -               | -84,750,818.23        | -81,758,705.30   | -61.2           | -81,758,766.50             |
| (II) Capital injection and reduction by shareholders                                     | -   | 8,638,201.83     | -27,578,476.77           | -                          | -                | -               | -                     | -18,940,274.94   | -               | -18,940,274.94             |
| 1. Ordinary shares invested by shareholders  | -   | -                | -50,470,540.77           | -                          | -                | -               | -                     | -50,470,540.77   | -               | -50,470,540.77             |
| 2. Amount of share-based payments recorded in shareholders' equity                       | -   | 11,587,611.89    | 22,892,064.00            | -                          | -                | -               | -                     | 34,479,675.89    | -               | 34,479,675.89              |
| 3. Others  | -   | -2,949,410.06    | -                        | -                          | -                | -               | -                     | -2,949,410.06    | -               | -2,949,410.06              |

|   |                |                  |                     |               |              |               |                |                  |         |                  |
|---|----------------|------------------|---------------------|---------------|--------------|---------------|----------------|------------------|---------|------------------|
| (III) Profit distribution               | -              | -                | -                   | -             | -            | -             | -10,083,734.52 | -10,083,734.52   | -       | -10,083,734.52   |
| 1. Withdrawal of surplus reserve        | -              | -                | -                   | -             | -            | -             | -              | -                | -       | -                |
| 2. Distributions to shareholders        | -              | -                | -                   | -             | -            | -             | -10,083,734.52 | -10,083,734.52   | -       | -10,083,734.52   |
| (IV) Special reserves                   | -              | -                | -                   | -             | 4,206,462.06 | -             | -              | 4,206,462.06     | -       | 4,206,462.06     |
| 1. Provision for the current year       | -              | -                | -                   | -             | 6,376,056.70 | -             | -              | 6,376,056.70     | -       | 6,376,056.70     |
| 2. Used in the current year             | -              | -                | -                   | -             | 2,169,594.64 | -             | -              | -2,169,594.64    | -       | -2,169,594.64    |
| IV. Ending balance for the current year | 131,608,698.00 | 3,287,302,684.98 | -<br>171,998,237.73 | 61,189,119.43 | 8,957,269.93 | 39,327,753.08 | 187,925,095.05 | 3,544,312,382.74 | -216.07 | 3,544,312,166.67 |

| Item   | Year 2023   |                  |                             |                            |                  |                 |                       |                  |         | Minority equity  | Total owner's equity |
|--|---|------------------|-----------------------------|----------------------------|------------------|-----------------|-----------------------|------------------|---------|------------------|----------------------|
|  | Owner's equity attributable to the parent company |                  |                             |                            |                  |                 |                       |                  |         |                  |                      |
|  | Paid-in capital<br>(or share capital)             | Capital reserves | Subtract:<br>Treasury stock | Other comprehensive income | Special reserves | Surplus reserve | Undistributed profits | Sub-total        |         |                  |                      |
| I. Ending balance of the previous year   | 131,608,698.00                                    | 3,136,873,589.95 | -2,880,000.00               | 10,492.26                  | 2,382,813.90     | 39,327,753.08   | 261,906,947.31        | 3,569,230,294.50 | -       | 3,569,230,294.50 |                      |
| II. Beginning balance of the current year  | 131,608,698.00                                    | 3,136,873,589.95 | -2,880,000.00               | 10,492.26                  | 2,382,813.90     | 39,327,753.08   | 261,906,947.31        | 3,569,230,294.50 | -       | 3,569,230,294.50 |                      |
| III. Increases/decreases in the amount of the current year (decrease expressed with "-") | -   | 141,790,893.20   | -<br>141,539,760.96         | 58,186,514.24              | 2,367,993.97     | -               | 20,852,700.49         | 81,658,340.94    | -154.87 | 81,658,186.07    |                      |
| (I) Total comprehensive income   | -   | -                | -                           | 58,186,514.24              | -                | -               | 20,852,700.49         | 79,039,214.73    | -154.87 | 79,039,059.86    |                      |
| (II) Capital injection and   | -   | 141,790,893.20   | -<br>141,539,760.96         | -                          | -                | -               | -                     | 251,132.24       | -       | 251,132.24       |                      |

|  |                |                  |                     |               |                   |               |                |                  |         |                  |
|--|----------------|------------------|---------------------|---------------|-------------------|---------------|----------------|------------------|---------|------------------|
| reduction by shareholders  |                |                  |                     |               |                   |               |                |                  |         |                  |
| 1. Ordinary shares invested by shareholders                        | -              | -                | -20,447,009.15      | -             | -                 | -             | -              | -20,447,009.15   | -       | -20,447,009.15   |
| 2. Amount of share-based payments recorded in shareholders' equity | -              | 25,214,831.44    | -                   | -             | -                 | -             | -              | 25,214,831.44    | -       | 25,214,831.44    |
| 3. Others  | -              | 116,576,061.76   | -<br>121,092,751.81 | -             | -                 | -             | -              | -4,516,690.05    | -       | -4,516,690.05    |
| (III) Profit distribution  | -              | -                | -                   | -             | -                 | -             | -              | -                | -       | -                |
| 1. Withdrawal of surplus reserve                                   | -              | -                | -                   | -             | -                 | -             | -              | -                | -       | -                |
| 2. Distributions to shareholders                                   | -              | -                | -                   | -             | -                 | -             | -              | -                | -       | -                |
| (IV) Special reserves  | -              | -                | -                   | -             | 2,367,993.97      | -             | -              | 2,367,993.97     | -       | 2,367,993.97     |
| 1. Provision for the current year                                  | -              | -                | -                   | -             | 6,478,587.87      | -             | -              | 6,478,587.87     | -       | 6,478,587.87     |
| 2. Used in the current year  | -              | -                | -                   | -             | -<br>4,110,593.90 | -             | -              | -4,110,593.90    | -       | -4,110,593.90    |
| IV. Ending balance for the current year                            | 131,608,698.00 | 3,278,664,483.15 | -<br>144,419,760.96 | 58,197,006.50 | 4,750,807.87      | 39,327,753.08 | 282,759,647.80 | 3,650,888,635.44 | -154.87 | 3,650,888,480.57 |

Person in charge of the Company: Li Gongyan    Person in charge of the accounting affairs: Yao Yi    Person in charge of the accounting organization: Yao Yi

**Statement of Changes in Owner's Equity of Parent Company**  
Year 2024

In CNY

| Item                                      | Year 2024                          |                  |                          |                            |                  |                 |                       |                      |
|---|------------------------------------|------------------|--------------------------|----------------------------|------------------|-----------------|-----------------------|----------------------|
|   | Paid-in capital (or share capital) | Capital reserves | Subtract: Treasury stock | Other comprehensive income | Special reserves | Surplus reserve | Undistributed profits | Total owner's equity |
| I. Ending balance of the previous year    | 131,608,698.00                     | 3,279,014,631.09 | -144,419,760.96          | 58,100,742.87              | 4,539,755.32     | 39,327,753.08   | 70,141,006.36         | 3,438,312,825.76     |
| II. Beginning balance of the current year | 131,608,698.00                     | 3,279,014,631.09 | -144,419,760.96          | 58,100,742.87              | 4,539,755.32     | 39,327,753.08   | 70,141,006.36         | 3,438,312,825.76     |

|  |                |                  |                 |               |              |               |                |                  |
|--|----------------|------------------|-----------------|---------------|--------------|---------------|----------------|------------------|
| III. Increases/decreases in the amount of the current year (decrease expressed with "-") | -              | 8,963,468.81     | -27,578,476.77  | 5,826,933.90  | 3,925,079.40 | -             | -75,752,559.42 | -84,615,554.08   |
| (I) Total comprehensive income   | -              | -                | -               | 5,826,933.90  | -            | -             | -65,668,824.90 | -59,841,891.00   |
| (II) Capital injection and reduction by shareholders                                     | -              | 8,963,468.81     | -27,578,476.77  | -             | -            | -             | -              | -18,615,007.96   |
| 1. Ordinary shares invested by shareholders  | -              | -                | -50,470,540.77  | -             | -            | -             | -              | -50,470,540.77   |
| 2. Amount of share-based payments recorded in shareholders' equity                       | -              | 9,078,009.01     | 22,892,064.00   | -             | -            | -             | -              | 31,970,073.01    |
| 3. Others  | -              | -114,540.20      | -               | -             | -            | -             | -              | -114,540.20      |
| (III) Profit distribution  | -              | -                | -               | -             | -            | -             | -10,083,734.52 | -10,083,734.52   |
| 1. Withdrawal of surplus reserve   | -              | -                | -               | -             | -            | -             | -              | -                |
| 2. Distributions to shareholders   | -              | -                | -               | -             | -            | -             | -10,083,734.52 | -10,083,734.52   |
| (IV) Special reserves  | -              | -                | -               | -             | 3,925,079.40 | -             | -              | 3,925,079.40     |
| 1. Provision for the current year  | -              | -                | -               | -             | 4,485,779.28 | -             | -              | 4,485,779.28     |
| 2. Used in the current year  | -              | -                | -               | -             | -560,699.88  | -             | -              | -560,699.88      |
| IV. Ending balance for the current year  | 131,608,698.00 | 3,287,978,099.90 | -171,998,237.73 | 63,927,676.77 | 8,464,834.72 | 39,327,753.08 | -5,611,553.06  | 3,353,697,271.68 |

| Item   | Year 2023                             |                  |                             |                            |                  |                 |                       |                      |
|--|---------------------------------------|------------------|-----------------------------|----------------------------|------------------|-----------------|-----------------------|----------------------|
|  | Paid-in capital<br>(or share capital) | Capital reserves | Subtract:<br>Treasury stock | Other comprehensive income | Special reserves | Surplus reserve | Undistributed profits | Total owner's equity |
| I. Ending balance of the previous year   | 131,608,698.00                        | 3,136,920,048.21 | -2,880,000.00               | -                          | 2,382,813.90     | 39,327,753.08   | 115,028,233.43        | 3,422,387,546.62     |
| II. Beginning balance of the current year  | 131,608,698.00                        | 3,136,920,048.21 | -2,880,000.00               | -                          | 2,382,813.90     | 39,327,753.08   | 115,028,233.43        | 3,422,387,546.62     |
| III. Increases/decreases in the amount of the current period (decrease expressed with "-") | -                                     | 142,094,582.88   | -141,539,760.96             | 58,100,742.87              | 2,156,941.42     | -               | -44,887,227.07        | 15,925,279.14        |
| (I) Total comprehensive income   | -                                     | -                | -                           | 58,100,742.87              | -                | -               | -44,887,227.07        | 13,213,515.80        |
| (II) Capital contributed and reduced by the owner  | -                                     | 142,094,582.88   | -141,539,760.96             | -                          | -                | -               | -                     | 554,821.92           |
| 1. Ordinary shares invested by shareholders  | -                                     | -                | -20,447,009.15              | -                          | -                | -               | -                     | -20,447,009.15       |
| 2. Amount of share-based payments recorded in shareholders' equity                         | -                                     | 23,230,632.37    | -                           | -                          | -                | -               | -                     | 23,230,632.37        |
| 3. Others  | -                                     | 118,863,950.51   | -121,092,751.81             | -                          | -                | -               | -                     | -2,228,801.30        |
| (III) Profit distribution  | -                                     | -                | -                           | -                          | -                | -               | -                     | -                    |
| 1. Withdrawal of surplus reserve   | -                                     | -                | -                           | -                          | -                | -               | -                     | -                    |
| (IV) Special reserves  | -                                     | -                | -                           | -                          | 2,156,941.42     | -               | -                     | 2,156,941.42         |
| 1. Amount withdrawn in the current period  | -                                     | -                | -                           | -                          | 4,840,666.04     | -               | -                     | 4,840,666.04         |
| 2. Amount used in the current period   | -                                     | -                | -                           | -                          | -2,683,724.62    | -               | -                     | -2,683,724.62        |
| IV. Ending balance of the current period   | 131,608,698.00                        | 3,279,014,631.09 | -144,419,760.96             | 58,100,742.87              | 4,539,755.32     | 39,327,753.08   | 70,141,006.36         | 3,438,312,825.76     |

Person in charge of the Company: Li Gongyan

Person in charge of the accounting affairs: Yao Yi

Person in charge of the accounting organization: Yao Yi

### III. Company Profile

#### 1. Company overview

√ Applicable ☐ Not applicable

Wayzim Technology Co., Ltd. (hereinafter referred to as "the Company") is a limited liability company established in Wuxi, Jiangsu Province, People's Republic of China, and headquarters in Wuxi, Jiangsu Province. The ultimate controller of the Company is Li Gongyan.

The Company and its subsidiaries (hereinafter referred to as "the Group") are mainly engaged in the R&D, production and sales of industrial automation equipment, industrial robots, system software, computer software and electronic products, R&D of Internet of Things technology, technical consulting and services, sales of logistics automation equipment, and development of logistics information systems.

#### 2. Scope of consolidated financial statements

√ Applicable ☐ Not applicable

The scope of consolidated financial statements is determined based on control. See Section X.IX for the increase or decrease in subsidiaries of the Group. Refer to Section X.X for detailed information on the scope of the consolidated financial statements for this year.

### IV. Basis for Preparation of Financial Statements

#### 1. Basis for preparation

The financial statements of the Company are prepared on a going concern basis.

#### 2. Going concern

√ Applicable ☐ Not applicable

There are no significant doubts about the Group's ability to continue as a going concern for 12 months from the end of the reporting year.

### V. Significant Accounting Policies and Accounting Estimates

Hints for specific accounting policies and accounting estimates:

√ Applicable ☐ Not applicable

Relevant accounting policies for recognition and measurement of bad debt reserves for accounts receivable, measurement of inventory issued, depreciation of fixed assets, amortization of intangible assets, capitalization conditions for R&D expenses, and recognition and measurement of revenue of the Group are formulated based on the characteristics of the relevant business operations of the Group. For specific policies, please refer to the relevant notes.

#### 1. Statement on compliance with Accounting Standards for Business Enterprises

This Financial Statement complies with the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truthfully and completely reflects the consolidated financial status and financial position of the Company as of December 31, 2024, and the consolidated operating results and operating results as well as the consolidated cash flows and cash flows for the year 2024.

In addition, the Financial Statements of the Company conform to disclosure requirements concerning Financial Statements and their notes in the *Preparation and Report Rules of Information Disclosure for Companies Publicly Issuing Securities No.15 - General Provisions for Financial Statements* amended by China Securities Regulatory Commission (hereinafter referred to as "CSRC") in 2023.

**2. Accounting period**

The accounting year of the Company shall start on January 1 and end on December 31 on the Gregorian calendar.

**3. Business cycle**

√ Applicable ☐ Not applicable

A normal business cycle of the Company refers to a period from the purchase of assets for processing to the realization of cash or cash equivalents. The business cycle of the main business of the Company is usually less than 12 months.

**4. Recording currency**

Both the recording currency and the currency adopted by the Company in preparing the financial statements are CNY. The recording currency selected by the Company and its subsidiaries is based on the currency of valuation and settlement of major business receipts and payments. Some subsidiaries of the Company adopt a currency other than the recording currency of the Company as their recording currency, and the foreign currency financial statements of these subsidiaries are translated in accordance with 10, "Foreign currency business and translation of foreign currency statements" under Section X.V "Significant Accounting Policies and Accounting Estimates".

**5. Importance determining method and selection basis**

√ Applicable ☐ Not applicable

| Item   | Importance                            |
|--|---------------------------------------|
| Provision for bad debt recovery or reversal of significant accounts receivable       | 0.5% of the total assets of the Group |
| Write-off of significant accounts receivable   | 0.5% of the total assets of the Group |
| Provision for bad debt recovery or reversal of significant contractual assets        | 0.5% of the total assets of the Group |
| Write-off of significant contractual assets  | 0.5% of the total assets of the Group |
| Significant advance payments aging over 1 year                                       | 0.5% of the total assets of the Group |
| Provision for bad debt recovery or reversal of other significant accounts receivable | 0.5% of the total assets of the Group |
| Write-off of significant other accounts receivable                                   | 0.5% of the total assets of the Group |
| Significant construction in progress   | 1% of the total assets of the Group   |
| Significant accounts payable aging over 1 year or overdue                            | 0.5% of the total assets of the Group |
| Significant contract liabilities aging over 1 year                                   | 0.5% of the total assets of the Group |
| Other significant accounts payable aging over 1 year or overdue                      | 0.5% of the total assets of the Group |
| Significant cash flows from investing activities                                     | 2% of the total assets of the Group   |
| Significant externally acquired in-process projects                                  | 0.5% of the total assets of the Group |
| Important non-wholly-owned subsidiaries  | 2% of the total assets of the Group   |
| Significant contingencies  | 0.5% of the total assets of the Group |
| Significant non-adjusting events after the balance sheet date                        | 0.5% of the total assets of the Group |

**6. Accounting methods for business combinations under common control and not under common control**

√ Applicable ☐ Not applicable

If the Group obtains control over one or more other enterprises (or a group of assets or net assets) which constitutes/constitute its business, the transaction or event constitutes a business combination. Business combination is classified into business combination under common control and business combination not under common control.



For transactions not under common control, the acquirer will consider whether to choose the simplified judgment method of the "concentration ratio test" when judging whether the acquired asset portfolio constitutes a business. If the portfolio passes the concentration ratio test, it is determined that it does not constitute a business. If it fails the test, it shall still be determined according to the business conditions.

When the Group acquires a set of assets or net assets that do not constitute a business, the purchase cost should be allocated based on the relative fair values of the identifiable assets and liabilities acquired on the acquisition date, instead of using the following accounting treatment methods for business combinations.

#### Business combination under common control

A business combination under common control is defined as a business amalgamation where companies involved are ultimately under the common control of one party or multiple parties and the control is not temporary. The assets and liabilities acquired by the combining party from business combinations are measured at the book value in the ultimate controller's consolidated financial statements on the date of combination. As for the difference between the book value of the net assets obtained and that of the combination consideration paid (or the total par value of the shares issued), the share capital premium in capital reserve shall be adjusted. The portion of the additional paid-in capital in the capital reserve that is insufficient to offset will be sequentially deducted from the surplus reserve and retained earnings. Relevant direct expenses incurred for business combination shall be included in the current profit or loss as incurred. The date of combination shall be the date when the combining party acquires effective control over the combined party.

#### Business combination not under common control

A business combination not under common control is defined as a business amalgamation where companies involved are ultimately not under the common control of one party or multiple parties. The positive balance between the sum of the fair values, on the acquisition date, the assets paid (including the equity of the acquiree held prior to the acquisition date), the liabilities incurred or assumed, and the equity securities issued by the Group (as the acquirer) in exchange for the control over the acquiree, and the fair value of the identifiable net assets it obtains from the acquiree shall be recognized as business reputation after considering the impact of related deferred income taxes. If it is a negative figure, it will be included in the current profit or loss. All direct costs incurred by the Group for the business combination are recorded into the current profit or loss. The Group recognizes all identifiable assets, liabilities, and contingent liabilities obtained from the acquiree at fair value on the acquisition date that meet the recognition criteria. The acquisition date refers to the date on which the acquirer actually obtains control over the acquiree.

### 7. Criteria for determining control and methods of preparing consolidated financial statements

☒ Applicable ☐ Not applicable

#### (1) General principles

The scope of consolidated financial statements is determined based on control, including the Company and its subsidiaries controlled by the Company. Control refers to the Group's powers over the investee to share variable returns by participating in relevant activities of the investee and exert such influence on the investee to affect the amount of return. As long as the control is effective, the financial position, operating results, and cash flows of the subsidiaries are consolidated into the consolidated financial statements.

All internal transactions and balances within the Group, including unrealized internal transaction profits and losses, have been offset during the combination. Unrealized losses arising from internal transactions of the Group, if there is evidence that the losses are asset impairment losses, shall be recognized in full.

#### (2) Changes in minority interests

The difference between the costs of long-term equity investment newly acquired by the Company due to the acquisition of minority interest and the subsidiaries' identifiable net assets attributable to the Company and calculated at the newly added shareholding ratio, as well as the difference between the disposal prices acquired through equity investment in subsidiaries due to part disposal without losing the control right and the subsidiaries' net assets attributable to the Company as a result of the disposal of long-term equity investment are both adjusted to the capital reserve (share premium) in the consolidated balance sheet. If

the capital reserve (share premium) is not sufficient to be offset, the shortfall is sequentially deducted from the surplus reserve and retained earnings.

#### **8. Classification of joint venture arrangement and accounting method for joint operation**

☐ Applicable ☒ Not applicable

#### **9. Determination criteria for cash and cash equivalents**

Cash and cash equivalents refer to cash on hand, deposits that can be used for payment at any time and investments with short holding period, high liquidity, and that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

#### **10. Foreign currency business and translation of foreign currency statements**

☒ Applicable ☐ Not applicable

Investment capital supplied by investors in foreign currencies is, upon receipt, translated by the Group into CNY at the spot exchange rate on the day, while other foreign currency transactions, on initial recognition, are translated into CNY by applying the spot exchange rate at the date of the transaction.

At the balance sheet date, a monetary item in foreign currency is translated at the spot exchange rate at that date. Exchange differences, other than the exchange difference arising from borrowings' principals and interests for the purchase and construction of qualifying assets (refer to 26, "Borrowing costs" under Section X.V "Significant Accounting Policies and Accounting Estimates"), shall be recorded in current profit or loss. A non-monetary item in foreign currency that is measured at historical cost is translated at the spot exchange rate at the transaction date.

When translating the financial statements of overseas operations, assets and liabilities in the balance sheets are translated into CNY at the spot exchange rate at the balance sheet date, while the shareholders' equity items, except for the translation difference from foreign currency transactions in the financial statements under undistributed profits and other comprehensive income, are translated into CNY at the spot exchange rate at the transaction date. Income and expenses items in the income statement are translated into CNY at the spot exchange rate at the transaction date. The translation difference from foreign currency transactions in the financial statements, as calculated in the above translation, is presented in other comprehensive income. When overseas operations are disposed of, any translation difference from foreign currency transactions in the financial statements is transferred from other comprehensive income to the current profit or loss when the disposal occurs.

#### **11. Financial instruments**

☒ Applicable ☐ Not applicable

The financial instruments of the Group cover monetary funds, equity investments other than long-term ones (see Note V. 22), accounts receivable, accounts payable, borrowings, and equity.

##### **(1) Recognition and initial measurement of financial assets and financial liabilities**

All financial assets and financial liabilities are recognized on the balance sheet, when and only when, the Group becomes a party to the contractual provisions of relevant financial instruments.

Upon initial recognition, financial assets and financial liabilities are measured at their fair values. For financial assets or financial liabilities measured at fair value through profit or loss, the transaction expenses thereof are directly recorded in current profit or loss; For other categories of financial assets or financial liabilities, relevant transaction expenses are included in the initially recognized amounts. For accounts receivable that do not include material financing components or do not consider financing components in contracts that do not exceed one year, the Group initially measures them at the transaction price determined in accordance with accounting policies in 39 under Section X.V "Significant Accounting Policies and Accounting Estimates".

##### **(2) Classification and subsequent measurement of financial assets**

###### **(a) Classification of financial assets of the Group**

Based on the business model for the management of financial assets and the contractual cash flow characteristics of financial assets, the Group usually classifies the financial assets into the following types: the financial assets measured at amortized cost, the financial assets at fair value through other comprehensive income, and the financial assets at fair value through profit or loss.

Unless the Group changes its business mode for management of financial assets, all related financial assets subject to influence shall be reclassified on the first day during the first reporting period after the change. Otherwise, such financial assets cannot be reclassified after initial recognition.

The Group classifies financial assets which meet the following conditions and are not measured at fair value through profit or loss as those measured at amortized cost:

The business mode with which the Group manages the financial assets is aimed to collect the contractual cash flow;

The contractual terms of the financial assets specify that the cash flow generated at a specific date is only the payment of principal and interest on the basis of the outstanding principal amount.

The Group classifies financial assets which meet the following conditions and are not measured at fair value through profit or loss as those measured at fair value through other comprehensive income:

The business mode with which the Group manages the financial assets is aimed to collect the contractual cash flow and sell the financial assets;

The contractual terms of the financial assets specify that the cash flow generated at a specific date is only the payment of principal and interest on the basis of the outstanding principal amount.

For non-marketable equity instrument investment, the Group may, at initial recognition, irrevocably designate it as a financial asset at fair value through other comprehensive income. This designation is made on the basis of a single investment and the underlying investment meets the definition of equity instrument from the perspective of the issuer.

Except for the above financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, the Group classifies all the other financial assets as the financial assets at fair value through profit or loss.

The business model of managing financial assets refers to how the Group manages financial assets to generate cash flows. The business model determines the source of cash flows from the Group's management of financial assets: the collection of contractual cash flows, sales of financial assets, or both. The Group determines the business model for managing financial assets on the basis of objective facts and specific business objectives for the management of financial assets as determined by key management personnel.

The Group evaluates the contractual cash flow characteristics of financial assets to determine whether the contractual cash flow generated by the underlying financial asset on a particular date is only the payment of the principal and the interest based on the outstanding principal amount. Wherein, the principal refers to the fair value of financial assets at initial recognition; interest shall include considerations of the time value of money, credit risk related to the amount of principal outstanding in a specific period, and other basic borrowing risks, costs, and profits. Furthermore, the Group evaluates the contract terms that are likely to cause changes in the distribution of time or amount of the contractual cash flow of financial assets so as to determine whether the terms satisfy the requirements of the above contractual cash flow characteristics.

#### (b) Subsequent measurement of the Group's financial assets

Financial assets measured at fair value through current profit or loss

After initial recognition, such financial assets are subsequently measured at fair value, and the gains or losses (including interest and dividend income) arising therefrom are recorded into current profit or loss, unless the financial assets are part of the hedging relationship.

Financial assets at amortized cost;

After initial recognition, the financial assets are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from financial assets measured at amortized cost and not

part of any hedging relationship are recorded into current profit or loss upon derecognition, amortization under the effective interest method, or recognition of impairment.

Debt investments at fair value through other comprehensive income.

After initial recognition, the financial assets are subsequently measured at fair value. Interest, impairment losses or gains, and exchange gains and losses calculated by the effective interest method are recorded into current profit or loss, and other gains or losses into other comprehensive income. Upon derecognition, the accumulated gain or loss previously included in other comprehensive income is transferred from other comprehensive income and recorded into the current profit or loss.

Investment in equity instruments at fair value through other comprehensive income

After initial recognition, the financial assets are subsequently measured at fair value. Dividend incomes are recorded into profit or loss, while other gains or losses are recorded into other comprehensive income. Upon derecognition, the accumulated gain or loss previously included in other comprehensive income is transferred from other comprehensive income and recorded into retained earnings.

### (3) Classification and subsequent measurement of financial liabilities

The Group classifies financial liabilities into financial liabilities at fair value through profit or loss and financial liabilities at amortized cost.

Financial liabilities at fair value through profit or loss

These financial liabilities comprise financial liabilities held for trading (including derivatives of financial liabilities) and those specified as financial liabilities at fair value through profit or loss.

After initial recognition, these financial liabilities shall be subsequently measured at fair value. Except for those related to hedge accounting, the resulting gains or losses are booked into current profit or loss.

Financial liabilities at amortized cost

After initial recognition, such financial liabilities are subsequently measured at amortized cost using the effective interest method.

### (4) Offsetting

Financial assets and financial liabilities are presented in the Balance Sheet respectively and are not offset with each other. However, the net value after set-off is presented in the Balance Sheet when the following conditions are satisfied:

The Group has the legal right to set off the recognized amount and such right is currently enforceable;

The Group plans to settle on a net basis or realize the financial assets and pay off the financial liabilities simultaneously.

### (5) Derecognition of financial assets and financial liabilities

The Group will derecognize the financial assets when any of the following conditions is met:

The contractual right to collect the cash flow of such financial assets terminates;

The financial assets, along with almost all the risks and returns arising from the ownership thereof, are transferred to the transferee by the Group;

The financial assets have been transferred, but the Group has not retained control over the financial assets, although almost all the risks and returns arising from the ownership thereof are neither transferred nor retained.

Where the transfer of financial assets as a whole meets the conditions for derecognition, the Group records in current profit or loss the difference between the following two items:

The book value of transferred financial assets on the date of derecognition;

The sum of the consideration received from the transfer and the amount corresponding to the derecognized portion in the accumulated amount of changes in fair value originally and directly recorded into other comprehensive income (the financial asset involved in the transfer is the debt investment at fair value through other comprehensive income).

If the current obligation of the financial liabilities (or part thereof) has been discharged, the Group shall derecognize the financial liabilities (or part thereof).

#### (6) Impairment

On the basis of expected credit loss, the Group performs impairment accounting and confirms the provision for loss, for the following items:

Financial assets at amortized cost;

Contractual assets;

Debt investments at fair value through other comprehensive income.

#### Measurement of expected credit loss

The expected credit loss is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit loss is the Group's difference between all contractual cash flows receivable under the contract and all cash flows expected to be received, discounted at the original effective interest rate, i.e. the present value of all cash shortages.

When measuring the expected credit loss, the maximum period to be considered by the Group is the maximum term of the contract for which the enterprise is exposed to credit risks (including considering the option to renew).

The lifetime expected credit loss means the expected credit loss resulting from all the possible default events over the expected duration of financial instruments.

The expected credit loss in the next 12 months means the expected credit loss arising from the possible default events of financial instruments within 12 months (or the expected duration, if it's less than 12 months) after the Balance Sheet date. It is a part of the expected credit loss over the duration.

For notes receivable, accounts receivable, receivables-based financings, and contractual assets formed from daily operating activities such as sales of goods and services, as well as lease receivables from lease transactions, the Group always measures its loss provisions based on the amount equivalent to the expected credit losses over the entire remaining period. The Group calculates the expected credit losses on these financial assets based on historical credit loss experience, adjusted for factors specific to the debtors at the balance sheet date, and an assessment of current conditions and projections of future economic conditions, using a reserve matrix.

Except for notes receivable, accounts receivable, receivables-based financings, contractual assets, and lease receivables, the Group measures the loss provision of a financial instrument that meets the following circumstances according to the amount equivalent to the expected credit loss in the next 12 months, and measures the loss provision of other financial instruments according to the amount equivalent to the expected credit loss over the duration:

The financial instruments only have low credit risks on the Balance Sheet date; or

The credit risks of the financial instruments have not increased significantly after initial recognition.

#### Bad debt provision for accounts receivable

(a) Categories of combination for bad debt provision based on credit risk characteristics and determination basis

|                     |  |
|---------------------|--|
| Notes receivable    | Based on different credit risk characteristics of acceptors, the Group classifies accounts receivable into two combinations: bank acceptance bills and commercial acceptance bills.  |
| Accounts receivable | Based on the Group's historical experience, there is no significant difference in loss occurrence among different segmented customer groups. Therefore, the Group treats all accounts receivable as one combination and does not further distinguish between |

|                             |  |
|-----------------------------|--|
|                             | different customer groups when calculating bad debt provision for accounts receivable.   |
| Receivables-based financing | The Group's receivables-based financing consists of bank acceptance receivables held for dual purposes. Because the accepting banks are of high credit ratings, the Group treats all receivables-based financings as one combination.  |
| Other receivables           | Other receivables of the Group mainly include security deposits. Based on the Group's historical experience, there is no significant difference in the loss occurrence of receivables of different natures and counterparties. Therefore, the Group treats all other receivables as one combination and does not further distinguish between different counterparties when calculating bad debt provision for other receivables. |
| Contractual assets          | Based on the Group's historical experience, there is no significant difference in loss occurrence among different segmented customer groups. Therefore, the Group treats all contractual assets as one combination and does not further distinguish between different customer groups when calculating bad debt provision for contractual assets.  |
| Long-term receivables       | Long-term receivables of the Group mainly include security deposits and margins and installment sales of goods. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classifies long-term receivables into two combinations.  |

(b) Criteria of provision for bad debts by individual item

The Group usually measures the loss provision for notes receivable, accounts receivable, receivables-based financings, other receivables, and contractual assets by combining credit risk characteristics. If the credit risk characteristics of a counterparty significantly differ from those of other counterparties in the combination, or if there is a significant change in the credit risk characteristics of the counterparty, provision for loss by individual item is made for the receivables from that counterparty. For example, when a counterparty experiences severe financial difficulties and the expected credit loss rate for the receivables from that counterparty is significantly higher than the expected credit loss rate for the corresponding aging category, provision for loss by individual item is required.

Low credit risks

Where financial instruments have a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations, the financial instruments are considered to carry low credit risks.

Significant increase in credit risks

In order to assess whether the credit risk of financial instruments has increased significantly since initial recognition, the Group compares the default risk of financial instruments on the Balance Sheet date with the default risk on the initial recognition date.

In determining whether credit risk has increased significantly since initial recognition, the Group considers appropriate and evidence-based information, including forward-looking information that can be obtained without undue additional cost or effort. Information considered by the Group includes:

The debtor fails to pay the principals and interests on the maturity date of the Contract;

The internal or external credit rating (if any) of the accrued or expected financial instruments deteriorates significantly;

The accrued or expected debtor's operating results seriously deteriorate;

Existing or anticipated changes in the technological, market, economic, or legal environment that will have a material adverse impact on the debtor's ability to repay the Group.

If the overdue is more than 30 days, the Group recognizes the credit risks of financial instruments have increased significantly.

#### Credit-impaired financial assets

At each Balance Sheet date, the Group assesses whether financial assets at amortized cost and the debt investment at fair value through other comprehensive income are credit-impaired. In case of one or more events adversely affecting the estimated future cash flows of financial assets, the financial assets become credit-impaired ones. Evidences of credit-impaired financial assets include the following observable facts:

The issuer or debtor gets into severe financial difficulties;

The debtor violates the contract, such as default or delinquency on interest or principal payments;

The Group, out of financial or contractual considerations regarding the debtor's financial distress, has made a concession that would otherwise be impossible;

The debtor is likely to go bankrupt or undergo other financial restructuring;

The financial distress of the issuer or debtor has caused the disappearance of an active market for financial assets.

#### Presentation of allowance for expected credit loss

In order to reflect the changes in the credit risk of financial instruments since the initial recognition, the Group re-measures the expected credit loss on each Balance Sheet date, and the resulting increase or reversal in loss allowance shall be booked into the current profit or loss as impairment losses or gains. For financial assets at amortized cost, the loss allowances shall be set off against the book value of financial assets in the Balance Sheet; For debt investment at fair value through other comprehensive income, the loss allowances are recognized in other comprehensive income by the Group instead of setting off the book value of financial assets.

#### Write-off

When contractual cash flows of financial assets, in whole or in part, are no longer expected to be recovered, the Group writes down the book balance of such financial assets directly. Such write-down constitutes the derecognition of financial assets. This is usually the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, the written-down financial assets may still be subject to the execution activities related to the overdue payment of the Group.

Subsequent recovery of financial assets previously written off is recognized as a reversal of impairment in the profit or loss in the period in which the recovery occurs.

#### (7) Equity instruments

The Company issues equity instruments, which are recorded in shareholders' equity at the actual issuance price. The related transaction costs are deducted from shareholders' equity (capital reserve). If the capital reserve is insufficient to offset these costs, the shortfall is sequentially deducted from the surplus reserve and retained earnings. It means the repurchase of the consideration and transaction costs paid by the Company's equity instruments to cut shareholders' equity.

When repurchasing shares of the Company, the repurchased shares shall be managed as treasury stocks, and all expenses incurred in repurchasing shares shall be converted to treasury stock costs, which shall be registered for future reference. Treasury stocks are not involved in profit distribution and shown as a provision for shareholders' equity in the Balance Sheet.

When treasury stocks are cancelled, the capital stock shall be reduced according to the total par value of the cancelled stocks. The part of the cost of treasury stock exceeding the total par value shall be successively deducted from the capital reserve (capital stock premium), surplus reserve and undistributed profit; where the cost of treasury stock is less than the total par value, the capital reserve (capital stock premium) shall be increased for the part less than the par value.

When the treasury stocks are transferred, the capital reserve (capital stock premium) shall be increased for the part of the transfer income higher than the cost of treasury stocks; for the part lower than the cost of

treasury stocks, capital reserve (capital stock premium), surplus reserve and undistributed profit shall be written down successively.

## 12. Notes receivable

### Recognition method and accounting treatment of expected credit losses of notes receivable

√ Applicable ☐ Not applicable

### Criteria of provision for bad debts by individual item

√ Applicable ☐ Not applicable

Refer to 11, "Financial instruments" under Section X.V "Significant Accounting Policies and Accounting Estimates".

## 13. Accounts receivable

### Recognition method and accounting treatment of expected credit losses of accounts receivable

√ Applicable ☐ Not applicable

Refer to 11, "Financial instruments" under Section X.V "Significant Accounting Policies and Accounting Estimates".

## 14. Accounts receivable financing

### Recognition method and accounting treatment of expected credit losses of receivables-based financings

√ Applicable ☐ Not applicable

Refer to 11, "Financial instruments" under Section X.V "Significant Accounting Policies and Accounting Estimates".

## 15. Other accounts receivable

### Recognition method and accounting treatment of expected credit losses of other receivables

√ Applicable ☐ Not applicable

Refer to 11, "Financial instruments" under Section X.V "Significant Accounting Policies and Accounting Estimates".

## 16. Inventory

√ Applicable ☐ Not applicable

### Inventory categories, valuation method for issuing inventory, inventory system, amortization method for low-value consumables and packaging materials

√ Applicable ☐ Not applicable

#### (1) Inventory categories

Inventory includes raw materials, work in progress, finished goods, and turnover materials. Turnover materials refer to low-value consumables, packaging materials, and other materials that can be used multiple times but are not fixed assets.

Besides the cost of raw material purchases, work in progress and finished goods also include direct labor and production and manufacturing costs allocated based on normal production levels and in appropriate proportions.

#### (2) Valuation method for issuing inventory

The actual cost of shipping inventory is measured using the method of weighted mean.

#### (3) Inventory system

The Group's inventory system is perpetual inventory system.

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



Low-value consumables and packaging materials are amortized using the method of one-time turnover sales, and are included in the cost of related assets or current profit or loss.

#### **Criteria and provision method for inventory falling price reserves**

☒ Applicable ☐ Not applicable

At the Balance Sheet date, inventories are measured at the lower of cost and net realizable value. If the cost of a single inventory item is higher than its net realizable value, the inventory falling price reserves shall be accrued and recorded into current profit or loss.

The net realizable value of raw materials held for production shall be determined on the basis of the net realizable value of finished products. For inventories held for performing sales or labor contracts, the net realizable value is calculated based on the contractual price. Where the quantity of inventory exceeds the quantity ordered under the contract, the net realizable value of the excess inventory shall be calculated on the basis of the general selling price.

#### **Categories and determination basis of provision for inventory falling price reserves by combination and determination basis of net realizable value for different categories of inventory**

☐ Applicable ☒ Not applicable

#### **Age-based calculation method and determination basis of net realizable value for each age group of inventory**

☐ Applicable ☒ Not applicable

### **17. Contractual assets**

#### **Recognition methods and standards of contractual assets**

☒ Applicable ☐ Not applicable

Refer to 39, "Financial instruments" under Section X.V "Significant Accounting Policies and Accounting Estimates".

#### **Determination method and accounting treatment of expected credit loss of contractual assets**

☒ Applicable ☐ Not applicable

Refer to 11, "Financial instruments" under Section X.V "Significant Accounting Policies and Accounting Estimates".

### **18. Held-for-sale non-current assets or disposal groups**

☐ Applicable ☒ Not applicable

### **19. Long-term equity investments**

☒ Applicable ☐ Not applicable

(1) Determination of long-term equity investment costs

(a) Long-term equity investment through business combination

For the long-term equity investment in a subsidiary through business combination under the same control, the initial investment cost of the long-term equity investment shall be the combining party's share of the book value of the owner's equity under the consolidated financial statements of the ultimate controlling party on the combining date. The difference between the initial investment cost of long-term equity investment and the book value of the payment consideration shall be used to adjust the capital stock premium in the capital reserve. The portion of the additional paid-in capital in the capital reserve that is insufficient to offset will be sequentially deducted from the surplus reserve and retained earnings.

For long-term equity investment in a subsidiary arising from a business combination not under the same control, the Company measures the initial investment cost as the fair value of the assets paid, the liabilities incurred or assumed, and the equity securities issued to acquire the control of the acquiree as at the acquisition date.

(b) Long-term equity investment acquired by other means

For long-term equity investment by means other than a business combination, the Group shall take the actual purchase price as the initial investment cost for long-term equity investment obtained by cash payment at the time of initial recognition. As for the long-term equity investment by issuing equity securities, the Group recognizes the fair value of the issued equity securities as the initial investment cost.

(2) Methods for subsequent measurement and profit or loss recognition of long-term equity investment  
Investment in subsidiaries

In the individual financial statements, the Company uses the cost method to measure subsequent long-term equity investments in subsidiaries. The portion of cash dividends or profits declared by the investee that is entitled to the Company is recognized as investment income for the current period.

The investment in subsidiaries is presented in the Balance Sheet at the cost minus the provision for impairment.

Refer to 32 under Section X.V "Significant Accounting Policies and Accounting Estimates" for the methods for impairment test and accrual of impairment provision of investment in subsidiaries.

In the consolidated financial statements of the Group, subsidiaries shall be treated in accordance with 7, "Classification of joint venture arrangement and accounting method for joint operation" under Section X.V "Significant Accounting Policies and Accounting Estimates".

(3) Determination of judgment criteria with the joint control and significant influence on the investee

Significant influence refers to the Group's rights to participate in the decision-making of the financial and operation policies of the investee other than to control alone or jointly with other parties, the formulation of such policies.

## 20. Investment real estate

√ Applicable ☐ Not applicable

The Group classifies properties held for rent earnings, capital appreciation, or both as investment real estate. The Group measures investment properties by using the cost model. The Group shall deduct the estimated net residual value and cumulative provision for impairment from the cost of the investment real estate, and then accrue the depreciation within the service life according to the straight-line method.

**Unless the investment properties meet the conditions for being classified as held for sale.**

**The depreciation lives, residual value rates, and yearly depreciation rates for various types of investment properties are as follows:**

| Category  | Depreciation life (years) | Residual value rate | Yearly depreciation |
|-----------|---------------------------|---------------------|---------------------|
| Buildings | 20                        | 5%                  | 4.75%               |

## 21. Fixed assets

### (1). Recognition conditions

√ Applicable ☐ Not applicable

The initial costs of purchased fixed assets include acquisition price, taxes, and other expenses incurred before enabling the fixed assets to be ready for the intended serviceability which can be attributable to such assets. The initial cost shall be identified for the fixed assets self-constructed as per 25, "Borrowing costs" under Section X.V "Significant Accounting Policies and Accounting Estimates".

The components of fixed assets have different service lives or provide economic benefits to the Group in different ways and apply different depreciation rates or methods. The Group shall recognize each component as a single fixed asset.

For the subsequent expenditures of fixed assets, including those related to the replacement of a certain component of fixed assets, it is capitalized into the cost of fixed assets when the economic benefits related to the expenditures are likely to flow into the Group, and the book value of the replaced part is deducted. Expenditures related to routine maintenance of fixed assets are booked into current profit or loss when incurred.

Fixed assets are presented in the Balance Sheet at their cost minus cumulative depreciation and the provision for impairment.

The Group will derecognize the fixed assets if either of the following conditions is met:

The fixed assets are in the state of disposal.

The fixed assets are unable to generate any economic benefits from use or disposal as expected.

The profit or loss arising from the scrapping or disposal of fixed assets is the difference between the net proceeds from disposal and the carrying amount of the project, and shall be recognized in the profit or loss on the date of scrapping or disposal.

## (2). Depreciation method

☒ Applicable ☐ Not applicable

The Group shall deduct the estimated net residual value and cumulative provision for impairment from the cost of the fixed assets, and then accrue the depreciation within the service life according to the straight-line method, unless the fixed assets meet the criteria for held-for-sale assets in 18, "Held-for-sale non-current assets or disposal groups" under Section X.V "Significant Accounting Policies and Accounting Estimates".

The depreciation lives, residual value rates, and yearly depreciation rates for various types of fixed assets are as follows:

| Category                             | Depreciation method  | Depreciation life (years) | Residual value rate | Yearly depreciation |
|--------------------------------------|----------------------|---------------------------|---------------------|---------------------|
| Buildings                            | Straight-line method | 20                        | 5%                  | 4.75%               |
| Machinery and equipment              | Straight-line method | 5 to 10                   | 5%                  | 9.50% to 19.00%     |
| Means of transport                   | Straight-line method | 5                         | 5%                  | 19%                 |
| Office equipment and other equipment | Straight-line method | 3 to 5                    | 5%                  | 19.00% to 31.67%    |

At the end of each year, the Group shall review the service life, estimated net residual value, and depreciation method of fixed assets.

## 22. Construction in progress

☒ Applicable ☐ Not applicable

The costs of self-constructed fixed assets include engineering materials, direct labor, capitalized borrowing costs (refer to 26, "Biological assets" under Section X.V "Significant Accounting Policies and Accounting Estimates"), and expenditures necessary to bring the asset to its intended serviceability.

Specific criteria and timing for the conversion of various types of construction in progress into fixed assets within the Group:

|   |   |
|---|---|
| Buildings   | <p>(1) The main construction and supporting projects have been substantially completed.</p> <p>(2) Relevant departments have completed on-site acceptance and the buildings meet the conditions for use.</p> <p>(3) If the construction project has reached the predetermined usable state but the final accounts have not been settled, the project shall be converted to fixed assets based on the actual cost of the project according to the estimated value from the date it reaches the predetermined usable state.</p> |
| Machinery and equipment that require installation and commissioning | <p>(1) The relevant equipment and supporting facilities have been installed.</p> <p>(2) The equipment can maintain normal and stable operation for a period of time during commissioning.</p> <p>(3) The production equipment can stably produce qualified products for a period of time.</p> <p>(4) The equipment has been accepted by the asset management personnel and users.</p>   |

The self-constructed fixed assets shall be transferred to fixed assets when they reach the intended serviceability, which is previously listed as construction in progress, and free from accrual of depreciation.

Enterprises sell the products or by-products produced before the fixed assets reach the intended serviceability. According to the *Accounting Standards for Business Enterprises No. 14 - Revenue*, *Accounting Standards for Business Enterprises No. 1 - Inventory* and other provisions, revenues and costs shall be accounted for and recorded into the current profit or loss.

### 23. Borrowing costs

☒ Applicable ☐ Not applicable

The borrowing costs incurred to the Group and directly attributable to the acquisition of assets eligible for capitalization shall be capitalized and recorded into the costs of the assets. Other borrowing costs shall be recognized as financial expenses during the period in which they are incurred.

During the capitalization period, the Group determines the capitalized amount of interest (including the amortization of discounts or premiums) for each accounting period in accordance with the following method:

For specific borrowings for the acquisition of assets eligible for capitalization, the Group shall determine the amount of interest to be capitalized on specialized borrowings according to the current interest expense calculated at the effective interest rate less the interest income from depositing unused borrowed funds in the bank or the investment income from temporary investments.

Where the general borrowing is used for the acquisition of an asset eligible for capitalization, the Group shall calculate and determine the to-be-capitalized amount of interest on the general borrowing by multiplying the part of the accumulative asset disbursements in excess of the weighted average asset disbursement for the specific borrowings by the capitalization rate of the general borrowing occupied. The capitalization rate shall be calculated and determined according to the weighted average effective interest rate of the general borrowing.

The Group determines the effective interest rate of the loan by discounting the future cash flow of the borrowings in the expected duration or shorter applicable period into the initial recognized amount of such borrowings.

During the capitalization period, the exchange difference between the principal and interest of specific borrowings in foreign currency is capitalized and included in the asset cost qualified for the capitalization. The exchange difference between the principal and interest of foreign currency borrowings other than

specific borrowings in foreign currency shall be recorded into the current profit or loss as financial expenses.

#### 24. Biological assets

☐ Applicable ☒ Not applicable

#### 25. Oil and gas assets

☐ Applicable ☒ Not applicable

#### 26. Intangible assets

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

☒ Applicable ☐ Not applicable

For intangible assets with limited service life, the Group shall amortize the cost of intangible assets within the expected service life after deducting the estimated net residual value and cumulative provision for impairment, unless the intangible assets meet the criteria for held-for-sale assets in 18, "Held-for-sale non-current assets or disposal groups" under Section X.V "Significant Accounting Policies and Accounting Estimates".

The service life, determination basis, and amortization method of various intangible assets are as follows:

| Item           | Service life (year) | Determination basis                   | Amortization method  |
|----------------|---------------------|---------------------------------------|----------------------|
| Patent right   | 8 years             | The effective period of patent rights | Straight-line method |
| Land use right | 50 years            | The period to use the land            | Straight-line method |
| Software       | 1 to 5 years        | Benefit period                        | Straight-line method |

The Group shall, at least at the end of each year, review the service life and amortization methods of intangible assets with limited service life.

The Group regards intangible assets whose future economic benefits cannot be foreseen as intangible assets with uncertain service life, and will not amortize such intangible assets. As of the balance sheet date, the Group has no intangible assets with uncertain service life.

##### (2). Classification scope of R&D expenditures and related accounting treatment

☒ Applicable ☐ Not applicable

The Group's expenditures on internal research and development projects are divided into research and development expenditures. The expenditures incurred during the R&D of the Group mainly include payrolls, material consumption costs, and related depreciation and amortization expenses. The Company accounts for R&D expenses and aggregates various expenses based on R&D projects.

The research expenditures are included in the current profit or loss when incurred. The development expenditures will be capitalized if a product or process resulting from the development is technically and commercially feasible, the Company has sufficient resources and intention to complete the development, and the development expenditures can be measured reliably. Other development expenses are recognized as expenses during the period in which they are incurred.

Enterprises sell the products or by-products produced in the process of research and development. According to the *Accounting Standards for Enterprises No. 14 – Revenues*, *Accounting Standards for Enterprises No. 1 – Inventories*, and other provisions, revenues and costs shall be accounted for and recorded into the current profit or loss.

**27. Impairment of long-term assets**√ Applicable ☐ Not applicable

Based on the internal and external information, the Group determines if impairment has incurred to the following assets on the balance sheet date, including:

- Fixed assets
- Construction in progress
- Right-of-use assets
- Intangible assets
- Investment properties measured using the cost model
- Long-term deferred expenses
- Long-term equity investment

If any evidence shows possible asset impairment, the Group shall carry out impairment testing and estimate the recoverable amount of the assets.

The recoverable amount is the higher between the net amount of the fair value (refer to Section X.V.46(1)) of assets (or asset group/portfolio of asset groups, similarly hereafter) minus the disposal expenses and the present value of the expected future cash flow of the assets.

Made up of the assets generating cash flows, the "asset group" is the smallest portfolio that can be identified, the cash inflow generated by which is basically independent of other assets or asset groups.

The discounted amount of the current value of the expected future cash flow of assets shall be determined by using an appropriate pre-tax discount rate based on the projected future cash flows arising from the ongoing use of the assets and their eventual disposal.

The measurement result of the recoverable amount indicates that if an asset's recoverable amount is lower than its book value, the book value of the asset will be written down to the recoverable amount, the written-down amount will be recognized as the asset impairment loss and recorded in the current profit or loss, and the provision for impairment of the asset will be accrued accordingly. The amount of the impairment loss related to the asset group or the portfolio of asset groups shall first charge against the book value of business goodwill which are allocated to the asset group or the portfolio of asset groups, then charge it against the book value of other assets in proportion to the weight of other assets in the asset group or the portfolio of asset groups with the business goodwill excluded. The book value of each asset after deduction shall not be lower than the highest of net amount (as can be determined) of the fair value of the asset minus the disposal expenses, the current value (as can be determined) of the expected future cash flow, and zero.

Once recognized, the asset impairment loss will not be reversed in the following accounting period.

**28. Long-term deferred expenses**√ Applicable ☐ Not applicable

The Group shall recognize all expenses that have been incurred and have a benefit period of more than one year as long-term deferred expenses.

Long-term deferred expenses shall be averagely amortized over the benefit period. The amortization periods of these expenses are as follows:

| Item                  | Amortization period                                    |
|-----------------------|--|
| Employee benefits     | 5 to 7 years   |
| Leasehold improvement | 5 years or remaining lease term (whichever is shorter) |

## 29. Contract liabilities

### (1). Recognition methods of contract liabilities

☒ Applicable ☐ Not applicable

Refer to 39 under Section X.V "Significant Accounting Policies and Accounting Estimates".

## 30. Payroll

### (1). Accounting treatment of short-term payroll

☒ Applicable ☐ Not applicable

During the accounting period in which an employee has rendered services, the Group recognizes staff salaries, bonuses, social insurance premiums (for example, medical insurance, work-related injury insurance, and birth insurance premiums), and housing provident fund actually incurred or accrued according to the prescribed benchmarks and proportions, as liabilities, and records them into current profit or loss or into the asset cost.

### (2). Accounting treatment of post-employment benefits

☒ Applicable ☐ Not applicable

The defined contribution plan that the Group participates in is the basic pension insurance program under the social security system established and managed by government agencies according to the laws and regulations of China. The amount paid for basic endowment insurance is calculated according to the benchmark and proportion stipulated by the national authority. In the accounting period in which employees have rendered services, the Group recognizes the contributed amounts as liabilities, and records them into current profit or loss or in relevant asset cost.

### (3). Accounting treatment of dismiss benefits

☒ Applicable ☐ Not applicable

If the Group dissolves the labor relations with employees prior to the expiration of their labor contracts or offers certain compensation in order to encourage employees to accept the proposed layoffs voluntarily, the Group shall recognize the liabilities arising from the dismiss benefits and record them into current profit or loss at the earlier of the following two:

–The Group cannot withdraw the dismiss benefits provided as a result of termination plans or proposed layoffs.

–The Group has a detailed and formal restructuring plan involving the payment of dismiss benefits, and the restructuring plan has commenced or the parties affected have been informed of the main contents of the plan, so that there is a reasonable expectation that the Group will be restructured.

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

☐ Applicable ☒ Not applicable

## 31. Estimated liabilities

☒ Applicable ☐ Not applicable

The obligation pertinent to contingencies shall be recognized as estimated liabilities when the following conditions are satisfied simultaneously: The obligation is the current obligation of the Group, the

fulfillment of the obligation is likely to result in the outflow of economic benefits from the Group, and the amount of the obligation can be measured in a reliable way.

Estimated liabilities are initially measured in accordance with the best estimate of necessary expenses for the performance of the current obligation. If the time value of money is of great significance, the estimated liabilities shall be determined by the amount discounted from estimated future cash flows. While determining the best estimate, the Group takes into account the risks, uncertainties, and time value of money associated with contingencies. The best estimate is determined as the median in the continuous range of expenditures required and all the results are equally possible in the range. In other cases, the best estimate shall be determined in accordance with the following situations, respectively:

–If contingencies involve a single item, the best estimate shall be determined in light of the most likely outcome.

–If contingencies involve two or more items, the best estimate shall be calculated and determined in accordance with all possible outcomes and probabilities.

The book value of accrued liabilities should be reviewed by the Group on the Balance Sheet date, and the book value is adjusted as per the best estimate available.

### **32. Share-based payments**

☒ Applicable ☐ Not applicable

#### **(1) Type of share-based payments**

The Group's share-based payments are equity-settled.

#### **(2) Accounting treatment for share-based payment plans**

–Equity-settled share-based payments

When the Group offers shares or other equity instruments as consideration in exchange for services provided by employees, the fair value of the equity instruments granted to employees shall be measured on the grant date. For share-based payment transactions immediately available upon grant, the Group will book relevant costs or expenses in accordance with the fair value of equity instruments on the grant date and increase the capital surplus accordingly. For share-based payment transactions not available until completing the service within the waiting period or meeting the required performance conditions, the Group will make the best estimate of the number of available equity instruments on each balance sheet date within the waiting period according to the latest acquired follow-up information such as the change in the number of employees with the latest available rights. On this basis, the services acquired in the current period are included in the relevant costs or expenses, and booked into the capital surplus accordingly as per the fair value on the grant date of equity instruments.

### **33. Preferred shares, perpetual bonds, and other financial instruments**

☐ Applicable ☒ Not applicable

### **34. Revenue**

#### **(1). Accounting policies used for revenue recognition and measurement**

☒ Applicable ☐ Not applicable

Revenue is the total inflow of economic benefits arising in the ordinary course of the Group's activities, which results in an increase in shareholders' equity and is unrelated to the capital invested by shareholders.

The Group recognizes revenue when it has fulfilled its contractual performance obligations, i.e. when the customer has acquired control of the goods or services.

If there are two or more performance obligations in the contract, the Group will apportion the transaction price to each single performance obligation according to the relative proportion of the standalone selling price of the goods or services promised by the single performance obligation at the beginning of the contract, and the revenue shall be measured according to the transaction price apportioned to each single performance obligation.



The transaction price refers to the amount of consideration that the Group expects to collect for the transfer of goods or services to the customer, excluding the amount collected by third parties. The transaction price recognized by the Group does not exceed the amount that is highly unlikely to result in a material reversal of the cumulative recognized revenue upon the elimination of the relevant uncertainty.

If one of the following conditions is satisfied, the Group performs its performance obligations within a certain period of time, otherwise, at some point:

- The customer obtains and consumes the economic benefits brought by the Group while performing the contract.
- The customer can control the goods in process during the Group's performance.
- The goods produced by the Group during the performance are irreplaceable, and the Group is entitled to receive payment for the portion of performance accumulated to date throughout the term of the contract.

The Group determines whether it is a principal or an agent in a transaction based on whether it has control over the goods or services before transferring them to the customer. If the Group has control over the goods or services before transferring them to the customer, the Group is the principal and recognizes revenue based on the total amount of the consideration received or receivable. Otherwise, the Group is an agent and recognizes revenue based on the amount of expected commission or fees to be received, which is the net amount of the consideration received or receivable deducting the consideration payable to other relevant parties, or based on predetermined commission amounts or percentages.

The Group's right to collect consideration for transfer of goods or services to customers (depending on factors other than the passage of time) is presented as contractual assets. The impairment on the contractual assets shall be accrued on the basis of expected credit loss. (Refer to 11, "Financial instruments" under Section X.V "Significant Accounting Policies and Accounting Estimates".) The Group's right to unconditionally (only dependent on the passage of time) charge consideration from customers is presented as receivables. The Group presents the obligation to transfer goods or render services to customers for considerations received or receivable from customers as contract liabilities.

The specific accounting policies related to the Group's major activities for generating revenue are described below:

(a) Revenue from sales of goods

According to the sales contract, the Group shall deliver the goods to the place designated by the customers, complete the installation and debugging, and recognize the revenue while obtaining final acceptance notes from the customers. Besides the revenue from sales of goods to be accepted by customers, the Group usually recognizes the revenue after the products are shipped to the agreed place of delivery and signed by the Buyer as per the sales contract.

(b) Revenue from rendering labor services

The Group provides separate quality assurance services to customers, and according to the specific terms of the quality assurance service contract, recognizes the revenue on the completion or during the rendering of the quality assurance service. In addition to separate quality assurance services, the Group provides customers with disassembly and reassembly services of intelligent sorting equipment. According to the labor service contract, the Group recognizes the revenue after the completion of the disassembly and reassembly services.

(c) Revenue from technical services

The Group's revenue from technical services is mainly from the installation and use of intelligent sorting equipment and the upgrading of sorting system software. According to the technical service contract, the Group recognizes the revenue after the completion of technical services.

(2). The same type of business with different business models involves different revenue recognition methods and measurement methods.

☐ Applicable ☒ Not applicable

### 35. Contract costs

☒ Applicable ☐ Not applicable

The incremental cost incurred to acquire the contract is defined as the cost that would not have been incurred otherwise. If the incremental cost is expected to be recovered, the Group will recognize it as an asset, i.e., the contract acquisition cost. Where other expenditures incurred by the Group to acquire the contract other than the incremental cost are expected to be recovered, they shall be included in the current profit or loss when incurred.

If the cost incurred for the contract performance does not fall within the scope of accounting standards for business enterprises such as inventory and meets the following conditions, the Group will recognize it as an asset, i.e., the cost of contract performance:

–The cost is directly related to a current or expected contract, including direct labor cost, direct material, manufacture cost or similar costs, cost to be borne by the customer, and other costs incurred solely as a result of the contract.

–This cost increases the resources available to the Group to fulfill performance duties in the future.

–The cost is expected to be recovered.

The assets recognized from contract acquisition cost and contract performance cost, hereinafter referred to as “assets related to contract costs”, shall be amortized on the same basis as that for recognizing the revenue from the assets-related goods or services and recorded into current profit or loss. For the amortization period of contract acquisition costs not exceeding one year, the Group chooses to recognize them in the current profit and loss when incurred.

When the book value of the assets related to contract costs is higher than the difference between the following two items, the Group will accrue the provision for impairment for the excess part and recognize it as asset impairment loss:

–The remaining consideration to be received by the Group as a result of the transfer of goods or services related to such assets.

–The estimated costs to be incurred for the transfer of the goods or services.

### **36. Government subsidies**

√ Applicable ☐ Not applicable

When made available, the government subsidies shall be recognized if the relevant conditions are satisfied.

In the case of monetary assets, the government subsidies shall be measured according to the amount received or accrued. In the case of non-monetary assets, the government subsidies shall be measured at fair value.

Government subsidies acquired by the Group, used to acquire long-term assets or otherwise form long-term assets, are deemed as asset-related government subsidies. Other government subsidies acquired by the Group other than those related to assets shall be regarded as income-related government subsidies. The asset-related government subsidies shall be recognized by the Group as deferred income and shall be recorded by installment into other income or non-operating income in a reasonable and systematic manner within the service life of the assets. The income-related government subsidies shall, if they are used for compensating the future expenses or losses of the Group, be recognized by the Group as deferred income, and be recorded into other income or non-operating income of the period when the expenses or losses are recognized. Otherwise, they are directly recorded into other income or non-operating income.

### **37. Leases**

√ Applicable ☐ Not applicable

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. If any party assigns the right to control one or more identified assets during a certain period in exchange for consideration, such contract is, or contains, a lease.

If a number of separate leases are contained in one contract, the Lessee and Lessor shall split the contract and make accounting treatment for each separate lease. Where the contract contains both lease and non-lease parts, the Lessee and Lessor shall split the lease part from the non-lease one. However, for the land and buildings that are rented by the Group, the Group chooses not to split the lease part from the non-lease one in the contract and combines each lease part and its related non-lease part into a lease.

### The Group as the Lessee

On the commencement date of the lease term, the Group recognizes the right-of-use assets and lease liabilities for the lease.

The Group uses the straight-line method to depreciate the right-of-use assets. Where the ownership of the leased assets can be reasonably determined at the expiry of the lease term, the lease assets shall be depreciated by the Group over its remaining service life. Or, the leased assets shall be depreciated over the shorter of the lease term and the remaining service life of the leased assets.

The lease liabilities are initially measured according to the present value of the outstanding lease payment at the commencement date of the lease term, and the discount rate is the inherent interest rate of the lease. If the inherent interest rate of the lease cannot be determined, the Group's incremental borrowing rate shall be used as the discount rate.

The Group calculates the interest expense of the lease liabilities in each period of the lease term at the fixed periodic rate, and records it into the current profit or loss or the related asset cost. Variable lease payments not included in the measurement of lease liabilities shall be recorded into current profit or loss or the asset cost when actually incurred.

After the commencement of the lease term, the Group shall remeasure the lease liabilities according to the present value of the changed lease payment in case of the following circumstances:

- Change in the amount payable as expected based on the guaranteed residual value.
- Change in the index or ratio used to determine lease payments.
- Change in the Group's evaluation results regarding call option, renewal option, or termination of lease option, or inconsistency between the actual exercise and original evaluation of such renewal option or termination of lease option.

When the lease liabilities are remeasured, the Group adjusts the book value of the right-of-use assets accordingly. If the book value of the right-of-use assets has been reduced to zero, but lease liabilities still need to be further reduced, the Group shall book the remaining amount into current profit or loss.

### The Group as the Lessee

On the commencement date of the lease term, the Group recognizes the right-of-use assets and lease liabilities for the lease.

The Group uses the straight-line method to depreciate the right-of-use assets. Where the ownership of the leased assets can be reasonably determined at the expiry of the lease term, the lease assets shall be depreciated by the Group over its remaining service life. Or, the leased assets shall be depreciated over the shorter of the lease term and the remaining service life of the leased assets.

The lease liabilities are initially measured according to the present value of the outstanding lease payment at the commencement date of the lease term, and the discount rate is the inherent interest rate of the lease. If the inherent interest rate of the lease cannot be determined, the Group's incremental borrowing rate shall be used as the discount rate.

The Group calculates the interest expense of the lease liabilities in each period of the lease term at the fixed periodic rate, and records it into the current profit or loss or the related asset cost. Variable lease payments not included in the measurement of lease liabilities shall be recorded into current profit or loss or the asset cost when actually incurred.

After the commencement of the lease term, the Group shall remeasure the lease liabilities according to the present value of the changed lease payment in case of the following circumstances:

- Change in the amount payable as expected based on the guaranteed residual value.
- Change in the index or ratio used to determine lease payments.
- Change in the Group's evaluation results regarding call option, renewal option, or termination of lease option, or inconsistency between the actual exercise and original evaluation of such renewal option or termination of lease option.

When the lease liabilities are remeasured, the Group adjusts the book value of the right-of-use assets accordingly. If the book value of the right-of-use assets has been reduced to zero, but lease liabilities still need to be further reduced, the Group shall book the remaining amount into current profit or loss.

#### **Determination basis and accounting treatment for the simplified treatment of short-term leases and low-value asset leases for the Lessee**

√ **Applicable** □ **Not applicable**

The Group has chosen not to recognize right-of-use assets and lease liabilities for short-term leases (with a lease term not exceeding 12 months) and low-value asset leases (with a single leased asset whose value is low when it is a new asset), and chosen to record the relevant lease payments into the current profit or loss or related asset costs in each period of the lease term according to the straight-line method.

The Group as the Lessor

#### **Classification criteria and accounting treatment for the Lessor**

√ **Applicable** □ **Not applicable**

On the commencement date of the lease, the Group classifies the lease into finance lease and operating lease. Finance leases refer to leases in which substantially all risks and rewards related to the ownership of lease assets are transferred regardless of whether ownership is eventually transferred. Operating leases refer to those other than finance leases.

When the Group serves as the Lessor of the sublease, the sublease shall be classified according to right-of-use assets (rather than the underlying assets) based on the original lease. If the original lease is a short-term lease and the Group chooses to apply the simplified treatment of the short-term lease to the original lease, the sublease is treated as an operating lease. The lease receipts of an operating lease are recognized as rental income during the lease term according to the straight-line method. Variable lease payments not included in lease proceeds are recorded in the current profit or loss when actually incurred.

### **38. Deferred income tax assets/Deferred income tax liabilities**

√ **Applicable** □ **Not applicable**

In addition to the income taxes arising from business combinations and transactions or events directly included in owner's equity, including other comprehensive income, the Group shall book current income tax and deferred income tax into current profit or loss.

The current income tax is the expected income tax payable based on the tax rate specified by the tax law and the taxable income for the current year, plus any adjustment of income tax payable in previous years.

At the balance sheet date, if the Group has the legal right to net settlement and intends to net settlement or to acquire assets and settle liabilities simultaneously, the net offset of current income tax assets and current income tax liabilities is presented.

The deferred income tax assets or deferred income tax liabilities shall be recognized according to the deductible temporary differences or taxable temporary differences, respectively. A temporary difference is the difference between the book value of assets or liabilities and their tax basis, including deductible losses and tax credits that can be carried forward for subsequent years. Deferred income tax assets are recognized to the extent that taxable income is likely to be obtained to offset the deductible temporary differences.

If a single transaction is not a business combination transaction and does neither affect the accounting profit nor taxable income (or deductible loss) at the time of the transaction, and the initially recognized assets and liabilities do not result in equal amounts of taxable temporary differences and deductible temporary differences, the temporary differences arising from the transaction will not incur the deferred income tax. Temporary differences arising from the initial recognition of goodwill will also not incur the deferred income tax.

On the balance sheet date, the Group shall, based on the expected recovery or settlement method of deferred income tax assets and liabilities, measure the book amount of deferred income tax assets and liabilities at the applicable tax rate during the period when the assets are expected to be recovered or the liabilities are to be paid off according to the enacted tax laws.

At the balance sheet date, the Group shall review the book value of deferred income tax assets. Write down the book value of the deferred income tax assets if enough taxable income is probably not available to offset the benefit of the deferred income tax assets in the future period. Where sufficient taxable income is likely to be available, the amount written down shall be transferred back.

At the balance sheet date, deferred income tax assets and liabilities are presented as the net offset if the following conditions are met:

- The taxpayer has the legal right to settle the current income tax assets and liabilities on a net basis.
- Deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on either the same taxpayer or different taxpayers. Within the period during which each future material deferred income tax assets and liabilities are transferred back, the taxpayers intend either to settle current income tax assets and liabilities on a net basis or to acquire assets and pay off liabilities simultaneously.

### 39. Other significant accounting policies and accounting estimates

√ Applicable ☐ Not applicable

#### (1) Fair value measurement

Unless otherwise stated, the Group measures fair value on the following basis:

Fair value refers to the price that market participants can receive by selling an asset or pay for transferring a liability in the orderly transactions at the date of measurement.

In estimating the fair value, the Group takes into account the characteristics considered by market participants when pricing the underlying asset or liability on the measurement date (including the status and location of assets, restrictions on the sale or use of assets), and adopts valuation techniques applicable in the current situation and supported by sufficiently available data and other information. The valuation techniques used mainly include the market approach, income approach, and cost approach.

#### (2) Dividend distributions

After the balance sheet date, if the dividends or profits to be distributed in the approved profit distribution plan are not recognized as liabilities, the dividends or profits will be announced separately in a note.

#### (3) Affiliates

Affiliates are constituted when one party controls, jointly controls, or exerts significant influence over another party, and two or more parties are under the control, joint control of the same party. The affiliates may be individuals or enterprises. Enterprises solely subject to the same state control instead of other affiliate relationships are not affiliates.

In addition, the Company shall determine the Group's or the Company's affiliates in accordance with the *Measures for the Administration of Information Disclosure by Listed Companies* promulgated by the China Securities Regulatory Commission.

#### (4) Segment reports

The Group determines the operating segment on the basis of its internal organizational structure, management requirements, and internal reporting system. Two or more operating segments with similar economic characteristics may be consolidated into one operating segment if they are identical or similar in the nature of any single product or service, the nature of the production process, the customer types of products or services, the ways of sale of products or provision of services, the production of products and the provision of services subject to laws and administrative regulations, etc. Based on the operating segments, the Group determines the reporting segments after considering the principle of materiality.

When the Group prepares segment reports, the inter-segment transaction revenues shall be measured on the basis of the actual transaction price. Segment reports shall be prepared by following the accounting policies under which the Group prepares its financial statements.

#### (5) Major accounting estimates and judgments

While preparing financial statements, the Management of the Group has to use estimates and assumptions, which will have an impact on the application of accounting policies and the amounts of assets, liabilities,

revenues, and expenses. The actual situation may differ from these estimates. The Group's Management continuously evaluates the judgment of key assumptions and uncertainties involved in the estimates, and the impact of the change in the accounting estimates is recognized in the current and future periods of the change.

In addition to accounting estimates related to the depreciation and amortization of assets such as fixed assets and intangible assets as well as the impairment of different types of assets, other major accounting estimates are as follows:

i Section X.VII.29, “Deferred income tax assets/deferred income tax liabilities”

ii Section X.VII.50, “Accrued liabilities”

iii Section X.XIII, “Disclosure of Fair Value”

iv Section X.XV, “Share-Based Payment”

#### 40. Changes in significant accounting policies and accounting estimates

##### (1). Changes in significant accounting policies

√ Applicable ☐ Not applicable

In CNY

| Contents and reasons for changes in accounting policies | Report items significantly affected | Amount affected |
|---|-------------------------------------|-----------------|
| See the details below                                   | See the details below               | 0               |

##### Other notes

In 2024, the Group implemented the relevant provisions and guidelines of the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance in recent years, mainly including:

- The provisions on “Classification of Current and Non-current Liabilities” in the *Interpretation No. 17 of the Accounting Standards for Business Enterprises* (No. 21 [2023] of the Ministry of Finance) (hereinafter referred to as “Interpretation No. 17”)

- The provisions on “Accounting Treatment for Quality Assurance Warranties not Constituting Separate Performance Obligations” in the *Interpretation No. 18 of the Accounting Standards for Business Enterprises* (No. 24 [2024] of the Ministry of Finance) (hereinafter referred to as “Interpretation No. 18”)

(a) Key impact from the Group’s adoption of the aforementioned provisions and guidelines

(i) Provisions on the classification of current and non-current liabilities

In accordance with Interpretation No. 17, when classifying the liquidity of liabilities, the Group only considers whether it has the substantive right on the balance sheet date to defer settlement of liabilities for at least one year after the balance sheet date (hereinafter referred to as the “right to defer settlement”), without considering the Group’s subjective intention to exercise this right.

For liabilities arising from the Group’s loan arrangements, if the right to defer settlement is contingent upon the Group’s compliance with specified conditions in the loan agreements (hereinafter referred to as “covenant conditions”), the Group only considers covenant conditions that must be complied with on or before the balance sheet date when classifying the liquidity of relevant liabilities, without considering covenant conditions requiring compliance after the balance sheet date.

For liabilities that may be settled by delivering the Group’s equity instruments at the counterparty’s option, if the Group classifies such option as an equity instrument under the *Accounting Standards for Enterprises No. 37 – Presentation of Financial Instruments* and separately recognizes it as the equity component of a compound financial instrument, the liquidity of the liabilities will not be affected. Otherwise, the liquidity classification of the liabilities will be affected.

The adoption of this provision has not had any significant impact on the Group's financial position and operating results.

(ii) Presentation of assurance-type warranty expenses

In accordance with Interpretation No. 18, the Group has classified the accrued assurance-type warranty expenses from "selling expenses" to "cost of goods sold".

The Group applied the retroactive adjustment method to make adjustments to the financial statement data for the comparable period.

(b) Impact of changes on the current year's financial statements

The impact of the aforementioned accounting policy changes on the consolidated and parent company income statements for the 2024 fiscal year is as follows:

|                  | Increased/Decreased report item amounts after the adoption of the changed accounting policy |                |
|------------------|---|----------------|
|                  | The Group   | The Company    |
| Operating cost   | 57,682,105.82   | 57,648,815.51  |
| Selling expenses | -57,682,105.82  | -57,648,815.51 |

(c) Impact of changes on the financial statements for the comparable period.

The impact of the aforementioned accounting policy changes on the consolidated and parent company income statements for the 2023 fiscal year is as follows:

|                  | Increased/Decreased report item amounts after the adoption of the changed accounting policy |                |
|------------------|---|----------------|
|                  | The Group   | The Company    |
| Operating cost   | 27,786,375.45   | 19,206,397.94  |
| Selling expenses | -27,786,375.45  | -19,206,397.94 |

**(2). Changes in significant accounting estimates**

☐ Applicable ☒ Not applicable

**(3). The first implementation of the new accounting standards or interpretation of the standards from 2024 involves adjusting the financial statements at the beginning of the first implementation year**

☐ Applicable ☒ Not applicable

**41. Others**

☐ Applicable ☒ Not applicable

**VI. Taxes**

**1. Major tax categories and rates**

Major tax categories and rates

☒ Applicable ☐ Not applicable

| Tax category | Taxation basis | Tax rate |
|--------------|----------------|----------|
|--------------|----------------|----------|

|  |  |           |
|--|--|-----------|
| Value-added tax                        | Output VAT shall be calculated based on revenue arising from goods sales and taxable labor mandatory for calculation as required by tax laws, and the balance of it after deducting deductible input VAT of the current period is the value-added tax payable. | 13%/9%/6% |
| Local education surcharges             | Levied on the actual VAT paid  | 2%        |
| Educational surcharges                 | Levied on the actual VAT paid  | 3%        |
| Urban maintenance and construction tax | Levied on the actual VAT paid  | 7%/5%     |
| Corporate income tax                   | Levied on the amount of taxable income   | 8.25%-30% |

Notes to the taxpayers with different enterprise income tax rates

√ Applicable □ Not applicable

| Name of taxpayers   | Income tax rate (%) |
|---------------------|---------------------|
| The Company         | 15                  |
| Wayzim Anhui        | 25                  |
| Intelligent Sensing | 25                  |
| Zhongke Guanwei     | 15                  |
| Wayzim R&D          | 25                  |
| Wayzim Guangdong    | 25                  |
| Zhitong Intelligent | 20                  |
| Wayzim Chengdu      | 25                  |
| Wayzim Jiangxi      | 25                  |
| Jiangxi Zhongwei    | 25                  |
| Anhui Zhongwei      | 20                  |
| Anhui Power         | 20                  |
| Jiangsu Power       | 20                  |
| Zhike Power         | 20                  |



|                      |        |
|----------------------|--------|
| Weizhizhi Automation | 25     |
| Wayzim Singapore     | 17     |
| Wayzim Malaysia      | 24     |
| Wayzim Russia        | 20     |
| Wayzim Thailand      | 20     |
| Wayzim UK            | 25     |
| Wayzim Hungary       | 9      |
| Wayzim Germany       | Note 1 |
| Wayzim USA           | Note 2 |
| Wayzim Mexico        | 30     |
| Wayzim Brazil        | 15     |
| Wayzim South Korea   | 9      |
| Zhejiang Equipment   | 20     |
| Wayzim Hong Kong     | 8.25   |

Note 1: It is located in Düsseldorf, Germany. The corporate income tax is divided into federal income tax and Düsseldorf income tax. The federal income tax is 15%, and the Düsseldorf income tax is 15.4%.

Note 2: It is located in Delaware, USA. The corporate income tax is divided into federal income tax and Delaware income tax. The federal income tax is 21%, and the Delaware income tax is 8.7%.

## 2. Tax preferences

√ Applicable ☐ Not applicable

In accordance with the *Enterprise Income Tax Law of the People's Republic of China*, the enterprise income tax shall be levied at a reduced rate of 15% on accredited new and high-tech enterprises. The Company and its wholly-owned subsidiary, Zhongke Guanwei, obtained the high-tech enterprise certificates (certificate numbers: GR202432012140 and GR202432010238) on December 16, 2024. As a result, the Company and its wholly-owned subsidiary, Zhongke Guanwei, enjoy a preferential tax rate of 15% from 2024 to 2027.

According to the announcement of the Ministry of Finance and the State Taxation Administration on the implementation of preferential tax policies for small and micro enterprises, low-profit enterprises whose annual taxable income does not exceed CNY 3 million shall pay the taxable income at a rate of 25% and the enterprise income tax at a rate of 20%. The subsidiaries, Zhitong Intelligent, Anhui Zhongwei, Jiangsu Power, Anhui Power, Zhike Power, and Zhejiang Equipment, are eligible for tax relief in 2024 in accordance with relevant policies.

In accordance with the *Notice by the Ministry of Finance and the State Taxation Administration of the Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises* (Announcement No. 43 [2023] of the Ministry of Finance and the State Taxation Administration), from January 1, 2023 to December 31, 2027, an advanced manufacturing enterprise is allowed to credit the amount of input tax creditable in the current period plus 5% thereof against the amount of tax payable. The Company met the above requirements from January 1, 2024 to June 30, 2024, and enjoyed the additional input tax credit policy.

**3. Others**

☐ Applicable ☒ Not applicable

**VII. Notes to Items in Consolidated Financial Statements****1. Money funds**

☒ Applicable ☐ Not applicable

In CNY

| Item                               | Ending balance | Beginning balance |
|------------------------------------|----------------|-------------------|
| Bank deposits                      | 448,836,362.00 | 409,953,934.82    |
| Other money fund                   | 25,992,361.13  | 66,139,658.08     |
| Total                              | 474,828,723.13 | 476,093,592.90    |
| Including: Total overseas deposits | 95,194,257.03  | 18,203,237.99     |

Other notes

None

**2. Trading financial assets**

☒ Applicable ☐ Not applicable

In CNY

| Item   | Ending balance   | Beginning balance | Designated reasons and basis |
|--|------------------|-------------------|------------------------------|
| Financial assets measured at fair value through current profit or loss | 1,101,036,564.26 | 1,217,980,705.57  | /                            |
| Including:   |                  |                   |                              |
| Financial products   | 1,101,036,564.26 | 1,217,980,705.57  |                              |
| Total  | 1,101,036,564.26 | 1,217,980,705.57  | /                            |

Other notes:

☐ Applicable ☒ Not applicable

**3. Derivatives**

☐ Applicable ☒ Not applicable

**4. Notes receivable****(1). Notes receivable by category**

☒ Applicable ☐ Not applicable

In CNY

| Item | Ending balance | Beginning balance |
|------|----------------|-------------------|
|------|----------------|-------------------|

|                                |              |              |
|--------------------------------|--------------|--------------|
| Banker's acceptance            | 7,057,292.43 | 2,411,000.00 |
| Trade acceptance               | 2,913,537.71 | -            |
| Minus: Provision for bad debts | 145,676.89   | -            |
| Total                          | 9,825,153.25 | 2,411,000.00 |

**(2). Notes receivable pledged by the Company at the end of the period**

□ Applicable √ Not applicable

**(3). Notes receivable endorsed or discounted by the Company at the end of the period and yet undue on the balance sheet date**

√ Applicable □ Not applicable

In CNY

| Item                | Ending amount derecognized | Ending amount not derecognized |
|---------------------|----------------------------|--------------------------------|
| Banker's acceptance | -                          | 6,949,442.46                   |
| Total               | -                          | 6,949,442.46                   |

**(4). Disclosure by provision for bad debts**

√ Applicable □ Not applicable

In CNY

| Category                                     | Ending balance |                |                         |                           |              | Beginning balance |                |                         |                           |              |
|--|----------------|----------------|-------------------------|---------------------------|--------------|-------------------|----------------|-------------------------|---------------------------|--------------|
|  | Book balance   |                | Provision for bad debts |                           | Book value   | Book balance      |                | Provision for bad debts |                           | Book value   |
|  | Amount         | Proportion (%) | Amount                  | Proportion of accrual (%) |              | Amount            | Proportion (%) | Amount                  | Proportion of accrual (%) |              |
| Provision for bad debts by individual item   | -              | -              | -                       | -                         | -            | -                 | -              | -                       | -                         | -            |
| Accrued provision for bad debts by portfolio | 9,970,830.14   | 100.00         | 145,676.89              | 1.46                      | 9,825,153.25 | 2,411,000.00      | 100.00         | -                       | -                         | 2,411,000.00 |
| Including:                                   |                |                |                         |                           |              |                   |                |                         |                           |              |
| Trade acceptance                             | 2,913,537.71   | 29.22          | 145,676.89              | 5.00                      | 2,767,860.82 | -                 | -              | -                       | -                         | -            |
| Banker's acceptance                          | 7,057,292.43   | 70.78          | -                       | -                         | 7,057,292.43 | 2,411,000.00      | 100.00         | -                       | -                         | 2,411,000.00 |
| Total  | 9,970,830.14   | 100.00         | 145,676.89              | 1.46                      | 9,825,153.25 | 2,411,000.00      | -              | -                       | -                         | 2,411,000.00 |

Accrued provision for bad debts by individual item:

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by portfolio:

☒ Applicable ☐ Not applicable

Portfolio accrual item: banker's acceptance

In CNY

| Name              | Ending balance   |                         |                   |
|-------------------|------------------|-------------------------|-------------------|
|                   | Notes receivable | Provision for bad debts | Accrual ratio (%) |
| Within 1 year     | 7,057,292.43     | -                       | -                 |
| 1-2 years         | -                | -                       | -                 |
| 2-3 years         | -                | -                       | -                 |
| More than 3 years | -                | -                       | -                 |
| Total             | 7,057,292.43     | -                       | /                 |

Trade acceptance

| Name              | Ending balance   |                         |                   |
|-------------------|------------------|-------------------------|-------------------|
|                   | Notes receivable | Provision for bad debts | Accrual ratio (%) |
| Within 1 year     | 2,913,537.71     | 145,676.89              | 5                 |
| 1-2 years         | -                | -                       | 30                |
| 2-3 years         | -                | -                       | 50                |
| More than 3 years | -                | -                       | 100               |
| Total             | 2,913,537.71     | 145,676.89              | /                 |

Notes to accrued provision for bad debts by portfolio

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by the general model of expected credit loss

☐ Applicable ☒ Not applicable

Notes to significant changes in the book balance of accounts receivable whose loss provision changes in the current period

☐ Applicable ☒ Not applicable

#### **(5). Provision for bad debts**

☒ Applicable ☐ Not applicable

In CNY

| Category | Beginning | Amount of change in the current period | Ending |
|----------|-----------|--|--------|
|----------|-----------|--|--------|

|  | balance | Accrual    | Recovered<br>or<br>transferred<br>back | Write-<br>off/Charge-<br>off | Other<br>changes | balance    |
|--|---------|------------|--|------------------------------|------------------|------------|
| Accrued provision for bad debts by portfolio | -       | 145,676.89 | -                                      | -                            | -                | 145,676.89 |
| Total  | -       | 145,676.89 | -                                      | -                            | -                | 145,676.89 |

The significant amounts recovered or transferred back for provision for bad debts in the current period:

☐ Applicable ☒ Not applicable

**(6). Notes receivable actually written off in the current period**

☐ Applicable ☒ Not applicable

Write-off of significant notes receivable:

☐ Applicable ☒ Not applicable

Notes to written-off notes receivable:

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

**5. Accounts receivable**

**(1). Disclosure by aging**

☒ Applicable ☐ Not applicable

In CNY

| Aging                               | Ending book balance | Beginning book balance |
|-------------------------------------|---------------------|------------------------|
| Within 1 year                       |                     |                        |
| Including: Within 1 year (itemized) |                     |                        |
| Within 1 year                       | 461,602,398.53      | 583,875,290.30         |
| Subtotal for aging within one year  | 461,602,398.53      | 583,875,290.30         |
| 1–2 years                           | 63,772,179.81       | 119,299,536.52         |
| 2–3 years                           | 37,322,440.37       | 6,735,364.61           |
| More than 3 years                   | 13,288,768.29       | 12,602,570.45          |
| Sub-total                           | 575,985,787.00      | 722,512,761.88         |
| Minus: Provision for bad debts      | 76,717,111.68       | 93,938,099.24          |
| Total                               | 499,268,675.32      | 628,574,662.64         |

The aging shall be calculated from the date of recognition of accounts receivable.

**(2). Disclosure by provision for bad debts**

√ Applicable ☐ Not applicable

In CNY

| Category                                     | Ending balance |                |                         |                           |                | Beginning balance |                |                         |                           |                |
|--|----------------|----------------|-------------------------|---------------------------|----------------|-------------------|----------------|-------------------------|---------------------------|----------------|
|  | Book balance   |                | Provision for bad debts |                           | Book value     | Book balance      |                | Provision for bad debts |                           | Book value     |
|  | Amount         | Proportion (%) | Amount                  | Proportion of accrual (%) |                | Amount            | Proportion (%) | Amount                  | Proportion of accrual (%) |                |
| Provision for bad debts by individual item   | 6,949,844.93   | 1              | 6,949,844.93            | 100                       | -              | 20,604,243.52     | 3              | 20,604,243.52           | 100                       |                |
| Accrued provision for bad debts by portfolio | 569,035,942.07 | 99             | 69,767,266.75           | 12                        | 499,268,675.32 | 701,908,518.36    | 97             | 73,333,855.72           | 10                        | 628,574,662.64 |
| Total  | 575,985,787.00 | 100            | 76,717,111.68           | 13                        | 499,268,675.32 | 722,512,761.88    | 100            | 93,938,099.24           | 13                        | 628,574,662.64 |

Accrued provision for bad debts by individual item:

√ Applicable ☐ Not applicable

In CNY

| Name                                  | Ending balance |                         |                   |                              |
|---------------------------------------|----------------|-------------------------|-------------------|------------------------------|
|                                       | Book balance   | Provision for bad debts | Accrual ratio (%) | Reason for accrual           |
| Suning Logistics (Shenzhen) Co., Ltd. | 3,432,000.00   | 3,432,000.00            | 100.00            | Expected to be uncollectible |
| Tian Tian Express Co., Ltd.           | 426,985.52     | 426,985.52              | 100.00            | Expected to be uncollectible |
| ZTO ASIA PTE. LTD.                    | 1,500,000.00   | 1,500,000.00            | 100.00            | Expected to be uncollectible |
| CONVEYROLL,S.A.DEC.V                  | 1,590,859.41   | 1,590,859.41            | 100.00            | Expected to be uncollectible |
| Total                                 | 6,949,844.93   | 6,949,844.93            | 100.00            | /                            |

Note to accrued provision for bad debts by individual item:

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by portfolio:

√ Applicable ☐ Not applicable

Portfolio accrual item: accounts receivable

In CNY

| Name              | Ending balance      |                         |                   |
|-------------------|---------------------|-------------------------|-------------------|
|                   | Accounts receivable | Provision for bad debts | Accrual ratio (%) |
| Within 1 year     | 461,414,898.53      | 23,044,620.05           | 5                 |
| 1–2 years         | 62,181,320.40       | 18,654,396.14           | 30                |
| 2–3 years         | 34,742,945.20       | 17,371,472.62           | 50                |
| More than 3 years | 10,696,777.94       | 10,696,777.94           | 100               |
| Total             | 569,035,942.07      | 69,767,266.75           |                   |

Notes to accrued provision for bad debts by portfolio:

√ Applicable □ Not applicable

For accounts receivable, as a portfolio with similar credit risk characteristics, the Group calculates the expected credit loss based on the historical actual credit loss rate, and takes into account the economic situation during the collection of historical data, the current financial situation, and the forecast of future economic conditions.

The Group always measures the provision for impairment of accounts receivable in accordance with the amount equivalent to the expected credit loss in the duration, and calculates its expected credit loss based on the comparison table between overdue days and the expected credit loss rate. Based on the previous experience of the Group, there is no significant difference between different customer segments. Therefore, different customer segments are not further distinguished in the calculation of the provision for bad debts.

Default loss rates are calculated based on experience with actual credit losses and are adjusted for differences among economic conditions during previous earnings periods, current financial position, and economic conditions during the expected duration considered by the Group.

Accrued provision for bad debts by the general model of expected credit loss

□ Applicable √ Not applicable

Classification basis in different stages and accrual ratio of provision for bad debts

None

Notes to significant changes in the book balance of accounts receivable whose loss provision changes in the current period

□ Applicable √ Not applicable

### (3). Provision for bad debts

√ Applicable □ Not applicable

In CNY

| Category          | Beginning balance | Amount of change in the current period |                               |                      |               | Ending balance |
|-------------------|-------------------|--|-------------------------------|----------------------|---------------|----------------|
|                   |                   | Accrual                                | Recovered or transferred back | Write-off/Charge-off | Other changes |                |
| Accrued provision | 20,604,243.52     | 1,778,359.41                           | 14,002,640.00                 | 1,430,118.00         | -             | 6,949,844.93   |



|  |               |               |               |              |             |               |
|--|---------------|---------------|---------------|--------------|-------------|---------------|
| for bad debts by individual item             |               |               |               |              |             |               |
| Accrued provision for bad debts by portfolio | 73,333,855.72 | 44,977,708.12 | 48,506,482.26 | -            | - 37,814.83 | 69,767,266.75 |
| Total  | 93,938,099.24 | 46,756,067.53 | 62,509,122.26 | 1,430,118.00 | - 37,814.83 | 76,717,111.68 |

The significant amounts recovered or transferred back for provision for bad debts in the current period:

☐ Applicable ☒ Not applicable

Other notes:

None

**(4). Accounts receivable actually written off in the current period**

☒ Applicable ☐ Not applicable

In CNY

| Item                                     | Written-off amount |
|--|--------------------|
| Accounts receivable actually written off | 1,430,118.00       |

Write-off of significant accounts receivable

☐ Applicable ☒ Not applicable

Notes to written-off accounts receivable:

☐ Applicable ☒ Not applicable

**(5). Accounts receivable and contract assets of the top 5 companies in terms of ending balance collected by debtor**

☒ Applicable ☐ Not applicable

In CNY

| Company | Ending balance of accounts receivable | Ending balance of contract assets | Ending balance of accounts receivable and contract Assets | Proportion in the total ending balance of accounts receivable and contract assets (%) | Ending balance of provision for bad debts |
|---------|---------------------------------------|-----------------------------------|---|---|---|
|         |                                       |                                   |   |   |   |

|  |                |               |                |    |               |
|--|----------------|---------------|----------------|----|---------------|
| Shanghai Zhongtongji Network Technology Ltd. ("Zhongtongji Network") | 58,908,739.55  | 58,479,604.55 | 117,388,344.10 | 14 | 6,268,942.55  |
| Wayzim (Hangzhou) Intelligent Manufacturing Technology Co., Ltd.     | 23,236,864.68  | 34,583,634.60 | 57,820,499.28  | 7  | 6,283,088.56  |
| ("Wayzim Hangzhou")  | 23,225,277.00  | -             | 23,225,277.00  | 3  | 2,899,196.53  |
| Wuxi Senyometal Display Corp., Ltd.                                  | 19,763,993.51  |               | 19,763,993.51  | 2  | 5,443,514.45  |
| J&T Express (Malaysia) Sdn Bhd                                       | 13,332,157.15  | 2,128,652.45  | 15,460,809.60  | 2  | 773,040.49    |
| Total  | 138,467,031.89 | 95,191,891.60 | 233,658,923.49 | 28 | 21,667,782.58 |

Other notes:

☐ Applicable ☒ Not applicable**6. Contractual assets****(1). Contract assets**☒ Applicable ☐ Not applicable

In CNY

| Item                       | Ending balance |                         |               | Beginning balance |                         |               |
|----------------------------|----------------|-------------------------|---------------|-------------------|-------------------------|---------------|
|                            | Book balance   | Provision for bad debts | Book value    | Book balance      | Provision for bad debts | Book value    |
| Retention money receivable | 100,091,703.20 | 5,004,585.35            | 95,087,117.85 | 92,444,236.99     | 4,800,337.13            | 87,643,899.86 |
| Total                      | 100,091,703.20 | 5,004,585.35            | 95,087,117.85 | 92,444,236.99     | 4,800,337.13            | 87,643,899.86 |

**(2). Amount of and reason for significant changes in the book value during the reporting period**☐ Applicable ☒ Not applicable**(3). Disclosure by provision for bad debts**☒ Applicable ☐ Not applicable

In CNY

| Category | Ending balance |                |                         |                           |            | Beginning balance |                |                         |                           |            |
|----------|----------------|----------------|-------------------------|---------------------------|------------|-------------------|----------------|-------------------------|---------------------------|------------|
|          | Book balance   |                | Provision for bad debts |                           | Book value | Book balance      |                | Provision for bad debts |                           | Book value |
|          | Amount         | Proportion (%) | Amount                  | Proportion of accrual (%) |            | Amount            | Proportion (%) | Amount                  | Proportion of accrual (%) |            |

|  |                |     |              |   |               |               |     |              |        |               |
|--|----------------|-----|--------------|---|---------------|---------------|-----|--------------|--------|---------------|
| Accrued provision for bad debts by individual item | -              | -   | -            | - | -             | 187,500.00    | -   | 187,500.00   | 100.00 | -             |
| Accrued provision for bad debts by portfolio       | 100,091,703.20 | 100 | 5,004,585.35 | 5 | 95,087,117.85 | 92,256,736.99 | 100 | 4,612,837.13 | 5      | 87,643,899.86 |
| Total  | 100,091,703.20 | /   | 5,004,585.35 | / | 95,087,117.85 | 92,444,236.99 | /   | 4,800,337.13 | /      | 87,643,899.86 |

Accrued provision for bad debts by individual item:

☐ Applicable ☒ Not applicable

Note to accrued provision for bad debts by individual item:

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by portfolio:

☒ Applicable ☐ Not applicable

Portfolio accrual item: retention money receivable

In CNY

| Name                       | Ending balance  |                         |                   |
|----------------------------|-----------------|-------------------------|-------------------|
|                            | Contract assets | Provision for bad debts | Accrual ratio (%) |
| Retention money receivable | 100,091,703.20  | 5,004,585.35            | 5                 |
| Total                      | 100,091,703.20  | 5,004,585.35            | 5                 |

Notes to accrued provision for bad debts by portfolio

☒ Applicable ☐ Not applicable

The Group always measures provisions for losses at an amount equal to the expected credit loss in the duration. The Group calculates the expected credit losses on these financial assets based on historical credit loss experience, adjusted for factors specific to the borrower at the balance sheet date, and an assessment of current conditions and projections of future economic conditions, using a reserve matrix. Based on the Group's historical experience, there is no significant difference in the loss occurrence among different customer segments. Therefore, the Group treats all contract assets as a portfolio and does not further differentiate different customer segments in the calculation of the bad debt provision for contract assets.

Accrued provision for bad debts by the general model of expected credit loss

☐ Applicable ☒ Not applicable

Notes to significant changes in the book balance of contract assets whose loss provision changes in the current period

☐ Applicable ☒ Not applicable

#### (4). Accrual of provision for bad debts of contract assets in the current period

☒ Applicable ☐ Not applicable

In CNY

| Item                       | Beginning balance | Amount of change in the current period |   |  |               | Ending balance | Reason |
|----------------------------|-------------------|--|---|--|---------------|----------------|--------|
|                            |                   | Accrual in the current period          | Amounts recovered or transferred back during the period | Write-off/Charge-off in the current period | Other changes |                |        |
| Accrual by individual item | 187,500.00        | -                                      | -   | -  | 187,500.00    | -              | /      |
| Accrual by portfolio       | 4,612,837.13      | 4,951,118.41                           | 4,559,370.19  | -  | -             | 5,004,585.35   | /      |
| Total                      | 4,800,337.13      | 4,951,118.41                           | 4,559,370.19  | -  | 187,500.00    | 5,004,585.35   | /      |

The significant amounts recovered or transferred back for provision for bad debts in the current period:

☐ Applicable ☒ Not applicable

## Other notes:

The contractual assets of the Group mainly relate to the quality assurance obligations in the contract of logistics sorting equipment between the Group and the customer on the Balance Sheet date, the amount of which is 0.05%-10% of the total contract price. The Group provides product quality assurance to customers who purchase logistics sorting equipment, and provides a free warranty for failures and quality problems within 1–7 years after the completion of the final product inspection. When the warranty expires, the Group has the right to unconditionally receive the consideration of this part in the total contract price, and the contract assets will be converted into accounts receivable. For contract assets whose remaining warranty period exceeds one year on the balance sheet date, the Group shall include them into other non-current assets.

**(5). Contract assets actually written off in the current period**

☐ Applicable ☒ Not applicable

Write-off of significant contract assets

☐ Applicable ☒ Not applicable

Write-off of contract assets

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

**7. Accounts receivable financing****(1). Classification of accounts receivable financing**

☒ Applicable ☐ Not applicable

| In CNY              |                |                   |
|---------------------|----------------|-------------------|
| Item                | Ending balance | Beginning balance |
| Banker's acceptance | 2,065,547.83   | 1,800,000.00      |
| Total               | 2,065,547.83   | 1,800,000.00      |

**(2). Financing of accounts receivable pledged by the company at the end of the period**

☐ Applicable ☒ Not applicable

**(3). Financing of accounts endorsed or discounted by the company and yet undue on the balance sheet date at the end of the period**

☒ Applicable ☐ Not applicable

| In CNY              |                            |                                |
|---------------------|----------------------------|--------------------------------|
| Item                | Ending amount derecognized | Ending amount not derecognized |
| Banker's acceptance | 17,464,512.20              |                                |
| Total               | 17,464,512.20              |                                |

**(4). Disclosure by provision for bad debts**

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by individual item:

☐ Applicable ☒ Not applicable

Note to accrued provision for bad debts by individual item:

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by portfolio:

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by the general model of expected credit loss

☐ Applicable ☒ Not applicable

Classification basis in different stages and accrual ratio of provision for bad debts

None

Notes to significant changes in the book balance of accounts receivable financing whose loss provision changes in the current period

☐ Applicable ☒ Not applicable

**(5). Provision for bad debts**

☐ Applicable ☒ Not applicable

The significant amounts recovered or transferred back for provision for bad debts in the current period:

☐ Applicable ☒ Not applicable

Other notes:

None

**(6). Financing of accounts receivable actually written off in the current period**

☐ Applicable ☒ Not applicable

Write-off of significant accounts receivable financing:

☐ Applicable ☒ Not applicable

Notes to the write-off:

☐ Applicable ☒ Not applicable

**(7). Increase/Decrease of receivables-based financing in the current period and changes in fair value**

☐ Applicable ☒ Not applicable

**(8). Other notes**

☐ Applicable ☒ Not applicable

**8. Advance payments**

**(1). Advance payments presented by aging**

☒ Applicable ☐ Not applicable

In CNY

| Aging             | Ending balance |                | Beginning balance |                |
|-------------------|----------------|----------------|-------------------|----------------|
|                   | Amount         | Proportion (%) | Amount            | Proportion (%) |
| Within 1 year     | 104,911,106.46 | 84.44          | 103,630,174.69    | 92.67          |
| 1-2 years         | 17,210,341.84  | 13.85          | 4,456,013.83      | 3.99           |
| More than 2 years | 2,120,529.80   | 1.71           | 3,740,544.60      | 3.34           |
| Total             | 124,241,978.10 | 100.00         | 111,826,733.12    | 100.00         |

Notes to reasons for the delayed settlement of advance payments aged over one year with significant amounts

None

**(2). Advance payments of the top 5 companies in terms of ending balance collected by supplier**

☒ Applicable ☐ Not applicable

In CNY

| Company  | Ending balance | Proportion in total ending balance of advance payments (%) |
|--|----------------|--|
| Wuxi Senyometal Display Corp., Ltd.                        | 39,295,068.45  | 31.63  |
| Wuxi Shengmai Precision Manufacturing Technology Co., Ltd. | 10,153,843.58  | 8.17   |
| Jiangxi Chixinke Intelligent Equipment Co., Ltd.           | 8,795,970.71   | 7.08   |
| Anhui Shengheng Intelligent Equipment Co., Ltd.            | 6,102,626.92   | 4.91   |
| Wuxi Gefan Technology Co., Ltd.                            | 5,077,610.46   | 4.09   |
| Total  | 69,425,120.12  | 55.88  |

Other notes:

None

Other notes

☐ Applicable ☒ Not applicable

**9. Other accounts receivable****Items**

√ Applicable □ Not applicable

In CNY

| Item                             | Ending balance | Beginning balance |
|----------------------------------|----------------|-------------------|
| Amounts due from related parties | -              | -                 |
| Amounts due from third parties   | 22,494,133.52  | 17,683,674.12     |
| Minus: Provision for bad debts   | 2,991,312.62   | 1,709,742.44      |
| Total                            | 19,502,820.90  | 15,973,931.68     |

Other notes:

□ Applicable √ Not applicable

**Interests receivable****(1). Classification of interests receivable**

□ Applicable √ Not applicable

**(2). Material overdue interests**

□ Applicable √ Not applicable

**(3). Disclosure by provision for bad debts**

□ Applicable √ Not applicable

Accrued provision for bad debts by individual item:

□ Applicable √ Not applicable

Note to accrued provision for bad debts by individual item:

□ Applicable √ Not applicable

Accrued provision for bad debts by portfolio:

□ Applicable √ Not applicable

**(4). Accrued provision for bad debts by the general model of expected credit loss**

□ Applicable √ Not applicable

Classification basis in different stages and accrual ratio of provision for bad debts

None

Notes to significant changes in the book balance of interests receivable whose loss provision changes in the current period

□ Applicable √ Not applicable

**(5). Provision for bad debts**

□ Applicable √ Not applicable

The significant amounts recovered or transferred back for provision for bad debts in the current period:

□ Applicable √ Not applicable

Other notes:

None

**(6). Interest receivable actually written off in the current period**

□ Applicable √ Not applicable

Write-off of significant interest receivable:

□ Applicable √ Not applicable

Notes to the write-off:

□ Applicable √ Not applicable

Other notes:

□ Applicable √ Not applicable

**Dividends receivable****(7). Dividends receivable**

□ Applicable √ Not applicable

**(8). Significant dividends receivable with aging over one year**

☐ Applicable ☒ Not applicable

**(9). Disclosure by provision for bad debts**

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by individual item:

☐ Applicable ☒ Not applicable

Note to accrued provision for bad debts by individual item:

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by portfolio:

☐ Applicable ☒ Not applicable

**(10). Accrued provision for bad debts by the general model of expected credit loss**

☐ Applicable ☒ Not applicable

Notes to significant changes in the book balance of dividends receivable whose loss provision changes in the current period

☐ Applicable ☒ Not applicable

**(11). Provision for bad debts**

☐ Applicable ☒ Not applicable

The significant amounts recovered or transferred back for provision for bad debts in the current period:

☐ Applicable ☒ Not applicable

**(12). Dividend receivable actually written off in the current period**

☐ Applicable ☒ Not applicable

Write-off of significant dividends receivable:

☐ Applicable ☒ Not applicable

Notes to the write-off:

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

**Other accounts receivable****(13). Disclosure by aging**

☒ Applicable ☐ Not applicable

In CNY

| Aging                               | Ending book balance | Beginning book balance |
|-------------------------------------|---------------------|------------------------|
| Within 1 year                       |                     |                        |
| Including: Within 1 year (itemized) |                     |                        |
| Within 1 year                       | 17,403,436.93       | 15,478,558.07          |
| Subtotal for aging within one year  | 17,403,436.93       | 15,478,558.07          |
| 1-2 years                           | 3,190,470.61        | 1,635,745.63           |
| 2-3 years                           | 1,472,486.42        | 248,559.10             |
| More than 3 years                   | 427,739.56          | 320,811.32             |
| Sub-total                           | 22,494,133.52       | 17,683,674.12          |
| Minus: Provision for bad debts      | 2,991,312.62        | 1,709,742.44           |
| Total                               | 19,502,820.90       | 15,973,931.68          |

**(14). Classification by payment nature**

☒ Applicable ☐ Not applicable

In CNY

| Nature of payment        | Ending book balance | Beginning book balance |
|--------------------------|---------------------|------------------------|
| Bid and project security | 20,381,939.68       | 11,260,812.10          |
| Petty cash for employees | 111,504.31          | 26,976.14              |
| Others                   | 2,000,689.53        | 6,395,885.88           |

|                                |               |               |
|--------------------------------|---------------|---------------|
| Sub-total                      | 22,494,133.52 | 17,683,674.12 |
| Minus: Provision for bad debts | 2,991,312.62  | 1,709,742.44  |
| Total                          | 19,502,820.90 | 15,973,931.68 |

**(15).Accrual of provision for bad debts**√ Applicable ☐ Not applicable

In CNY

| Provision for bad debts                          | Stage I                                    | Stage II  | Stage III   | Total        |
|--|--|---|---|--------------|
|  | Expected credit loss in the next 12 months | Expected credit loss over the entire duration (without credit impairment) | Expected credit loss for the entire duration (with credit impairment) |              |
| Balance on January 1, 2024                       | 1,707,742.44                               |   | 2,000.00  | 1,709,742.44 |
| Balance on January 1, 2024 in the current period |  |   |   |              |
| Transferred to Stage III                         |  |   |   |              |
| Accrual in the current period                    | 1,629,175.74                               |   |   | 1,629,175.74 |
| Transferred back in the current period           | 136,141.10                                 |   |   | 136,141.10   |
| Write-off in the current period                  | -  |   |   | -            |
| Charge-off in the current period                 | -  |   |   | -            |
| Other changes                                    | -209,464.46                                |   |   | -209,464.46  |
| Balance as of December 31, 2024                  | 2,991,312.62                               |   |   | 2,991,312.62 |

Classification basis in different stages and accrual ratio of provision for bad debts

As of December 31, 2024, the Group has no other accounts receivable in Stages I, II, and III. The analysis of other accounts receivable in Stage I is as follows:

(1) Other accounts receivable of the portfolio accrued provision for bad debts are all in Stage I. The analysis is as follows:

| Item              |               |                         |   |
|-------------------|---------------|-------------------------|---|
|                   | Book balance  | Provision for bad debts | Expected credit loss rate within the next 12 months (%) |
| Within 1 year     | 17,403,436.93 | 870,188.67              | 5   |
| 1-2 years         | 3,190,470.60  | 957,141.18              | 30  |
| 2-3 years         | 1,472,486.42  | 736,243.21              | 50  |
| More than 3 years | 427,739.56    | 427,739.56              | 100   |
| Total             | 22,494,133.51 | 2,991,312.62            | /   |

Notes to significant changes in the book balance of other accounts receivable whose loss provision changes in the current period

☐ Applicable ☒ Not applicable

The basis for the provision for bad debts of the current period and evaluation on a significant increase in the credit risk of financial instruments is as follows:

☐ Applicable ☒ Not applicable**(16).Provision for bad debts**√ Applicable ☐ Not applicable

In CNY

| Category | Beginning balance | Amount of change in the current period |              |                   |               | Ending balance |
|----------|-------------------|--|--------------|-------------------|---------------|----------------|
|          |                   | Accrual                                | Recovered or | Write-off/Charge- | Other changes |                |



|  |              |              | transferred<br>back | off      |                 |              |
|--|--------------|--------------|---------------------|----------|-----------------|--------------|
| Accrued provision for bad debts by individual item | 2,000.00     | -            | -                   | 2,000.00 | -               | -            |
| Accrued provision for bad debts by portfolio       | 1,707,742.44 | 1,629,175.74 | 136,141.10          | -        | -<br>209,464.46 | 2,991,312.62 |
| Total  | 1,709,742.44 | 1,629,175.74 | 136,141.10          | 2,000.00 | -<br>209,464.46 | 2,991,312.62 |

The significant amounts recovered or transferred back for provision for bad debts in the current period:

☐ Applicable ☒ Not applicable

Other notes

None

**(17). Other accounts receivable actually written off in the current period**

☒ Applicable ☐ Not applicable

In CNY

| Item   | Written-off amount |
|--|--------------------|
| Other accounts receivable actually written off | 2,000.00           |

Details of significant write-off of other accounts receivable:

☐ Applicable ☒ Not applicable

Notes to write-off of other accounts receivable:

☐ Applicable ☒ Not applicable

**(18). Other accounts receivable of the top 5 companies in terms of ending balance collected by debtor**

☒ Applicable ☐ Not applicable

In CNY

| Company   | Ending balance | Proportion in the total ending balance of other receivables (%) | Nature of payment | Aging         | Provision for bad debts Ending balance |
|---|----------------|---|-------------------|---------------|--|
| Xiaomi Smart Appliances (Wuhan) Co., Ltd.       | 2,400,000.00   | 10.67   | Security deposit  | Within 1 year | 120,000.00                             |
| STO Express Co., Ltd.                           | 1,500,000.00   | 6.67  | Security deposit  | Within 1 year | 75,000.00                              |
| Neijiang Branch of China Post Group Co., Ltd.   | 1,879,000.00   | 8.35  | Security deposit  | Within 1 year | 93,950.00                              |
| Shanghai Yucan Information Technology Co., Ltd. | 840,000.00     | 3.73  | Security deposit  | Within 1 year | 42,000.00                              |

|  |              |       |                  |           |            |
|--|--------------|-------|------------------|-----------|------------|
| Lianyungang Xinsilu Enterprise Management Consulting Co., Ltd. | 700,000.00   | 3.11  | Security deposit | 1–2 years | 210,000.00 |
| Total  | 7,319,000.00 | 32.53 | /                | /         | 540,950.00 |

**(19). Other accounts receivable that are presented due to the centralized management of funds**

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

**10. Inventory****(1). Classification of inventories**

☒ Applicable ☐ Not applicable

In CNY

| Item             | Ending balance   |  |                  | Beginning balance |  |                  |
|------------------|------------------|--|------------------|-------------------|--|------------------|
|                  | Book balance     | Inventory falling price reserves/Provision for impairment of contract performance cost | Book value       | Book balance      | Inventory falling price reserves/Provision for impairment of contract performance cost | Book value       |
| Raw materials    | 332,264,129.57   | 113,836,426.30   | 218,427,703.27   | 363,198,700.73    | 71,988,018.75  | 291,210,681.98   |
| Goods in process | 1,675,512,173.94 | 191,547,193.42   | 1,483,964,980.52 | 1,974,576,347.71  | 134,796,049.10   | 1,839,780,298.61 |
| Total            | 2,007,776,303.51 | 305,383,619.72   | 1,702,392,683.79 | 2,337,775,048.44  | 206,784,067.85   | 2,130,990,980.59 |

**(2). Data resources recognized as inventory**

☐ Applicable ☒ Not applicable

**(3). Inventory falling price reserves and provision for impairment of contract performance cost**

☒ Applicable ☐ Not applicable

In CNY

| Item             | Beginning balance | Increase in the current period |        | Decrease in the current period |        | Ending balance |
|------------------|-------------------|--------------------------------|--------|--------------------------------|--------|----------------|
|                  |                   | Accrual                        | Others | Carryover or write-off         | Others |                |
| Raw materials    | 71,988,018.75     | 41,848,407.55                  |        | -                              |        | 113,836,426.30 |
| Goods in process | 134,796,049.10    | 215,110,180.46                 |        | 158,359,036.14                 |        | 191,547,193.42 |
| Total            | 206,784,067.85    | 256,958,588.01                 |        | 158,359,036.14                 |        | 305,383,619.72 |

Reasons for transferring back or writing off the inventory falling price reserves in the current period

☐ Applicable ☒ Not applicable

Accrued provision of inventory falling price reserves by portfolio

☐ Applicable ☒ Not applicable

Standard for the accrued provision of inventory falling price reserves by portfolio

☐ Applicable ☒ Not applicable

**(4). Capitalization amount of borrowing expenses in the ending balance of inventories and the calculation standards and basis**

☐ Applicable ☒ Not applicable

**(5). Notes to the current amortization amount of the contract performance cost**

☐ Applicable ☒ Not applicable

Other notes

☒ Applicable ☐ Not applicable

The net realizable value of inventories is the estimated selling price minus the estimated cost to be incurred until completion, estimated selling expenses, and related taxes.

The reasons for transferring back or writing off the inventory falling price reserves during the year are completion of projects, recognition of revenue costs, and inventory obsolescence. In addition, the inventory amount at the end of the year is not the capitalized amount of borrowing expenses.

**11. Held-for-sale assets**

☐ Applicable ☒ Not applicable

**12. Non-current assets due within one year**

☒ Applicable ☐ Not applicable

In CNY

| Item                           | Ending balance | Beginning balance |
|--------------------------------|----------------|-------------------|
| Long-term accounts receivable  | 13,557,809.84  | 22,270,522.40     |
| Minus: Provision for bad debts | 597,890.48     | 618,526.12        |
| Total                          | 12,959,919.36  | 21,651,996.28     |

**Debt investments due within one year**

☐ Applicable ☒ Not applicable

**Other debt investments due within one year**

☐ Applicable ☒ Not applicable

Other notes to non-current assets due within one year

None

**13. Other current assets**

☒ Applicable ☐ Not applicable

In CNY

| Item                          | Ending balance | Beginning balance |
|-------------------------------|----------------|-------------------|
| Input tax to be certified     | 38,593,776.71  | 78,297,692.09     |
| Prepaid enterprise income tax | 513,687.36     | 55,377.47         |
| Items pending settlement      | 5,955,079.46   |                   |
| Total                         | 45,062,543.53  | 78,353,069.56     |

Other notes

None

**14. Debt investments****(1). Debt investments**

☐ Applicable ☒ Not applicable

Changes in impairment provision for debt investments in the current period

☐ Applicable ☒ Not applicable

**(2). Significant debt investments at the end of the period**

☐ Applicable ☒ Not applicable

**(3). Accrual of provision for impairment**

☐ Applicable ☒ Not applicable

Notes to significant changes in the book balance of debt investments whose loss provision changes in the

current period

☐ Applicable ☒ Not applicable

Basis for the provision for the impairment of the current period and evaluation on a significant increase in the credit risk of financial instruments

☐ Applicable ☒ Not applicable

#### (4). Debt investments actually written off in the current period

☐ Applicable ☒ Not applicable

Write-off of significant debt investments

☐ Applicable ☒ Not applicable

Notes to written-off debt investments

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

### 15. Other debt investments

#### (1). Other debt investments

☐ Applicable ☒ Not applicable

Changes in impairment provision for other debt investments in the current period

☐ Applicable ☒ Not applicable

#### (2). Significant other debt investments at the end of the period

☐ Applicable ☒ Not applicable

#### (3). Accrual of provision for impairment

☐ Applicable ☒ Not applicable

Notes to significant changes in the book balance of other debt investments whose loss provision changes in the current period

☐ Applicable ☒ Not applicable

Basis for the provision for the impairment of the current period and evaluation on a significant increase in the credit risk of financial instruments

☐ Applicable ☒ Not applicable

#### (4). Other debt investments actually written off in the current period

☐ Applicable ☒ Not applicable

Write-off of other significant debt investments

☐ Applicable ☒ Not applicable

Notes to other written-off debt investments

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

### 16. Long-term accounts receivable

#### (1). Long-term accounts receivable

☒ Applicable ☐ Not applicable

In CNY

| Item                             | Ending balance |                         |               | Beginning balance |                         |               | Range of discount rate |
|----------------------------------|----------------|-------------------------|---------------|-------------------|-------------------------|---------------|------------------------|
|                                  | Book balance   | Provision for bad debts | Book value    | Book balance      | Provision for bad debts | Book value    |                        |
| Employee borrowings              | 2,711,604.14   | -                       | 2,711,604.14  | 5,155,604.14      | -                       | 5,155,604.14  | /                      |
| Security deposit and margin      | 5,557,961.24   | -                       | 5,557,961.24  | 12,673,463.06     | -                       | 12,673,463.06 | /                      |
| Installment sales of goods       | 44,618,121.31  | 2,230,906.08            | 42,387,215.23 | 56,988,643.70     | 2,849,432.19            | 54,139,211.51 | 0.04                   |
| Minus: Parts due within one year | 13,557,809.86  | 597,890.50              | 12,959,919.36 | 22,270,522.40     | 618,526.12              | 21,651,996.28 | /                      |
| Total                            | 39,329,876.83  | 1,633,015.58            | 37,696,861.25 | 52,547,188.50     | 2,230,906.07            | 50,316,282.43 | /                      |

**(2). Disclosure by provision for bad debts**

√ Applicable □ Not applicable

In CNY

| Category                                     | Ending balance |                |                         |                           |               | Beginning balance |                |                         |                           |               |
|--|----------------|----------------|-------------------------|---------------------------|---------------|-------------------|----------------|-------------------------|---------------------------|---------------|
|  | Book balance   |                | Provision for bad debts |                           | Book value    | Book balance      |                | Provision for bad debts |                           | Book value    |
|  | Amount         | Proportion (%) | Amount                  | Proportion of accrual (%) |               | Amount            | Proportion (%) | Amount                  | Proportion of accrual (%) |               |
| Accrued provision for bad debts by portfolio | 39,329,876.83  | 100.00         | 1,633,015.58            | 4.15                      | 37,696,861.25 | 52,547,188.50     | 100.00         | 2,230,906.07            | 4.25                      | 50,316,282.43 |
| Total  | 39,329,876.83  | /              | 1,633,015.58            | /                         | 37,696,861.25 | 52,547,188.50     | /              | 2,230,906.07            | /                         | 50,316,282.43 |

Accrued provision for bad debts by individual item:

□ Applicable √ Not applicable

Note to accrued provision for bad debts by individual item:

□ Applicable √ Not applicable

Accrued provision for bad debts by portfolio:

√ Applicable □ Not applicable

Portfolio accrual item: long-term accounts receivable

In CNY

| Name                             | Ending balance                |                         |                   |
|----------------------------------|-------------------------------|-------------------------|-------------------|
|                                  | Long-term accounts receivable | Provision for bad debts | Accrual ratio (%) |
| Employee borrowings              | 2,711,604.14                  | -                       | /                 |
| Minus: Parts due within one year | 1,600,000.00                  | -                       | /                 |
| Security deposit and margin      | 5,557,961.24                  | -                       | /                 |
| Minus: Parts due within one year | -                             | -                       | /                 |
| Installment sales of goods       | 44,618,121.31                 | 2,230,906.08            | 5                 |
| Minus: Parts due within one year | 11,957,809.86                 | 597,890.50              | 5                 |
| Total                            | 66,445,496.55                 | 1,633,015.58            |                   |

Notes to accrued provision for bad debts by portfolio

√ Applicable □ Not applicable

None

**(3). Accrued provision for bad debts by the general model of expected credit loss**

√ Applicable □ Not applicable

In CNY

| Provision for bad debts                          | Stage I                                    | Stage II  | Stage III   | Total        |
|--|--|---|---|--------------|
|  | Expected credit loss in the next 12 months | Expected credit loss over the entire duration (without credit impairment) | Expected credit loss for the entire duration (with credit impairment) |              |
| Balance as of January 01, 2024                   | 2,230,906.07                               |   |   | 2,230,906.07 |
| Balance on January 1, 2024 in the current period |  |   |   |              |
| Transferred to                                   |  |   |   |              |

|  |              |  |  |              |
|--|--------------|--|--|--------------|
| Stage III                              |              |  |  |              |
| Accrual in the current period          |              |  |  |              |
| Transferred back in the current period | 597,890.49   |  |  | 597,890.49   |
| Write-off in the current period        |              |  |  |              |
| Charge-off in the current period       |              |  |  |              |
| Other changes                          |              |  |  |              |
| Balance as of December 31, 2024        | 1,633,015.55 |  |  | 1,633,015.58 |

Classification basis in different stages and accrual ratio of provision for bad debts

As of December 31, 2024, long-term accounts receivable of the portfolio accrued provision for bad debts are all in Stage I. The analysis is as follows:

In CNY

| Item        | Balance at the end of the year |                         |                   |
|-------------|--------------------------------|-------------------------|-------------------|
|             | Book balance                   | Provision for bad debts | Accrual ratio (%) |
| Not overdue | 39,329,876.83                  | 1,633,015.58            | 4.15              |
| Total       | 39,329,876.83                  | 1,633,015.58            | 4.15              |

Notes to significant changes in the book balance of long-term accounts receivable whose loss provision changes in the current period

☐ Applicable ☒ Not applicable

The basis for the provision for bad debts of the current period and evaluation on the significant increase in the credit risk of financial instruments

☐ Applicable ☒ Not applicable

#### (4). Provision for bad debts

☒ Applicable ☐ Not applicable

In CNY

| Category                                     | Beginning balance | Amount of change in the current period |                               |                      |               | Ending balance |
|--|-------------------|--|-------------------------------|----------------------|---------------|----------------|
|  |                   | Accrual                                | Recovered or transferred back | Write-off/Charge-off | Other changes |                |
| Accrued provision for bad debts by portfolio | 2,230,906.07      |  | 597,890.49                    |                      |               | 1,633,015.58   |
| Total  | 2,230,906.07      |  | 597,890.49                    |                      |               | 1,633,015.58   |

The significant amounts recovered or transferred back for provision for bad debts in the current period:

☐ Applicable ☒ Not applicable

Other notes:

None

#### (5). Long-term accounts receivable actually written off in the current period

☐ Applicable ☒ Not applicable

Write-off of significant long-term accounts receivable

☐ Applicable ☒ Not applicable

Notes to write-off of other accounts receivable:

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

**17. Long-term equity investments**

**(1). Long-term equity investments**

☐ Applicable ☒ Not applicable

**(2). Impairment testing of long-term equity investments**

☐ Applicable ☒ Not applicable

Other notes

None

**18. Investment in other equity instruments****(1). Investment in other equity instruments**

√ Applicable □ Not applicable

| Item  | Beginning balance | Changes in the current period |                    |   |  |        | Ending balance | Dividend income recognized in the current period | Accumulated gains in other comprehensive income | Accumulated losses in other comprehensive income | Reasons for being designated as being measured at fair value through other comprehensive income |
|---|-------------------|-------------------------------|--------------------|---|--|--------|----------------|--|---|--|---|
|   |                   | Additional investment         | Reduced investment | Profits in other comprehensive income in the current period | Losses in other comprehensive income in the current period | Others |                |  |   |  |   |
| YG Magnet Co., Ltd.   | 14,201,469.60     |                               |                    | 1,388.44  |  |        | 14,202,858.04  |  | 1,388.44  | -5,798,530.40                                    | To be held for the long term for strategic purposes   |
| Reemoon Technology Co., Ltd.                                    | 141,899,273.27    |                               |                    | 5,825,545.46  |  |        | 147,724,818.73 | 1,614,028.14                                     | 69,724,818.73                                   |  | To be held for the long term for strategic purposes   |
| Beijing EasyAir Intelligence & Integration Technology Co., Ltd. | 10,000,000.00     |                               |                    |   | -4,100,000.00  |        | 5,900,000.00   |  |   | -4,100,000.00                                    | To be held for the long term for strategic purposes   |
| Total   | 166,100,742.87    |                               |                    | 5,826,933.90  | -4,100,000.00  |        | 167,827,676.77 | 1,614,028.14                                     | 69,726,207.17                                   | -9,898,530.40                                    | /   |

**(2). Notes to termination confirmation in the current period**

□ Applicable √ Not applicable

Other notes:

□ Applicable √ Not applicable



**19. Other non-current financial assets**

√ Applicable □ Not applicable

In CNY

| Item                          | Ending balance | Beginning balance |
|-------------------------------|----------------|-------------------|
| Employee stock ownership plan | 5,797,417.08   | 11,472,767.17     |
| Total                         | 5,797,417.08   | 11,472,767.17     |

Other notes:

√ Applicable □ Not applicable

The item “employee stock ownership plan” represents the net amount of funds paid by the Group on July 18, 2022 to repurchase shares for the implementation of the first phase of the employee stock ownership plan, amounting to CNY 19,272,315.30. The above amount shall be amortized during the service period of the corresponding employee stock ownership plan. As of December 31, 2024, the unamortized balance was CNY 5,797,417.08. The employee stock ownership plan is detailed in XV. Share-Based Payment 2.

**20. Investment properties**

Measurement model of investment properties

**(1). Investment properties measured at cost**

In CNY

| Item  | Buildings      |
|---|----------------|
| I. Original book value  |                |
| 1. Beginning balance  | 30,480,022.68  |
| 2. Increase in the current period                                     | 83,138,933.74  |
| (1) Outsourcing   |                |
| (2) Inventories/Fixed assets/Carry-over from construction in progress | 83,138,933.74  |
| (3) Increase from business combinations                               |                |
| 3. Decrease in the current period                                     |                |
| (1) Disposal  |                |
| (2) Other transfer-out  |                |
| 4. Ending balance   | 113,618,956.42 |
| II. Accumulated depreciation and accumulated amortization             |                |
| 1. Beginning balance  | 1,945,237.70   |
| 2. Increase in the current period                                     | 5,114,860.02   |
| (1) Accrual or amortization   | 4,146,859.59   |
| (2) Transferred fixed assets  | 968,000.43     |
| 3. Decrease in the current period                                     |                |
| (1) Disposal  |                |
| (2) Other transfer-out  |                |
| 4. Ending balance   | 7,060,097.72   |
| III. Provision for impairment   |                |

|  |                |
|--|----------------|
| 1. Beginning balance                         |                |
| 2. Increase in the current period            |                |
| (1) Accrual                                  |                |
| 3. Decrease in the current period            |                |
| (1) Disposal                                 |                |
| (2) Other transfer-out                       |                |
| 4. Ending balance                            |                |
| IV. Book value                               |                |
| 1. Book value at the end of the period       | 106,558,858.70 |
| 2. Book value at the beginning of the period | 28,534,784.98  |

**(2). Investment properties with pending title deeds**

In CNY

| Item      | Book value    | Reason for pending title deeds |
|-----------|---------------|--------------------------------|
| Buildings | 56,014,398.51 | In progress                    |

**21. Fixed assets****Items**

√ Applicable □ Not applicable

In CNY

| Item         | Ending balance | Beginning balance |
|--------------|----------------|-------------------|
| Fixed assets | 682,982,278.50 | 740,692,197.42    |
| Total        | 682,982,278.50 | 740,692,197.42    |

Other notes:

□ Applicable √ Not applicable

**Fixed assets****(1). Fixed assets**

√ Applicable □ Not applicable

In CNY

| Item  | Buildings      | Machinery and equipment | Means of transport | Office and other equipment | Total          |
|---|----------------|-------------------------|--------------------|----------------------------|----------------|
| I. Original book value                        |                |                         |                    |                            |                |
| 1. Beginning balance                          | 670,905,244.85 | 115,781,522.16          | 4,974,469.02       | 35,010,968.75              | 826,672,204.78 |
| 2. Increase in the current period             | 53,250,553.34  | 15,528,007.58           | 273,301.24         | 6,672,270.04               | 75,724,132.20  |
| (1) Acquisition                               | 815,980.64     | -                       | 273,301.24         | 4,843,682.35               | 5,932,964.23   |
| (2) Transferred from construction in progress | 52,434,572.70  | 15,528,007.58           | -                  | 1,828,587.69               | 69,791,167.97  |
| (3) Increase from business combinations       |                |                         |                    |                            | -              |
| 3. Decrease in the current period             | 83,138,933.74  | 2,197,110.62            | -                  | 31,297.34                  | 85,367,341.70  |
| (1) Disposal or scrapping                     | -              | 2,197,110.62            | -                  | 31,297.34                  | 2,228,407.96   |
| (2) Transferred investment real estate        | 83,138,933.74  | -                       | -                  | -                          | 83,138,933.74  |
| (3). Others                                   |                |                         |                    |                            |                |

|  |                |                |              |               |                |
|--|----------------|----------------|--------------|---------------|----------------|
| 4. Foreign exchange translation differences  |                |                | -15,496.46   | 18,986.70     | 3,490.24       |
| 4. Ending balance                            | 641,016,864.45 | 129,112,419.12 | 5,232,273.80 | 41,670,928.15 | 817,032,485.52 |
| II. Accumulated depreciation                 |                |                |              |               |                |
| 1. Beginning balance                         | 39,720,716.83  | 28,784,839.64  | 3,073,429.99 | 14,401,020.90 | 85,980,007.36  |
| 2. Increase in the current period            | 29,927,450.20  | 11,834,840.99  | 829,408.58   | 7,600,886.80  | 50,192,586.57  |
| (1) Accrual                                  | 29,927,450.20  | 11,834,840.99  | 829,408.58   | 7,600,886.80  | 50,192,586.57  |
| 3. Decrease in the current period            | 968,000.43     | 1,127,827.60   | -            | 21,724.97     | 2,117,553.00   |
| (1) Disposal or scrapping                    | -              | 1,127,827.60   | -            | 21,724.97     | 1,149,552.57   |
| (2). Others                                  | 968,000.43     | -              | -            | -             | 968,000.43     |
| 4. Foreign exchange translation differences  | -              | -              | -2,760.31    | -2,073.60     | -4,833.91      |
| 5. Ending balance                            | 68,680,166.60  | 39,491,853.03  | 3,900,078.26 | 21,978,109.13 | 134,050,207.02 |
| III. Provision for impairment                |                |                |              |               |                |
| 1. Beginning balance                         |                |                |              |               |                |
| 2. Increase in the current period            |                |                |              |               |                |
| (1) Accrual                                  |                |                |              |               |                |
| 3. Decrease in the current period            |                |                |              |               |                |
| (1) Disposal or scrapping                    |                |                |              |               |                |
| 4. Ending balance                            |                |                |              |               |                |
| IV. Book value                               |                |                |              |               |                |
| 1. Book value at the end of the period       | 572,336,697.85 | 89,620,566.09  | 1,332,195.54 | 19,692,819.02 | 682,982,278.50 |
| 2. Book value at the beginning of the period | 631,184,528.02 | 86,996,682.52  | 1,901,039.03 | 20,609,947.85 | 740,692,197.42 |

**(2). Temporarily idle fixed assets**
☐ Applicable ☒ Not applicable
**(3). Fixed assets leased out under operating leases**
☒ Applicable ☐ Not applicable

In CNY

| Item  | Book value at the end of the period |
|---|-------------------------------------|
| Airport Baggage Handling System Wuxi Shuofang Line 1              | 2,896,922.59                        |
| Narrow Belt Sorter JD Shaanxi Xi'an Line 1                        | 1,685,338.54                        |
| Narrow Belt Sorter System of 432-Line 1 in San Francisco, America | 4,418,967.40                        |
| Fast Sorter of 420-Line 1 in Los Angeles, America                 | 200,138.86                          |

**(4). Fixed assets with pending title deeds**
☒ Applicable ☐ Not applicable

In CNY

| Item      | Book value     | Reasons for pending title deeds |
|-----------|----------------|---------------------------------|
| Buildings | 230,043,371.49 | In progress                     |

**(5). Impairment testing of fixed assets**
☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

### Liquidation of fixed assets

☐ Applicable ☒ Not applicable

## 22. Construction in progress

### Items

☒ Applicable ☐ Not applicable

In CNY

| Item                     | Ending balance | Beginning balance |
|--------------------------|----------------|-------------------|
| Construction in progress | 567,721,126.09 | 456,836,010.48    |
| Total                    | 567,721,126.09 | 456,836,010.48    |

Other notes:

☐ Applicable ☒ Not applicable

### Construction in progress

#### (1). Construction in progress

☒ Applicable ☐ Not applicable

In CNY

| Item   | Ending balance |                          |                | Beginning balance |                          |                |
|--|----------------|--------------------------|----------------|-------------------|--------------------------|----------------|
|  | Book balance   | Provision for impairment | Book value     | Book balance      | Provision for impairment | Book value     |
| Wayzim Factory Building Phase II                   | 743,119.27     | -                        | 743,119.27     | 6,705,871.75      | -                        | 6,705,871.75   |
| Renovation of Wayzim Factory Building Phase I      | -              | -                        | -              | 498,098.00        | -                        | 498,098.00     |
| Wayzim Anhui Nanling Factory Construction—Phase II | 5,745,629.97   | -                        | 5,745,629.97   | 9,559,935.87      | -                        | 9,559,935.87   |
| Intelligent Sensing Factory Building Phase I       | 363,476,382.91 | -                        | 363,476,382.91 | 260,317,715.14    | -                        | 260,317,715.14 |
| Jiangxi Zhongwei Plot 1                            | 98,889,922.38  | -                        | 98,889,922.38  | 93,872,828.07     | -                        | 93,872,828.07  |
| Jiangxi Weizhi Plot 2                              | 95,772,153.28  | -                        | 95,772,153.28  | 66,295,135.24     | -                        | 66,295,135.24  |
| Others   | 3,093,918.28   | -                        | 3,093,918.28   | 19,586,426.41     | -                        | 19,586,426.41  |
| Total  | 567,721,126.09 | -                        | 567,721,126.09 | 456,836,010.48    | -                        | 456,836,010.48 |

**(2). Current changes in major construction in progress**

√ Applicable □ Not applicable

In CNY

| Item   | Budget         | Beginning balance | Increase in the current period | Fixed assets carried over in the current period | Other decreases in the current period | Ending balance | Proportion of cumulative project investment to the budget (%) | Project progress | Cumulative amount of capitalized interests | Including: Capitalized amount of interests in the current period | Interest capitalization rate in the current period (%) | Sources of funds |
|--|----------------|-------------------|--------------------------------|---|---------------------------------------|----------------|---|------------------|--|--|--|------------------|
| Intelligent Sensing Factory Building Phase I | 377,522,146.96 | 260,317,715.14    | 103,158,667.77                 | -   | -                                     | 363,476,382.91 | 96.28%  | In progress      | -  | -  | -  | Self-financing   |
| Jiangxi Zhongwei Plot 1                      | 111,672,245.22 | 93,872,828.07     | 5,017,094.31                   | -   | -                                     | 98,889,922.38  | 88.55%  | In progress      | -  | -  | -  | Self-financing   |
| Jiangxi Zhongwei Plot 2                      | 110,533,674.59 | 66,295,135.24     | 29,477,018.04                  | -   | -                                     | 95,772,153.28  | 86.65%  | In progress      | -  | -  | -  | Self-financing   |
| Total  | 599,728,066.77 | 420,485,678.45    | 137,652,780.12                 | -   | -                                     | 558,138,458.57 | /   | /                | -  | -  | -  | /                |

**(3). Provision for impairment of construction in progress in the current period**

☐ Applicable ☒ Not applicable

**(4). Impairment testing of construction in progress**

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

**Engineering materials****(5). Engineering materials**

☐ Applicable ☒ Not applicable

**23. Productive biological assets****(1). Productive biological assets measured at cost**

☐ Applicable ☒ Not applicable

**(2). Impairment testing of productive biological assets measured at cost**

☐ Applicable ☒ Not applicable

**(3). Productive biological assets measured at fair value**

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

**24. Oil and gas assets****(1). Oil and gas assets**

☐ Applicable ☒ Not applicable

**(2). Impairment testing of oil and gas assets**

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

In CNY

| Item   | Buildings     | Total         |
|--|---------------|---------------|
| <b>I. Original book value</b>                |               |               |
| 1. Beginning balance                         | 28,866,573.53 | 28,866,573.53 |
| 2. Increase in the current period            | 6,285,002.45  | 6,285,002.45  |
| (1) Rent                                     | 6,724,052.44  | 6,724,052.44  |
| (2) Foreign exchange translation differences | -439,049.99   | -439,049.99   |
| 3. Decrease in the current period            | -             | -             |
| (1) Disposal                                 | -             | -             |
| 4. Ending balance                            | 35,151,575.98 | 35,151,575.98 |
| <b>II. Accumulated depreciation</b>          |               |               |
| 1. Beginning balance                         | 9,555,434.35  | 9,555,434.35  |
| 2. Increase in the current period            | 7,791,040.14  | 7,791,040.14  |
| (1) Accrual                                  | 7,995,731.96  | 7,995,731.96  |
| (2) Foreign exchange translation differences | -204,691.82   | -204,691.82   |
| 3. Decrease in the current period            |               |               |

|  |               |               |
|--|---------------|---------------|
| (1) Disposal                                 | -             | -             |
| 4. Ending balance                            | 17,346,474.49 | 17,346,474.49 |
| III. Provision for impairment                |               |               |
| 1. Beginning balance                         | -             | -             |
| 2. Increase in the current period            | -             | -             |
| (1) Accrual                                  | -             | -             |
| 3. Decrease in the current period            | -             | -             |
| (1) Disposal                                 | -             | -             |
| 4. Ending balance                            | -             | -             |
| IV. Book value                               |               |               |
| 1. Book value at the end of the period       | 17,805,101.49 | 17,805,101.49 |
| 2. Book value at the beginning of the period | 19,311,139.18 | 19,311,139.18 |

**(2). Impairment testing of right-of-use assets**

□ Applicable √ Not applicable

Other notes:

None

**26. Intangible assets****(1). Intangible assets**

√ Applicable □ Not applicable

In CNY

| Item  | Land use right | Patent right | Non-patented technology | Software      | Total          |
|---|----------------|--------------|-------------------------|---------------|----------------|
| I. Original book value                        |                |              |                         |               |                |
| 1. Beginning balance                          | 163,324,033.78 | 1,499,900.00 |                         | 12,515,218.71 | 177,339,152.49 |
| 2. Increase in the current period             | 127,613.87     | -            |                         | 1,705,288.03  | 1,832,901.90   |
| (1) Acquisition                               | 127,613.87     |              |                         | 142,740.86    | 270,354.73     |
| (2) Transferred from construction in progress |                |              |                         | 1,562,547.17  | 1,562,547.17   |
|   |                |              |                         |               | -              |
| 3. Decrease in the current period             |                |              |                         |               | -              |
| (1) Disposal                                  |                |              |                         |               | -              |
| 4. Ending balance                             | 163,451,647.65 | 1,499,900.00 | -                       | 14,220,506.74 | 179,172,054.39 |
| II. Accumulated amortization                  |                |              |                         |               |                |
| 1. Beginning balance                          | 7,975,039.85   | 1,312,412.50 |                         | 4,310,577.69  | 13,598,030.04  |

|  |                |              |   |              |                |
|--|----------------|--------------|---|--------------|----------------|
| 2. Increase in the current period            | 3,267,551.05   | 187,487.50   |   | 3,171,333.62 | 6,626,372.17   |
| (1) Accrual                                  | 3,267,551.05   | 187,487.50   |   | 3,171,333.62 | 6,626,372.17   |
| 3. Decrease in the current period            |                |              |   |              |                |
| (1) Disposal                                 |                |              |   |              |                |
| 4. Ending balance                            | 11,242,590.90  | 1,499,900.00 | - | 7,481,911.31 | 20,224,402.21  |
| III. Provision for impairment                |                |              |   |              |                |
| 1. Beginning balance                         |                |              |   |              |                |
| 2. Increase in the current period            |                |              |   |              |                |
| (1) Accrual                                  |                |              |   |              |                |
| 3. Decrease in the current period            |                |              |   |              |                |
| (1) Disposal                                 |                |              |   |              |                |
| 4. Ending balance                            |                |              |   |              |                |
| IV. Book value                               |                |              |   |              |                |
| 1. Book value at the end of the period       | 152,209,056.75 | -            | - | 6,738,595.43 | 158,947,652.18 |
| 2. Book value at the beginning of the period | 155,348,993.93 | 187,487.50   | - | 8,204,641.02 | 163,741,122.45 |

Intangible assets generated via internal R&D of the Company accounted for 0% of the balance of intangible assets at the end of the current period.

**(2). Data resources recognized as intangible assets**

☐ Applicable ☒ Not applicable

**(3). Land use rights of pending title deeds**

☐ Applicable ☒ Not applicable

**(4). Impairment testing of intangible assets**

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

**27. Goodwill**

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

☐ Applicable ☒ Not applicable

**(2). Provision for impairment of goodwill**

☐ Applicable ☒ Not applicable

**(3). Relevant information of the asset group or the portfolio of asset groups containing goodwill**

☐ Applicable ☒ Not applicable

Changes in the asset group or the portfolio of asset groups



☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

#### (4). Specific determination method of the recoverable amount

The recoverable amount equals the net amount of the fair value minus the disposal expenses

☐ Applicable ☒ Not applicable

The recoverable amount equals the current value of the expected future cash flow

☐ Applicable ☒ Not applicable

Reasons for the differences between the above information and the information used in impairment tests in previous years or external information

☐ Applicable ☒ Not applicable

Reasons for the differences between the information used in impairment tests in previous years by the Company and the actual situation in the current year

☐ Applicable ☒ Not applicable

#### (5). Performance commitments and corresponding goodwill impairment

Goodwill was recognized with performance commitments and the reporting period or the previous reporting period was during the performance commitment period

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

#### 28. Long-term deferred expenses

☒ Applicable ☐ Not applicable

In CNY

| Item                  | Beginning balance | Increase in the current period | Amortization amount in the current period | Other decreases | Ending balance |
|-----------------------|-------------------|--------------------------------|---|-----------------|----------------|
| Employee benefits     | 1,552,167.57      | -                              | 231,152.72                                | 140,000.00      | 1,181,014.85   |
| Leasehold improvement | 4,530,260.37      | 6,292,403.03                   | 2,307,458.49                              | -               | 8,515,204.91   |
| Total                 | 6,082,427.94      | 6,292,403.03                   | 2,538,611.21                              | 140,000.00      | 9,696,219.76   |

Other notes:

None

#### 29. Deferred income tax assets/Deferred income tax liabilities

##### (1). Deferred income tax assets not offset

☒ Applicable ☐ Not applicable

In CNY

| Item                             | Ending balance                   |                            | Beginning balance                |                            |
|----------------------------------|----------------------------------|----------------------------|----------------------------------|----------------------------|
|                                  | Deductible temporary differences | Deferred income tax assets | Deductible temporary differences | Deferred income tax assets |
| Provision for bad debts          | 96,516,366.06                    | 15,863,457.29              | 109,641,613.26                   | 16,920,255.07              |
| Estimated liabilities            | 35,938,919.20                    | 5,308,537.74               | 38,863,377.19                    | 5,829,506.58               |
| Government subsidies             | 136,853,248.44                   | 32,100,911.35              | 135,463,165.71                   | 31,225,501.17              |
| Inventory falling price reserves | 305,383,619.72                   | 50,525,413.76              | 206,784,067.85                   | 33,919,614.69              |
| Lease liabilities                | 24,363,466.32                    | 4,871,764.58               | 19,755,242.48                    | 3,479,888.50               |
| Share-based payments             | 7,694,520.97                     | 1,505,660.33               | 3,685,976.78                     | 634,307.17                 |
| Loss to offset                   | 259,525,419.03                   | 41,517,063.99              | 266,986,551.33                   | 40,476,874.85              |

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| Accrued expenses                            | 13,780,436.92  | 2,596,711.43   | 16,360,590.00  | 3,007,161.50   |
| Unrealized profit or loss on internal sales | 53,725,939.53  | 8,058,890.93   | 58,087,765.86  | 8,546,108.48   |
| Total                                       | 933,781,936.19 | 162,348,411.40 | 855,628,350.46 | 144,039,218.01 |

**(2). Deferred income tax liabilities before offset**√ Applicable ☐ Not applicable

In CNY

| Item   | Ending balance                |                                 | Beginning balance             |                                 |
|--|-------------------------------|---------------------------------|-------------------------------|---------------------------------|
|  | Taxable temporary differences | Deferred income tax liabilities | Taxable temporary differences | Deferred income tax liabilities |
| Fixed assets                                 | -                             | -                               | 8,953.21                      | 1,342.98                        |
| Profits or losses from changes in fair value | 8,739,258.27                  | 1,310,888.74                    | 9,286,538.90                  | 1,324,226.97                    |
| Right-of-use assets                          | 17,319,528.72                 | 3,575,370.86                    | 15,799,100.29                 | 2,750,977.04                    |
| Total  | 26,058,786.99                 | 4,886,259.60                    | 25,094,592.40                 | 4,076,546.99                    |

**(3). Deferred income tax assets or liabilities presented on a net offset basis**√ Applicable ☐ Not applicable

In CNY

| Item                            | Amount of offsetting | Ending balance of deferred income tax assets or liabilities | Set-off amount of deferred income tax assets and liabilities at the beginning of the period | Beginning balance of deferred income tax assets or liabilities after offset |
|---------------------------------|----------------------|---|---|---|
| Deferred income tax assets      | 4,886,259.60         | 156,806,907.75  | 4,076,546.99  | 139,962,671.02  |
| Deferred income tax liabilities | 4,886,259.60         | -   | 4,076,546.99  |   |

**(4). Details of unrecognized deferred income tax assets**√ Applicable ☐ Not applicable

In CNY

| Item                             | Ending balance        | Beginning balance    |
|----------------------------------|-----------------------|----------------------|
| Deductible temporary differences | 9,963,970.47          | 2,021,547.97         |
| Deductible losses                | 112,187,238.68        | 8,762,451.31         |
| <b>Total</b>                     | <b>122,151,209.15</b> | <b>10,783,999.28</b> |

**(5). Deductible losses of unrecognized deferred income tax assets to be due in the following year**√ Applicable ☐ Not applicable

In CNY

| Year | Ending balance | Beginning balance | Remarks |
|------|----------------|-------------------|---------|
| 2025 | -              | -                 |         |
| 2026 | -              | -                 |         |
| 2027 | -              | 730,660.79        |         |
| 2028 | 1,150,841.18   | 8,031,790.52      |         |
| 2029 | 32,643,711.73  | -                 |         |
| 2030 | -              | -                 |         |
| 2031 | -              | -                 |         |
| 2032 | -              | -                 |         |
| 2033 | -              | -                 |         |

|       |                |              |  |
|-------|----------------|--------------|--|
| 2034  | 78,392,685.77  | -            |  |
| Total | 112,187,238.68 | 8,762,451.31 |  |

Other notes:

☐ Applicable ☒ Not applicable**30. Other non-current assets**☒ Applicable ☐ Not applicable

In CNY

| Item                                 | Ending balance |                          |                | Beginning balance |                          |                |
|--------------------------------------|----------------|--------------------------|----------------|-------------------|--------------------------|----------------|
|                                      | Book balance   | Provision for impairment | Book value     | Book balance      | Provision for impairment | Book value     |
| Contract assets                      | 249,927,428.62 | 12,496,371.98            | 237,431,056.64 | 215,824,089.61    | 10,969,330.03            | 204,854,759.58 |
| Input tax to be deducted             | 44,631,196.91  |                          | 44,631,196.91  | 10,108,979.64     |                          | 10,108,979.64  |
| Advance payments on long-term assets | 5,362,432.60   |                          | 5,362,432.60   | 14,653,437.86     |                          | 14,653,437.86  |
| Employee stock ownership plan        |                |                          |                |                   |                          |                |
| Minus: Parts due within one year     | 100,091,703.21 | 5,004,585.37             | 95,087,117.84  | 92,444,236.99     | 4,800,337.13             | 87,643,899.86  |
| Total                                | 199,829,354.93 | 7,491,786.61             | 192,337,568.32 | 148,142,270.12    | 6,168,992.90             | 141,973,277.22 |

Other notes:

None

**31. Assets with restricted ownership or use rights**☒ Applicable ☐ Not applicable

In CNY

| Item                     | Ending        |               |                  |                       | Beginning     |               |                  |                         |
|--------------------------|---------------|---------------|------------------|-----------------------|---------------|---------------|------------------|-------------------------|
|                          | Book balance  | Book value    | Restriction type | Restriction situation | Book balance  | Book value    | Restriction type | Restriction situation   |
| Other money fund         | 25,953,860.70 | 25,953,860.70 | Freezing         | Guarantee deposit     | 23,991,320.79 | 23,991,320.79 | Freezing         | Guarantee deposit       |
| Other money fund         |               |               |                  |                       | 7,200,000.00  | 7,200,000.00  | Freezing         | Litigation frozen funds |
| Other money fund         |               |               |                  |                       | 34,948,336.93 | 34,948,336.93 | Freezing         | Notes payable deposit   |
| Trading financial assets |               |               |                  |                       | 10,070,191.78 | 10,070,191.78 | Pledge           | Guarantee deposit       |
| Total                    | 25,953,860.70 | 25,953,860.70 | /                | /                     | 76,209,849.50 | 76,209,849.50 | /                | /                       |

Other notes:

None

**32. Short-term borrowings****(1). Classification of short-term borrowings**

√ Applicable □ Not applicable

In CNY

| Item              | Ending balance | Beginning balance |
|-------------------|----------------|-------------------|
| Credit borrowings | -              | 20,017,722.23     |
| Total             | -              | 20,017,722.23     |

Notes to the classification of short-term borrowings:

None

**(2). Short-term borrowings due yet unpaid**

□ Applicable √ Not applicable

Significant short-term borrowings due yet unpaid:

□ Applicable √ Not applicable

Other notes

□ Applicable √ Not applicable

**33. Trading financial liabilities**

□ Applicable √ Not applicable

Other notes:

□ Applicable √ Not applicable

**34. Derivative financial liabilities**

□ Applicable √ Not applicable

**35. Notes payable****(1). Notes payable**

√ Applicable □ Not applicable

In CNY

| Type                | Ending balance | Beginning balance |
|---------------------|----------------|-------------------|
| Banker's acceptance | 14,698,032.02  | 171,544,171.87    |
| Total               | 14,698,032.02  | 171,544,171.87    |

The total amount of notes payable that are due but unpaid at the end of the period is CNY 0. The reason for non-payment upon maturity is none.

**36. Accounts payable****(1). Accounts payable**

√ Applicable □ Not applicable

In CNY

| Item                           | Ending balance | Beginning balance |
|--------------------------------|----------------|-------------------|
| Amounts payable to affiliates  | 16,698,406.67  | 48,008,942.78     |
| Amounts due from third parties | 798,944,599.72 | 857,821,954.50    |
| Total                          | 815,643,006.39 | 905,830,897.28    |

**(2). Significant accounts payable aging over one year or overdue**

□ Applicable √ Not applicable

Other notes

□ Applicable √ Not applicable

**37. Advances received from customers****(1). Advance from customers**

□ Applicable √ Not applicable

**(2). Significant advances received from customers aging over one year**

☐ Applicable ☒ Not applicable

**(3). Amount of and reason for significant changes in the book value during the reporting period**

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

**38. Contract liabilities****(1). Contract liabilities**

☒ Applicable ☐ Not applicable

In CNY

| Item                 | Ending balance   | Beginning balance |
|----------------------|------------------|-------------------|
| Contract liabilities | 1,040,361,965.04 | 1,233,397,851.67  |
| Total                | 1,040,361,965.04 | 1,233,397,851.67  |

**(2). Significant contract liabilities aging over one year**

☒ Applicable ☐ Not applicable

In CNY

| Item   | Ending balance | Reason for outstanding or not carrying forward  |
|--|----------------|---|
| Shanghai Zhongtongji Network Technology Ltd. | 79,342,858.04  | Not yet reached the time of revenue recognition |
| Total  | 79,342,858.04  | /   |

**(3). Amount of and reason for significant changes in the book value during the reporting period**

☐ Applicable ☒ Not applicable

Other notes:

☒ Applicable ☐ Not applicable

Contract liabilities mainly relate to the Group's advance receipts from customers on contracts for the sales of equipment. The revenue related to the contracts shall be recognized after the Group has fulfilled its performance obligations.

**39. Payroll payable****(1). Payroll payable**

☒ Applicable ☐ Not applicable

In CNY

| Item  | Beginning balance | Increase in the current period | Decrease in the current period | Ending balance |
|---|-------------------|--------------------------------|--------------------------------|----------------|
| I. Short-term payroll                               | 65,202,603.30     | 333,935,390.65                 | 342,467,258.40                 | 56,670,735.55  |
| II. Welfare after-service—defined contribution plan | 151,549.49        | 18,591,759.05                  | 18,597,761.72                  | 145,546.82     |
| III. Dismiss welfare                                | -                 | 4,435,720.17                   | 4,435,720.17                   | -              |
| IV. Other benefits due within one year              | -                 | -                              | -                              | -              |
| Total   | 65,354,152.79     | 356,962,869.87                 | 365,500,740.29                 | 56,816,282.37  |

**(2). Short-term payroll**

☒ Applicable ☐ Not applicable

In CNY

| Item   | Beginning balance | Increase in the current period | Decrease in the current period | Ending balance |
|--|-------------------|--------------------------------|--------------------------------|----------------|
| I. Wages, bonuses, allowances, and subsidies | 63,960,832.56     | 303,158,339.03                 | 311,243,718.83                 | 55,875,452.76  |
| II. Employee benefits                        | -                 | 10,139,559.69                  | 10,139,559.69                  | -              |

|   |               |                |                |               |
|---|---------------|----------------|----------------|---------------|
| III. Social insurance premiums                      | 160,754.18    | 11,271,885.61  | 11,289,335.51  | 143,304.28    |
| Including: Medical insurance premiums               | 157,351.57    | 8,989,902.97   | 9,030,297.25   | 116,957.29    |
| Work-related injury insurance                       | 1,255.86      | 424,334.06     | 423,954.40     | 1,635.52      |
| Maternity insurance premiums                        | 1,932.94      | 835,508.59     | 834,751.09     | 2,690.44      |
| Other social security for overseas subsidiaries     | 213.81        | 1,022,139.99   | 1,000,332.77   | 22,021.03     |
| IV. Housing provident fund                          | 43,487.80     | 7,531,477.69   | 7,561,414.54   | 13,550.95     |
| V. Labor union and personnel education expenditures | 1,037,528.76  | 1,834,128.63   | 2,233,229.83   | 638,427.56    |
| Total   | 65,202,603.30 | 333,935,390.65 | 342,467,258.40 | 56,670,735.55 |

**(3). Defined contribution plan**

√ Applicable □ Not applicable

In CNY

| Item                         | Beginning balance | Increase in the current period | Decrease in the current period | Ending balance |
|------------------------------|-------------------|--------------------------------|--------------------------------|----------------|
| 1. Basic endowment insurance | 147,759.48        | 18,020,302.90                  | 18,024,912.67                  | 143,149.71     |
| 2. Unemployment insurance    | 3,790.01          | 571,456.15                     | 572,849.05                     | 2,397.11       |
| Total                        | 151,549.49        | 18,591,759.05                  | 18,597,761.72                  | 145,546.82     |

Other notes:

□ Applicable √ Not applicable

**40. Taxes payable**

√ Applicable □ Not applicable

In CNY

| Item                                   | Ending balance | Beginning balance |
|--|----------------|-------------------|
| Value-added tax                        | 13,035,985.10  | 4,775,660.09      |
| Corporate income tax                   | 5,080,967.49   | 12,327,045.06     |
| Urban land use tax                     | 1,648,718.62   | 1,648,575.03      |
| Urban maintenance and construction tax | 999,796.57     | 175,864.76        |
| Local and education surcharges         | 720,544.97     | 149,810.04        |
| Individual income tax                  | 1,764,910.71   | 1,320,396.40      |
| Stamp duty                             | 521,533.70     | 759,561.32        |
| Property tax                           | 1,685,757.94   | 926,024.24        |
| Others                                 | 63,438.49      | 145,589.28        |
| Total                                  | 25,521,653.59  | 22,228,526.22     |

Other notes:

None

**41. Other accounts payable****(1). Items**

√ Applicable □ Not applicable

In CNY

| Item                   | Ending balance | Beginning balance |
|------------------------|----------------|-------------------|
| Other accounts payable | 244,262,927.94 | 326,104,774.61    |
| Total                  | 244,262,927.94 | 326,104,774.61    |

Other notes:

☐ Applicable ☒ Not applicable

**(2). Interests payable**

Presentation by category

☐ Applicable ☒ Not applicable

Overdue significant interests payable:

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

**(3). Dividends payable**

Presentation by category

☐ Applicable ☒ Not applicable

**(4). Other accounts payable**

Other accounts payable presented by nature

☒ Applicable ☐ Not applicable

In CNY

| Item                                      | Ending balance | Beginning balance |
|---|----------------|-------------------|
| Amounts payable to affiliates             | 450,963.35     | 146,219.46        |
| Security deposit                          | 10,572,160.05  | 750,101.79        |
| Suspense government subsidies             | 125,761,227.38 | 133,192,797.42    |
| Employee reimbursement payable            | 3,209,222.43   | 11,326,415.40     |
| Payment payable for engineering equipment | 87,631,601.15  | 167,831,897.75    |
| Service charges payable                   | 15,105,497.99  | 10,436,446.66     |
| Others                                    | 1,532,255.59   | 2,420,896.13      |
| Total                                     | 244,262,927.94 | 326,104,774.61    |

Other significant accounts payable aging over one year or overdue

☒ Applicable ☐ Not applicable

In CNY

| Item   | Ending balance | Reason for outstanding or not carrying forward   |
|--|----------------|--|
| Suspense government subsidies—Administrative Committee of Xishan Economic & Technological Development Zone         | 60,000,000.00  | There are return clauses for obtaining government subsidies and the requirements were not fully met. |
| Suspense government subsidies—Wayzim Intelligent Equipment 5907 Industrial Park Phase II Project—operating subsidy | 54,270,227.38  | There are return clauses for obtaining government subsidies and the requirements were not fully met. |
| Total  | 114,270,227.38 | /  |

Other notes:

☒ Applicable ☐ Not applicable

Suspense government subsidies are conditional government subsidies received by the Group and the Company. When the conditions specified by the government are satisfied, the Group and the Company recognize the government subsidies as deferred income, other income, or non-operating income.

**42. Liabilities held for sale**

☐ Applicable ☒ Not applicable

**43. Non-current liabilities due within one year**

☒ Applicable ☐ Not applicable

In CNY

| Item   | Ending balance | Beginning balance |
|--|----------------|-------------------|
| Long-term accounts payable due within one year | 34,080,872.12  | 4,967,740.97      |
| Lease liabilities due within one year          | 9,030,094.06   | 6,590,418.70      |
| Total  | 43,110,966.18  | 11,558,159.67     |

Other notes:

None

**44. Other current liabilities**

Other current liabilities

☒ Applicable ☐ Not applicable

In CNY

| Item  | Ending balance | Beginning balance |
|---|----------------|-------------------|
| Estimated liabilities—loss contracts                                | 829,526.20     | 1,007,321.05      |
| Estimated liabilities—pending litigation                            | 143,336.20     | -                 |
| Estimated liabilities—product quality assurance due within one year | 12,366,573.31  | 14,203,030.29     |
| Banker's acceptances without derecognition                          | 202,251,410.44 | 66,025,929.88     |
| Total   | 215,590,846.15 | 81,236,281.22     |

Increase/Decrease in short-term bonds payable:

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable**45. Long-term borrowings****(1). Classification of long-term borrowings**☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable**46. Bonds payable****(1). Bonds payable**☐ Applicable ☒ Not applicable**(2). Specific situation of bonds payable (excluding preferred shares classified as financial liabilities, perpetual bonds, and other financial instruments)**☐ Applicable ☒ Not applicable**(3). Notes to convertible corporate bonds**☐ Applicable ☒ Not applicable



Accounting treatment and judgment basis for conversion rights

☐ Applicable ☒ Not applicable

#### (4). Notes to other financial instruments classified as financial liabilities

Basic situation of financial instruments outstanding at the end of the period, such as preferred shares and perpetual bonds

☐ Applicable ☒ Not applicable

Changes in financial instruments outstanding at the end of the period, such as preferred shares and perpetual bonds

☐ Applicable ☒ Not applicable

Notes to basis for other financial instruments classified as financial liabilities

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

#### 47. Lease liabilities

☒ Applicable ☐ Not applicable

In CNY

| Item   | Ending balance | Beginning balance |
|--|----------------|-------------------|
| Long-term lease liabilities                  | 20,212,506.09  | 20,571,577.70     |
| Minus: Lease liabilities due within one year | 9,030,094.06   | 6,590,418.70      |
| Total  | 11,182,412.03  | 13,981,159.00     |

Other notes:

None

#### 48. Long-term accounts payable

Items

☒ Applicable ☐ Not applicable

In CNY

| Item                       | Ending balance | Beginning balance |
|----------------------------|----------------|-------------------|
| Long-term accounts payable | 22,494,504.52  | 48,897,179.02     |
| Total                      | 22,494,504.52  | 48,897,179.02     |

Other notes:

☐ Applicable ☒ Not applicable

#### Long-term accounts payable

##### (1). Long-term accounts payable presented by nature

☒ Applicable ☐ Not applicable

In CNY

| Item                          | Ending balance | Beginning balance |
|-------------------------------|----------------|-------------------|
| Suspense government subsidies | -              | 500,000.00        |
| Project payable               | 34,861,842.01  | 35,861,135.43     |
| Warranty payable              | 21,713,534.63  | 17,503,784.56     |

|   |               |               |
|---|---------------|---------------|
| Minus: Long-term accounts payable due within one year | 34,080,872.12 | 4,967,740.97  |
| Total   | 22,494,504.52 | 48,897,179.02 |

Other notes:

None

### Special payables

#### (2). Special payables presented by nature

☐ Applicable ☒ Not applicable

#### 49. Long-term payroll payable

☐ Applicable ☒ Not applicable

#### 50. Estimated liabilities

☒ Applicable ☐ Not applicable

In CNY

| Item   | Ending balance | Beginning balance | Reason                    |
|--|----------------|-------------------|---------------------------|
| Pending litigation and arbitration                   | -              | 862,586.85        | Litigation disputes       |
| Product quality assurance                            | 36,825,610.32  | 37,017,702.57     | Product quality assurance |
| Minus: Product quality assurance due within one year | 12,366,573.31  | 14,203,030.29     | /                         |
| Total  | 24,459,037.01  | 23,677,259.13     | /                         |

Other notes, including notes to major assumptions and estimations of significant estimated liabilities:

The Group provides product quality assurance to customers who purchase logistics sorting equipment, and provides a free warranty for failures and quality problems within 1–7 years after the completion of the final product inspection. According to the industry situation and the actual quality assurance experience, the Group shall, upon completion of the final inspection, accrue the retention money equivalent to 1.5% of the revenue from sales of goods in the current period. As recent quality assurance experience may not reflect future quality assurance on products sold, the Group's Management needs to exercise more judgment in estimating the accrued liabilities. Any increase or decrease in the estimated liabilities may affect the profit or loss in future years.

#### 51. Deferred income

Deferred income

☒ Applicable ☐ Not applicable

In CNY

| Item                 | Beginning balance | Increase in the current period | Decrease in the current period | Ending balance | Reason  |
|----------------------|-------------------|--------------------------------|--------------------------------|----------------|---|
| Government subsidies | 123,607,380.08    | 18,686,100.00                  | 9,642,640.73                   | 132,650,839.35 | Government subsidies related to assets and income |
| Total                | 123,607,380.08    | 18,686,100.00                  | 9,642,640.73                   | 132,650,839.35 | /   |

Other notes:

√ Applicable ☐ Not applicable

None

## 52. Other non-current liabilities

☐ Applicable √ Not applicable

## 53. Capital stock

√ Applicable ☐ Not applicable

In CNY

|                        | Beginning balance | Increase/Decrease (+, -) |             |                                |        |           | Ending balance |
|------------------------|-------------------|--------------------------|-------------|--------------------------------|--------|-----------|----------------|
|                        |                   | New share issue          | Bonus issue | Shares converted from reserves | Others | Sub-total |                |
| Total number of shares | 131,608,698.00    | -                        | -           | -                              | -      | -         | 131,608,698.00 |

Other notes:

None

## 54. Other equity instruments

### (1). Basic situation of financial instruments outstanding at the end of the period, such as preferred shares and perpetual bonds

☐ Applicable √ Not applicable

### (2). Changes in financial instruments outstanding at the end of the period, such as preferred shares and perpetual bonds

☐ Applicable √ Not applicable

Notes to increase/decrease in other equity instruments in the current period and reasons, and basis of accounting treatment:

☐ Applicable √ Not applicable

Other notes

☐ Applicable √ Not applicable

## 55. Capital surplus

√ Applicable ☐ Not applicable

In CNY

| Item                            | Beginning balance | Increase in the current period | Decrease in the current period | Ending balance   |
|---------------------------------|-------------------|--------------------------------|--------------------------------|------------------|
| Capital premium (stock premium) | 2,946,972,857.79  | -                              | 13,875,264.00                  | 2,933,097,593.79 |

|                                  |                  |               |               |                  |
|----------------------------------|------------------|---------------|---------------|------------------|
| Reform of the joint-stock system | 66,988,553.73    | -             | -             | 66,988,553.73    |
| Share-based payments             | 264,703,071.63   | 25,462,875.89 | 2,949,410.06  | 287,216,537.46   |
| Total                            | 3,278,664,483.15 | 25,462,875.89 | 16,824,674.06 | 3,287,302,684.98 |

Other notes, including those for increase/decrease in the current period and related reasons:

Changes in the capital surplus during the year and the reasons are detailed in XV. 2.

## 56. Treasury stocks

√ Applicable □ Not applicable

In CNY

| Item            | Beginning balance | Increase in the current period | Decrease in the current period | Ending balance |
|-----------------|-------------------|--------------------------------|--------------------------------|----------------|
| Treasury stocks | 144,419,760.96    | 50,470,540.77                  | 22,892,064.00                  | 171,998,237.73 |
| Total           | 144,419,760.96    | 50,470,540.77                  | 22,892,064.00                  | 171,998,237.73 |

Other notes, including those for increase/decrease in the current period and related reasons:

On November 16, 2023, the Group held the Sixth Meeting of the Second Board of Directors, deliberating the *Proposal for the Scheme for Repurchasing Company Shares through Centralized Price Bidding*. It's agreed that the Company would repurchase part of the ordinary CNY shares (A shares) issued by the Company through centralized bidding from the trading system of the Shanghai Stock Exchange with the initial excessive funds raised. The repurchased shares will be fully used for the employee stock ownership plan or equity incentives at an appropriate time in the future. As of May 27, 2024, the Group completed the share repurchase, having actually repurchased 1,290,498 shares of the Company's stock, accounting for 0.9806% of the total share capital (131,608,698 shares). The total expenditure amounted to CNY 40,005,665.51 (of which CNY 4,634,422.12 was for repurchasing shares before December 31, 2023).

On July 08, 2024, the Group held the Twelfth Meeting of the Second Board of Directors, deliberating the *Proposal for the Scheme for Repurchasing Company Shares through Centralized Price Bidding*. It's agreed that the Company would use its own funds to repurchase part of the ordinary CNY shares (A shares) issued by the Company through centralized bidding from the trading system of the Shanghai Stock Exchange. The repurchased shares will be used to safeguard the Company's value and shareholders' rights and stabilize the stock price. As of October 25, 2024, the Company completed the share repurchase, having actually repurchased 555,672 shares of the Company's stock, accounting for 0.4222% of the total share capital (131,608,698 shares). The total expenditure amounted to CNY 15,099,297.38.

Reduction of the treasury stocks during the year is detailed in XV. 2.

## 57. Other comprehensive income

√ Applicable □ Not applicable

In CNY

| Item  | Beginning balance | Current amount incurred                        |   |  |                     |   |  | Ending balance |
|---|-------------------|--|---|--|---------------------|---|--|----------------|
|   |                   | Amount before income tax in the current period | Minus: Amount included in other comprehensive income and then transferred into the current profit or loss | Minus: Amount included in other comprehensive income and then transferred into current retained earnings | Minus: Income taxes | After-tax amount attributable to the parent company | After-tax amount attributable to the minority shareholders |                |
| I. Other comprehensive income not to be re-classified into profit or loss | 58,100,742.87     | 1,726,933.90                                   | -   | -  | -                   | 1,726,933.90  |  | 59,827,676.77  |

|   |               |              |   |   |   |              |   |               |
|---|---------------|--------------|---|---|---|--------------|---|---------------|
| Changes in the fair value of the investment in other equity instruments | 58,100,742.87 | 1,726,933.90 | - | - | - | 1,726,933.90 |   | 59,827,676.77 |
| II. Other comprehensive income to be reclassified into profit or loss   | 96,263.63     | 1,265,179.03 | - | - | - | 1,265,179.03 |   | 1,361,442.66  |
| Translation differences of financial statements in foreign currency     | 96,263.63     | 1,265,179.03 | - | - | - | 1,265,179.03 |   | 1,361,442.66  |
| Total other comprehensive income  | 58,197,006.50 | 2,992,112.93 | - | - | - | 2,992,112.93 | - | 61,189,119.43 |

Other notes, including the adjustment converting the effective part of profit and loss of cash flow hedges to the initial recognition amount of the hedged item

None

## 58. Special reserves

√ Applicable □ Not applicable

In CNY

| Item                 | Beginning balance | Increase in the current period | Decrease in the current period | Ending balance |
|----------------------|-------------------|--------------------------------|--------------------------------|----------------|
| Work safety expenses | 4,750,807.87      | 6,376,056.70                   | 2,169,594.64                   | 8,957,269.93   |
| Total                | 4,750,807.87      | 6,376,056.70                   | 2,169,594.64                   | 8,957,269.93   |

Other notes, including those for increase/decrease in the current period and related reasons:

The increase in special reserves this year is the work safety expenses accrued by the Company and its subsidiary Wayzim Anhui in accordance with the *Administrative Measures for the Collection and Utilization of Enterprise Work Safety Funds* (CZ [2022] No.136).

## 59. Surplus reserves

√ Applicable □ Not applicable

In CNY

| Item                       | Beginning balance | Increase in the current period | Decrease in the current period | Ending balance |
|----------------------------|-------------------|--------------------------------|--------------------------------|----------------|
| Statutory surplus reserves | 39,327,753.08     | -                              | -                              | 39,327,753.08  |
| Total                      | 39,327,753.08     | -                              | -                              | 39,327,753.08  |

Notes to surplus reserves, including notes to current changes and related reasons:

None

## 60. Undistributed profits

√ Applicable □ Not applicable

In CNY

| Item   | Current period | Prior period   |
|--|----------------|----------------|
| Undistributed profits at the beginning of the period | 282,759,647.80 | 261,906,947.31 |

|   |                |                |
|---|----------------|----------------|
| Plus: Net profit attributable to shareholders of the parent company in the current period (loss expressed with “-”) | -84,750,818.23 | 20,852,700.49  |
| Minus: Statutory surplus reserves   | -              | -              |
| Ordinary share dividends payable  | 10,083,734.52  | -              |
| Undistributed profits at the end of the period  | 187,925,095.05 | 282,759,647.80 |

## (1) Distribution of ordinary share dividends during the year

On April 20, 2024, the Company convened the Ninth Meeting of the Second Board of Directors and the Seventh Meeting of the Second Board of Supervisors. Subsequently, at the 2023 Annual General Meeting of Shareholders held on May 13, 2024, Wayzim reviewed and approved the *Proposal for the 2023 Profit Distribution Plan of the Company*, distributing cash dividends of CNY 0.79 (tax inclusive) per 10 shares to all shareholders.

## (2) Explanation of undistributed profits at the end of the year

As of December 31, 2024, the Group's undistributed profits attributable to the parent company include the surplus reserve of CNY 13,691,995.99 (2023: CNY 12,990,322.63) withdrawn by the subsidiary of the Company.

**61. Operating revenue and operating costs****(1). Operating revenue and operating costs**

√ Applicable ☐ Not applicable

In CNY

| Item             | Current amount incurred |                  | Prior amount incurred |                  |
|------------------|-------------------------|------------------|-----------------------|------------------|
|                  | Revenue                 | Cost             | Revenue               | Cost             |
| Main business    | 2,381,028,682.72        | 1,915,335,445.22 | 1,875,819,863.78      | 1,486,280,721.47 |
| Other businesses | 93,421,772.61           | 34,964,717.58    | 81,577,087.22         | 23,707,170.98    |
| Total            | 2,474,450,455.33        | 1,950,300,162.80 | 1,957,396,951.00      | 1,509,987,892.45 |

**(2). Deductions from operating revenue**

In CNY 10,000

| Item   | Current year | Specific deductions  | Previous year | Specific deductions  |
|--|--------------|--|---------------|--|
| Amount of operating revenue  | 247,445.05   | Including main business income and other business income   | 195,739.70    | Including main business income and other business income   |
| Total amount of deductions from operating revenue  | 9,342.18     | Mainly the sales of accessories, rental of fixed assets, and rendering of labor and technical services | 8,157.71      | Mainly the sales of accessories, rental of fixed assets, and rendering of labor and technical services |
| Proportion of the total amount of deductions in the operating revenue (%)  | 3.78%        | /  | 4.17%         | /  |
| <b>I. Business income unrelated to the main business</b>   |              |  |               |  |
| 1. Income from other businesses other than the normal operation. For example, income from leasing fixed assets, intangible assets, and packaging materials, selling materials, exchanging materials for non-monetary assets, operating entrusted management business, as well as the income included in the main business income but outside the normal operation of the listed company. | 7,757.22     | Mainly the sales of accessories and rental of fixed assets   | 6,238.85      | Mainly the sales of accessories and rental of fixed assets   |
| 2. Non-qualified quasi-financial business income, such as interest income from lending funds. The income from the new quasi-financial business in the current fiscal year and the previous fiscal year, such as the income from the business of guarantee, commercial factoring, petty loan, finance lease, pawn, excluding the finance lease for the sales of main products.            | -            | -  | -             | -  |
| 3. Income from new trading business in the current fiscal year and the previous fiscal year.   | -            | -  | -             | -  |
| 4. Income from affiliate transactions unrelated to the existing normal business of the listed company.   | -            | -  | -             | -  |

|  |            |   |            |   |
|--|------------|---|------------|---|
| 5. Income from the beginning to the date of the business combination of subsidiaries under common control.   | -          | -   | -          | -   |
| 6. Income from businesses that have not or have hardly established a stable business model.  | 1,584.96   | Mainly the rendering of labor and technical services  | 1,918.86   | Mainly the rendering of labor and technical services  |
| <b>Subtotal</b>  | 9,342.18   | Mainly the sales of accessories, rental of fixed assets, and rendering of labor and technical services                            | 8,157.71   | Mainly the sales of accessories, rental of fixed assets, and rendering of labor and technical services                            |
| <b>II. Income without commercial substance</b>   |            |   |            |   |
| 1. Income from transactions or events that do not significantly alter the risk, time distribution, or amount of future cash flows in enterprises.  | -          | -   | -          | -   |
| 2. Income from transactions that do not have a real business. For example, false income in the form of self-dealing or using Internet technologies or other means to construct transactions. | -          | -   | -          | -   |
| 3. Income from a business that trades at a significantly unfair price.   | -          | -   | -          | -   |
| 4. Income from a consolidated subsidiary or business in the current fiscal year at an appreciably unfair consideration or otherwise.   | -          | -   | -          | -   |
| 5. Income not involved in the standard audit opinion.  | -          | -   | -          | -   |
| 6. Income from other transactions or events that do not make commercial sense.   | -          | -   | -          | -   |
| <b>Subtotal</b>  | -          | -   | -          | -   |
| <b>III. Other incomes not related to the main business or free from commercial substance</b>   |            |   |            |   |
| Amount after deductions from operating revenue   | 238,102.87 | Operating revenue after deducting the sales of accessories, rental of fixed assets, and rendering of labor and technical services | 187,581.99 | Operating revenue after deducting the sales of accessories, rental of fixed assets, and rendering of labor and technical services |



**(3). Breakdown information of operating revenue and operating costs**

√ Applicable □ Not applicable

In CNY

| Classification of contracts                     | Total             |                  |
|---|-------------------|------------------|
|   | Operating revenue | Operating cost   |
| By place of business                            |                   |                  |
| Chinese Mainland                                | 2,129,232,802.79  | 1,683,575,956.76 |
| Others  | 336,751,136.58    | 260,561,372.25   |
| Contract type                                   |                   |                  |
| –Sales of total integrated sorting systems      | 1,479,653,203.33  | 1,152,299,375.06 |
| –Sales of cross belt sorting systems            | 469,334,083.81    | 392,991,313.68   |
| –Sales of large-parcel sorting systems          | 125,931,128.56    | 100,078,101.40   |
| –Sales of Narrow Belt Sorters                   | 94,057,720.47     | 80,247,515.96    |
| –Sales of the intelligent warehouse system      | 86,480,542.93     | 65,450,048.44    |
| –Sales of dynamic DWSs                          | 23,795,840.52     | 20,274,141.54    |
| –Sales of 2D Bulk Flow Singulators              | 44,490,628.93     | 39,200,770.44    |
| –Sales of conveying equipment                   | 39,525,668.19     | 50,825,729.35    |
| –Sales of other equipment                       | 17,759,865.98     | 13,968,449.35    |
| Sales of accessories                            | 69,105,701.48     | 24,362,939.24    |
| Rendering of labor services                     | 13,838,397.75     | 3,773,854.34     |
| Rendering of technical services                 | 2,011,157.42      | 665,090.21       |
| By the time of the transfer of goods            |                   |                  |
| –Revenue recognition at a certain point of time | 2,462,883,106.26  | 1,944,099,460.23 |
| –Revenue recognition over a period of time      | 3,100,833.11      | 37,868.78        |
| Total   | 2,465,983,939.37  | 1,944,137,329.01 |

Other notes

□ Applicable √ Not applicable

**(4). Performance obligations**

□ Applicable √ Not applicable

**(5). Apportionment to remaining performance obligations**

□ Applicable √ Not applicable

**(6). Significant contract modifications or significant adjustments to transaction prices**

□ Applicable √ Not applicable

Other notes:

In 2024, the operating revenue of the Group included CNY 8,466,515.96 of rental income not generated by contracts.

**62. Taxes and surcharges**

√ Applicable □ Not applicable

In CNY

| Item                                   | Current amount incurred | Prior amount incurred |
|--|-------------------------|-----------------------|
| Urban maintenance and construction tax | 4,432,404.04            | 2,914,559.23          |
| Urban land use tax                     | 7,063,879.87            | 6,409,121.42          |

|                                |               |               |
|--------------------------------|---------------|---------------|
| Local and education surcharges | 3,227,674.35  | 2,124,904.13  |
| Property tax                   | 6,615,049.22  | 3,170,117.68  |
| Stamp duty                     | 2,289,343.34  | 2,557,489.09  |
| Others                         | 2,368,437.15  | 2,338,148.76  |
| Total                          | 25,996,787.97 | 19,514,340.31 |

Other notes:

None

**63. Selling expenses**

√ Applicable □ Not applicable

In CNY

| Item                            | Current amount incurred | Prior amount incurred |
|---------------------------------|-------------------------|-----------------------|
| Payroll                         | 68,292,260.34           | 49,614,364.73         |
| Share-based payments            | 1,487,047.09            | 1,505,791.20          |
| Depreciation and amortization   | 1,785,098.56            | 2,187,058.15          |
| Sales promotion expenses        | 33,217,826.19           | 20,493,915.97         |
| Business entertainment expenses | 5,375,010.56            | 7,780,717.47          |
| Traveling expenses              | 14,753,582.00           | 14,925,057.88         |
| Business publicity expenses     | 9,544,740.19            | 8,029,762.54          |
| Office expenses                 | 1,931,689.36            | 1,802,448.28          |
| Freight and insurance           | 432,821.11              | 1,262,899.91          |
| Others                          | 5,365,019.05            | 2,027,921.89          |
| Total                           | 142,185,094.45          | 109,629,938.02        |

Other notes:

None

**64. Administrative expenses**

√ Applicable □ Not applicable

In CNY

| Item                            | Current amount incurred | Prior amount incurred |
|---------------------------------|-------------------------|-----------------------|
| Payroll                         | 56,181,134.19           | 49,165,983.84         |
| Share-based payments            | 6,590,762.99            | 7,369,448.27          |
| Depreciation and amortization   | 33,101,648.76           | 19,768,383.01         |
| Office expenses                 | 8,158,529.99            | 3,208,028.87          |
| Business entertainment expenses | 8,789,316.54            | 5,599,202.29          |
| Traveling expenses              | 5,509,111.15            | 5,054,251.01          |
| Rental fees                     | 1,260,944.18            | 1,364,593.59          |
| Third-party service fees        | 18,053,037.52           | 14,600,308.44         |
| Utilities                       | 3,049,181.41            | 2,386,781.12          |
| Recruitment expenses            | 1,736,840.88            | 5,341,145.42          |
| Labor service fees              | 2,448,300.99            | 3,308,441.87          |
| Work safety expenses            | 6,390,180.54            | 6,466,307.27          |
| Others                          | 2,368,221.32            | 2,117,630.90          |
| Total                           | 153,637,210.46          | 125,750,505.90        |

Other notes:

None

**65. R&D expenses**

√ Applicable □ Not applicable

In CNY

| Item    | Current amount incurred | Prior amount incurred |
|---------|-------------------------|-----------------------|
| Payroll | 98,771,568.31           | 101,160,935.55        |

|                               |                |                |
|-------------------------------|----------------|----------------|
| Share-based payments          | 13,752,719.73  | 15,058,122.41  |
| Depreciation and amortization | 5,597,508.85   | 5,157,106.90   |
| Traveling expenses            | 304,264.89     | 918,722.25     |
| Material consumption          | 19,623,746.65  | 37,078,832.16  |
| R&D commission expenses       | 3,211,356.02   | 4,188,770.27   |
| Others                        | 6,706,026.79   | 4,274,370.39   |
| Total                         | 147,967,191.24 | 167,836,859.93 |

Other notes:

None

**66. Financial expenses**

√ Applicable □ Not applicable

In CNY

| Item  | Current amount incurred | Prior amount incurred |
|---|-------------------------|-----------------------|
| Interest expense on loans and payables      | 3,104,479.91            | 855,664.48            |
| Interest expense on lease liabilities       | 862,457.48              | 711,367.24            |
| Interest income on deposits and receivables | -8,474,252.40           | -5,916,928.81         |
| Net exchange gain                           | 5,728,531.37            | -3,653,791.09         |
| Other financial expenses                    | 1,827,714.59            | 1,636,402.19          |
| Total                                       | 3,048,930.95            | -6,367,285.99         |

Other notes:

None

**67. Other income**

√ Applicable □ Not applicable

In CNY

| By nature                           | Current amount incurred | Prior amount incurred |
|-------------------------------------|-------------------------|-----------------------|
| Asset-related government subsidies  | 4,650,882.24            | 4,293,792.57          |
| Income-related government subsidies | 24,039,726.75           | 48,091,746.90         |
| VAT super-deduction                 | 5,494,989.81            | 12,687,180.39         |
| Total                               | 34,185,598.80           | 65,072,719.86         |

Other notes:

None

**68. Gains on investment**

√ Applicable □ Not applicable

In CNY

| Item  | Current amount incurred | Prior amount incurred |
|---|-------------------------|-----------------------|
| Gains on investment from the disposal of trading financial assets | 1,948,946.99            | 3,757,788.06          |
| Dividend income from other equity instrument investments          | 1,614,028.14            | -                     |
| Total   | 3,562,975.13            | 3,757,788.06          |

Other notes:

None

**69. Net exposure hedge gains**

□ Applicable √ Not applicable

**70. Gains on changes in fair value**

√ Applicable □ Not applicable

In CNY

| Sources of the gains on changes in fair value | Current amount incurred | Prior amount incurred |
|---|-------------------------|-----------------------|
| Trading financial assets                      | 22,216,468.87           | 29,960,227.98         |
| Other non-current financial assets            | -2,725,940.03           | -460,458.12           |
| Total   | 19,490,528.84           | 29,499,769.86         |

Other notes:

None

**71. Credit impairment losses**

√ Applicable □ Not applicable

In CNY

| Item  | Current amount incurred | Prior amount incurred |
|---|-------------------------|-----------------------|
| Losses from bad debt of accounts receivable           | -15,753,054.73          | -64,894,065.38        |
| Losses from bad debt of other accounts receivable     | 1,493,034.64            | 758,053.42            |
| Non-current assets due within one year                | -20,635.64              | 618,526.12            |
| Losses from bad debt of long-term accounts receivable | -597,890.49             | 2,230,906.07          |
| Losses from bad debt of notes receivable              | 145,676.89              | -                     |
| Total   | -14,732,869.33          | -61,286,579.77        |

Other notes:

None

**72. Impairment loss**

√ Applicable □ Not applicable

In CNY

| Item                             | Current amount incurred | Prior amount incurred |
|----------------------------------|-------------------------|-----------------------|
| Contract assets                  | 204,248.22              | -2,281,867.01         |
| Other non-current assets         | 1,322,793.72            | 1,049,724.87          |
| Inventory falling price reserves | 212,776,477.93          | 172,974,398.55        |
| Other current assets             | 2,222,535.54            | -                     |
| Total                            | 216,526,055.41          | 171,742,256.41        |

Other notes:

None

**73. Income from the disposal of assets**

√ Applicable □ Not applicable

In CNY

| Item   | Current amount incurred | Prior amount incurred |
|--|-------------------------|-----------------------|
| Profits and losses on the disposal of non-current assets | -973,497.17             | -417,887.78           |
| Total  | -973,497.17             | -417,887.78           |

Other notes:

None

**74. Non-operating income**

Non-operating income

√ Applicable □ Not applicable

In CNY

| Item               | Current amount incurred | Prior amount incurred | Amount included in non-recurring profits or losses of the current period |
|--------------------|-------------------------|-----------------------|--|
| Gains from penalty | 1,133,869.00            | 1,308,205.52          | 1,133,869.00   |
| Others             | 47,292.84               | 8,950.81              | 47,292.84  |
| Total              | 1,181,161.84            | 1,317,156.33          | 1,181,161.84   |

Other notes:

□ Applicable √ Not applicable

**75. Non-operating expenses**

√ Applicable □ Not applicable

In CNY

| Item                                  | Current amount incurred | Prior amount incurred | Amount included in non-recurring profits or losses of the current period |
|---------------------------------------|-------------------------|-----------------------|--|
| Losses from scrapping of fixed assets | 1,436,115.02            | 591,449.96            | 1,436,115.02   |
| Donation expenditure                  | 10,000.00               | 358,860.00            | 10,000.00  |
| Liquidated damages                    | 849,997.39              | 1,334,886.37          | 849,997.39   |
| Tax overdue fines                     | 938,149.35              | 57,574.73             | 938,149.35   |
| Others                                | 142,493.44              | 65,890.00             | 142,493.44   |
| Total                                 | 3,376,755.20            | 2,408,661.06          | 3,376,755.20   |

Other notes:

None

**76. Income tax expenses****(1). Income tax expenses**

√ Applicable □ Not applicable

In CNY

| Item                                      | Current amount incurred | Prior amount incurred |
|---|-------------------------|-----------------------|
| Income tax expenses in the current period | 5,842,263.83            | 16,991,012.48         |
| Deferred income tax expenses              | -17,499,480.78          | -20,433,649.09        |
| Total                                     | -11,657,216.95          | -3,442,636.61         |

**(2). Adjustment process of accounting profits and income tax expenses**

√ Applicable □ Not applicable

In CNY

| Item   | Current amount incurred |
|--|-------------------------|
| Total profits  | -96,408,096.38          |
| Income tax expenses calculated at the statutory/applicable tax rates | -24,102,024.10          |
| Impact of different tax rates applied to subsidiaries                | 868,478.89              |
| Influence of non-taxable income                                      | -3,946,126.17           |

|   |                |
|---|----------------|
| Impact of non-deductible costs, expenses, and losses  | 7,369,603.46   |
| Effects of tax incentives   | 12,711,306.42  |
| Extra tax deductions on R&D expenses  | -27,527,166.54 |
| Change in the income tax rate   | 1,199,238.33   |
| Impact of adjusting income taxes in previous years  | 69,442.55      |
| Deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period            | 23,000,667.18  |
| Use or recognition of deductible temporary differences or deductible losses of previously unrecognized deferred income tax assets | -1,300,636.97  |
| Income tax expenses   | -11,657,216.95 |

Other notes:

☐ Applicable ☒ Not applicable

## 77. Other comprehensive income

☒ Applicable ☐ Not applicable

Refer to Section X.VII.57 for details.

## 78. Items in the cash flow statement

### (1). Cash related to operating activities

Cash received from other operating activities

☒ Applicable ☐ Not applicable

In CNY

| Item                             | Current amount incurred | Prior amount incurred |
|----------------------------------|-------------------------|-----------------------|
| Security deposit                 | 110,954,684.02          | 47,913,733.91         |
| Government subsidies             | 29,802,498.90           | 80,357,310.93         |
| Repayment of employee borrowings | 2,900,000.00            | -                     |
| Gains from penalty               | 1,133,869.00            | 1,308,205.52          |
| Others                           | 803.00                  | 148,950.82            |
| Total                            | 144,791,854.92          | 129,728,201.18        |

Notes to cash received from other operating activities

None

Cash paid for other operating activities

☒ Applicable ☐ Not applicable

In CNY

| Item                            | Current amount incurred | Prior amount incurred |
|---------------------------------|-------------------------|-----------------------|
| After-sales service charges     | 30,011,205.23           | 27,786,375.45         |
| Business entertainment expenses | 14,164,327.10           | 11,535,504.08         |
| Traveling expenses              | 45,615,617.85           | 44,633,302.94         |
| Business publicity expenses     | 10,103,865.22           | 9,154,093.74          |
| Office expenses                 | 12,538,482.48           | 5,412,596.75          |
| Service charges                 | 37,797,807.79           | 24,638,702.44         |
| Security deposit                | 62,952,454.49           | 169,651,073.18        |
| Work safety expenses            | 2,183,718.48            | 4,110,593.90          |
| Transportation insurance        | 30,239,532.66           | 27,462,605.23         |
| Others                          | 23,544,989.32           | 15,015,955.84         |
| Total                           | 269,152,000.62          | 339,400,803.55        |

Notes to cash paid for other operating activities

None

## (2). Cash related to investment activities

Significant cash received from investment activities

√ Applicable ☐ Not applicable

In CNY

| Item                        | Current amount incurred | Prior amount incurred |
|-----------------------------|-------------------------|-----------------------|
| Sales of financial products | 3,986,000,000.00        | 4,571,000,000.00      |
| Total                       | 3,986,000,000.00        | 4,571,000,000.00      |

Significant cash received from investment activities

None

Significant cash paid for investment activities

√ Applicable ☐ Not applicable

In CNY

| Item                                   | Current amount incurred | Prior amount incurred |
|--|-------------------------|-----------------------|
| Purchase of financial products         | 3,866,588,500.00        | 4,506,694,166.67      |
| Investment in other equity instruments | -                       | 88,000,000.00         |
| Total                                  | 3,866,588,500.00        | 4,594,694,166.67      |

Significant cash paid for investment activities

None

Cash received from other investing activities

√ Applicable ☐ Not applicable

In CNY

| Item            | Current amount incurred | Prior amount incurred |
|-----------------|-------------------------|-----------------------|
| Interest income | 8,474,252.40            | 5,916,928.81          |
| Total           | 8,474,252.40            | 5,916,928.81          |

Note to cash received from other investing activities

None

Cash paid for other investing activities

☐ Applicable √ Not applicable

## (3). Cash related to financing activities

Cash received from other financing activities

√ Applicable ☐ Not applicable

In CNY

| Item                    | Current amount incurred | Prior amount incurred |
|-------------------------|-------------------------|-----------------------|
| Treasury stock delivery | 9,016,800.00            | -                     |
| Total                   | 9,016,800.00            | -                     |

Notes to cash received from other financing activities

None

Cash paid for other financing activities

√ Applicable ☐ Not applicable

In CNY

| Item  | Current amount incurred | Prior amount incurred |
|---|-------------------------|-----------------------|
| Share repurchase  | 50,470,540.77           | 20,447,009.15         |
| Payment of principal and interests on lease liabilities | 7,716,903.30            | 6,756,053.96          |
| Total   | 58,187,444.07           | 27,203,063.11         |

Note to cash paid for other financing activities

None

Changes in various liabilities generated by financing activities

√ Applicable □ Not applicable

In CNY

| Item  | Beginning balance | Increase in the current period |                    | Decrease in the current period |                    | Ending balance |
|---|-------------------|--------------------------------|--------------------|--------------------------------|--------------------|----------------|
|   |                   | Change in cash                 | Change in non-cash | Change in cash                 | Change in non-cash |                |
| Short-term borrowings   | 20,017,722.23     | -                              | 385,055.52         | -20,402,777.75                 | -                  | -              |
| Lease liabilities (including non-current liabilities due within one year) | 20,571,577.70     | -                              | 7,586,509.92       | -7,716,903.30                  | -228,678.23        | 20,212,506.09  |
| Other accounts payable—borrowings by affiliates                           | -                 | 91,500.00                      | 644.58             | -92,144.58                     | -                  | -              |
| Other accounts payable—dividends payable                                  | -                 | -                              | 10,083,734.52      | -10,083,734.52                 | -                  | -              |
| Total   | 40,589,299.93     | 91,500.00                      | 18,055,944.54      | -38,295,560.15                 | -228,678.23        | 20,212,506.09  |

#### (4). Notes to reporting cash flows on a net basis

□ Applicable √ Not applicable

#### (5). Significant activities and financial effects that do not involve cash receipts or payments in the current period but may affect the financial position of the enterprise or its future cash flows

□ Applicable √ Not applicable

### 79. Supplementary information to the cash flow statement

#### (1). Supplementary information to the cash flow statement

√ Applicable □ Not applicable

In CNY

| Supplementary information  | Current amount | Prior amount   |
|--|----------------|----------------|
| <b>1. Reconciliation of net profits to cash flow from operating activities</b> |                |                |
| Net profits  | -84,750,879.43 | 20,852,545.62  |
| Plus: Provision for impairment of assets                                       | 216,526,055.41 | 171,742,256.41 |
| Credit impairment losses   | -14,732,869.33 | -61,286,579.77 |
| Depreciation of fixed assets   | 50,192,586.57  | 33,129,423.60  |
| Amortization of investment properties  | 4,146,859.59   | 1,475,446.98   |
| Amortization of right-of-use assets  | 7,995,731.96   | 6,026,876.77   |
| Amortization of intangible assets  | 6,626,372.17   | 5,812,945.86   |
| Amortization of long-term deferred expenses                                    | 2,538,611.21   | 1,441,435.81   |
| Withdrawn special reserves   | 4,206,462.06   | 6,478,587.87   |



|   |                 |                  |
|---|-----------------|------------------|
| Losses from disposal of fixed assets, intangible assets and other long-term assets (gains expressed with "-") | 973,497.17      | 417,887.78       |
| Losses on scrapping of fixed assets (gains expressed with "-")  | 1,435,680.14    | 591,449.96       |
| Losses on the changes in fair value (gains expressed with "-")  | -19,490,528.84  | -29,499,769.86   |
| Financial expenses (gains expressed with "-")   | -7,292,327.39   | -11,213,327.93   |
| Investment losses (gains expressed with "-")  | -3,562,975.13   | -3,757,788.06    |
| Decrease in deferred income tax assets (increase expressed with "-")  | -17,499,480.78  | -20,433,649.09   |
| Decrease in inventory (increase expressed with "-")   | 215,821,818.87  | -803,965,402.83  |
| Increase in estimated liabilities (decrease expressed with "-")   | -1,089,137.75   | -3,741,778.56    |
| Share-based payments  | 25,462,875.89   | 25,214,831.44    |
| Decrease in operating receivables (increase expressed with "-")   | 144,392,565.53  | 112,529,403.84   |
| Increase in operating payables (decrease expressed with "-")  | -270,446,167.65 | 1,170,670,543.80 |
| Net cash flow from operating activities   | 261,454,750.27  | 622,485,339.64   |
| <b>2. Net changes in cash and cash equivalents:</b>   |                 |                  |
| Ending balance of cash  | 448,874,862.43  | 409,953,935.18   |
| Less: Beginning balance of cash   | 409,953,935.18  | 424,357,143.40   |
| Net increase in cash and cash equivalents   | 38,920,927.25   | -14,403,208.22   |

**(2). Net cash paid for the acquisition of subsidiaries in the current period**

☐ Applicable ☒ Not applicable

**(3). Net cash paid for the disposal of subsidiaries in the current period**

☐ Applicable ☒ Not applicable

**(4). Structure of cash and cash equivalents**

☒ Applicable ☐ Not applicable

In CNY

| Item   | Ending balance | Beginning balance |
|--|----------------|-------------------|
| I. Cash  | 448,874,862.43 | 409,953,935.18    |
| Including: Cash on hand                          | -              | -                 |
| Bank deposits readily available for payment      | 448,836,362.00 | 409,953,934.82    |
| Other money funds readily available for payment  | 38,500.43      | 0.36              |
| II. Cash equivalents                             | -              | -                 |
| III. Ending balance of cash and cash equivalents | 448,874,862.43 | 409,953,935.18    |

**(5). Cash flows whose use is restricted but are still presented as cash and cash equivalents**

☐ Applicable ☒ Not applicable

**(6). Money funds that are not cash and cash equivalents**

☒ Applicable ☐ Not applicable

In CNY

| Item                    | Current amount | Prior amount  | Reason           |
|-------------------------|----------------|---------------|------------------|
| Security deposit        | 25,953,860.70  | 58,939,657.72 | Security deposit |
| Litigation frozen funds | -              | 7,200,000.00  | Frozen           |
| Total                   | 25,953,860.70  | 66,139,657.72 | /                |

Other notes:

☐ Applicable ☒ Not applicable

**80. Notes to items in the statement of changes in equity**

Notes to names of “Other” adjusted items under balance at the end of the previous year, adjustment amount, and other matters:

☐ Applicable ☒ Not applicable

**81. Monetary items denominated in foreign currencies****(1). Monetary items denominated in foreign currencies**

☒ Applicable ☐ Not applicable

In CNY

| Item                     | Ending balance in foreign currencies | Translation exchange rate | Ending balance in CNY |
|--------------------------|--------------------------------------|---------------------------|-----------------------|
| Money funds              |                                      |                           |                       |
| Including: USD           | 15,635,474.18                        | 7.1884                    | 112,394,042.60        |
| EUR                      | 3,482,783.39                         | 7.5257                    | 26,210,382.96         |
| RUB                      | 987,368,607.02                       | 0.0661                    | 65,265,064.92         |
| SGD                      | 653,702.98                           | 5.3214                    | 3,478,615.04          |
| MYR                      | 1,645,257.84                         | 1.6199                    | 2,665,153.18          |
| THB                      | 9,658,759.05                         | 0.2126                    | 2,053,452.17          |
| KRW                      | 6,721,680.00                         | 0.0049                    | 32,936.23             |
| GBP                      | 744,882.70                           | 9.0765                    | 6,760,927.83          |
| MXN                      | 6,069,253.37                         | 0.3498                    | 2,123,024.83          |
| HUF                      | 72,075,903.14                        | 0.0183                    | 1,318,989.03          |
| Accounts receivable      |                                      |                           |                       |
| Including: USD           | 4,483,710.23                         | 7.1884                    | 32,230,702.62         |
| EUR                      | 1,088,480.06                         | 7.5257                    | 8,191,574.39          |
| RUB                      | 75,215,818.27                        | 0.0661                    | 4,971,765.59          |
| MYR                      | 981,751.70                           | 1.6199                    | 1,590,339.58          |
| THB                      | 1,361,079.63                         | 0.2126                    | 289,365.53            |
| KRW                      | 3,101,800.00                         | 0.0049                    | 15,198.82             |
| Contract assets          |                                      |                           |                       |
| Including: USD           | 3,235,971.44                         | 7.1884                    | 23,261,457.10         |
| EUR                      | 31,111.26                            | 7.5257                    | 234,134.01            |
| Other non-current assets |                                      |                           |                       |
| Including: USD           | 658,339.57                           | 7.1884                    | 4,732,408.16          |
| EUR                      | 43,055.44                            | 7.5257                    | 324,022.32            |
| Lease liabilities        |                                      |                           |                       |

|   |               |        |                |
|---|---------------|--------|----------------|
| Including: EUR                              | 479,866.13    | 7.5257 | 3,611,328.53   |
| Non-current liabilities due within one year |               |        |                |
| Including: USD                              | 34,433.52     | 7.1884 | 247,521.92     |
| EUR   | 61,664.93     | 7.5257 | 464,071.76     |
| RUB   | 2,837,493.28  | 0.0661 | 187,558.31     |
| SGD   | 29,799.40     | 5.3214 | 158,574.53     |
| THB   | 388,081.90    | 0.2126 | 82,506.21      |
| HUF   | 9,469,534.00  | 0.0183 | 173,292.47     |
| Accounts payable                            |               |        |                |
| Including: MYR                              | 174,500.00    | 1.6199 | 282,672.55     |
| GBP   | 44,400.00     | 9.0765 | 402,996.60     |
| Other accounts payable                      |               |        |                |
| Including: USD                              | 1,667,164.23  | 7.1884 | 11,984,243.35  |
| EUR   | 1,806,591.16  | 7.5257 | 13,595,863.09  |
| SGD   | 18,872,767.66 | 5.3214 | 100,429,545.83 |
| MYR   | 230,695.03    | 1.6199 | 373,702.88     |
| THB   | 5,580,426.35  | 0.2126 | 1,186,398.64   |
| HUF   | 9,451,744.56  | 0.0183 | 172,966.93     |
| Other accounts receivable                   |               |        |                |
| Including: USD                              | 56,616.21     | 7.1884 | 406,979.96     |
| EUR   | 1,032,338.65  | 7.5257 | 7,769,070.98   |
| SGD   | 224,712.85    | 5.3214 | 1,195,786.96   |
| THB   | 302,357.06    | 0.2126 | 64,281.11      |
| HUF   | 25,646,674.96 | 0.0183 | 469,334.15     |
| Long-term accounts receivable               |               |        |                |
| Including: USD                              | 4,444.50      | 7.1884 | 31,948.84      |
| EUR   | 104,115.93    | 7.5257 | 783,545.25     |
| SGD   | 10,171.80     | 5.3214 | 54,128.22      |

Other notes:

None

(2). Notes to overseas operation entities (Significant overseas operation entities shall disclose their principal places of business, recording currencies, and selection bases. Entities with a change in recording currency shall specify the reasons.)

√ Applicable □ Not applicable

| Name of subsidiary | Principal places of business | Recording currency |
|--------------------|------------------------------|--------------------|
| Wayzim Singapore   | Singapore                    | SGD                |
| Wayzim Malaysia    | Malaysia                     | MYR                |
| Wayzim USA         | USA                          | USD                |
| Wayzim Russia      | Russia                       | RUB                |
| Wayzim Hungary     | Hungary                      | HUF                |
| Wayzim Thailand    | Thailand                     | THB                |
| Wayzim Germany     | Germany                      | EUR                |
| Wayzim UK          | UK                           | GBP                |
| Wayzim Mexico      | Mexico                       | MXN                |
| Wayzim South Korea | South Korea                  | KRW                |
| Wayzim Brazil      | Brazil                       | BRL                |
| Wayzim Hong Kong   | Hong Kong (China)            | HKD                |

**82. Leases****(1). As the Lessee**

☒ Applicable ☐ Not applicable

Variable lease payments not included in the measurement of lease liabilities

☐ Applicable ☒ Not applicable

Lease expenses of short-term leases or low-value assets with simplified treatment

☒ Applicable ☐ Not applicable

The lease expenses of short-term leases or low-value assets of the Group in the current year that use the simplified treatment amount to CNY 2,943,873.96.

Sale-leaseback transactions and judgment basis

☐ Applicable ☒ Not applicable

Total cash outflows related to leasing amount to CNY 10,660,777.26.

**(2). As the Lessor**

Operating lease as the Lessor

☒ Applicable ☐ Not applicable

In CNY

| Item             | Rental income | Including: Revenue related to variable lease payments not included in lease receipts |
|------------------|---------------|--|
| Building rental  | 6,285,085.11  | -  |
| Equipment rental | 2,181,430.85  | 1,029,232.71   |
| Total            | 8,466,515.96  | 1,029,232.71   |

Finance lease as the Lessor

☐ Applicable ☒ Not applicable

Adjustment table of undiscounted lease receipts and net lease investment

☐ Applicable ☒ Not applicable

Undiscounted lease receipts for the next five years

☒ Applicable ☐ Not applicable

In CNY

| Item   | Annual undiscounted lease receipts |                   |
|--|------------------------------------|-------------------|
|  | Ending balance                     | Beginning balance |
| First year   | 3,867,824.92                       | 2,188,000.00      |
| Second year  | 1,510,358.25                       | 1,298,400.00      |
| Third year   | 1,164,520.80                       | 63,333.33         |
| Fourth year  | 1,164,520.80                       | -                 |
| Fifth year   | 1,067,477.40                       | -                 |
| Total undiscounted lease receipts after five years | -                                  | -                 |

**(3). Recognized finance lease sales profit and loss as the manufacturer or dealer**

☐ Applicable ☒ Not applicable

Other notes

None

**83. Data sources**

☐ Applicable ☒ Not applicable

**84. Others**

☐ Applicable ☒ Not applicable

**VIII. R&D Expenditures****1. Presented by the nature of expenses**

☒ Applicable ☐ Not applicable

In CNY

| Item                                 | Current amount incurred | Prior amount incurred |
|--------------------------------------|-------------------------|-----------------------|
| Payroll                              | 98,771,568.31           | 101,160,935.55        |
| Share-based payments                 | 13,752,719.73           | 15,058,122.41         |
| Depreciation and amortization        | 5,597,508.85            | 5,157,106.90          |
| Traveling expenses                   | 304,264.89              | 918,722.25            |
| Material consumption                 | 19,623,746.65           | 37,078,832.16         |
| R&D commission expenses              | 3,211,356.02            | 4,188,770.27          |
| Others                               | 6,706,026.79            | 4,274,370.39          |
| Total                                | 147,967,191.24          | 167,836,859.93        |
| Including: Expensed R&D expenditures | 147,967,191.24          | 167,836,859.93        |
| Capitalized R&D expenditures         | -                       | -                     |

Other notes:

None

**2. Development expenditures of R&D projects meeting capitalization criteria**

☐ Applicable ☒ Not applicable

Significant capitalized R&D projects

☐ Applicable ☒ Not applicable

Impairment provision for development expenditures

☐ Applicable ☒ Not applicable

Other notes

None

**3. Significant outsourced R&D projects**

☐ Applicable ☒ Not applicable

**IX. Changes in the Scope of Combination****1. Business combination not under common control**

☐ Applicable ☒ Not applicable

**2. Business combinations under common control**

☐ Applicable ☒ Not applicable

**3. Counter purchase**

☐ Applicable ☒ Not applicable

**4. Disposal of subsidiaries**

Is there any transaction or event in the current period that resulted in the loss of control over subsidiaries?

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

Is there a situation where the investment in a subsidiary is disposed of step by step through multiple deals and the control over the subsidiary is lost in the current period?

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

**5. Changes in the scope of combinations for other reasons**

Any changes in the scope of combinations for other reasons (such as the establishment of a new subsidiary and liquidation of a subsidiary) and relevant circumstances

☒ Applicable ☐ Not applicable

| No. | Name of subsidiary | Reasons for inclusion in the current period |
|-----|--------------------|---|
| 1   | Zhejiang Equipment | A new wholly-owned subsidiary               |
| 2   | Wayzim Hong Kong   | A new wholly-owned subsidiary               |

**6. Others**

☒ Applicable ☐ Not applicable

None

**X. Equity in Other Entities****1. Equity in subsidiaries****(1). Composition of corporate group**

√ Applicable □ Not applicable

In CNY 10,000

| Subsidiary Name      | Principal place of business | Registered capital | Domicile  | Business nature                       | Shareholding ratio (%) |          | Mode of acquisition |
|----------------------|-----------------------------|--------------------|-----------|---------------------------------------|------------------------|----------|---------------------|
|                      |                             |                    |           |                                       | Direct                 | Indirect |                     |
| Wayzim Guangdong     | Guangdong                   | 5,000              | Guangzhou | Sales service                         | 100                    | -        | Establishment       |
| Wayzim R&D           | Jiangsu                     | 10000              | Wuxi      | Research and experimental development | 100                    | -        | Establishment       |
| Wayzim Anhui         | Anhui                       | 1000               | Wuhu      | Research and experimental development | 100                    | -        | Establishment       |
| Zhongke Guanwei      | Jiangsu                     | 1,000              | Wuxi      | Special equipment manufacturing       | 100                    | -        | Purchase            |
| Zhitong Intelligent  | Shanghai                    | 1000               | Shanghai  | Research and experimental development | 100                    | -        | Establishment       |
| Wayzim Singapore     | Singapore                   | USD 8.75 million   | Singapore | Research and experimental development | 100                    | -        | Establishment       |
| Intelligent Sensing  | Zhejiang                    | 10,000             | Hangzhou  | Research and experimental development | 100                    | -        | Establishment       |
| Wayzim Chengdu       | Chengdu                     | 5,000              | Chengdu   | Sales service                         | 100                    | -        | Establishment       |
| Wayzim Jiangxi       | Jiangxi                     | 10000              | Jiangxi   | Research and experimental development | 100                    | -        | Establishment       |
| Weizhizhi Automation | Shanghai                    | 5000               | Shanghai  | Research and experimental development | 100                    | -        | Establishment       |
| Jiangsu Power        | Jiangsu                     | 1000               | Wuxi      | Research and experimental development | 51                     | -        | Establishment       |
| Zhike Power          | Shanghai                    | 1000               | Shanghai  | Research and experimental development | -                      | 51       | Establishment       |
| Anhui Power          | Anhui                       | 1000               | Nanling   | Research and experimental development | -                      | 51       | Establishment       |
| Jiangxi Zhongwei     | Jiangxi                     | 10000              | Jiangxi   | Research and experimental development | -                      | 100      | Establishment       |
| Wayzim Malaysia      | Malaysia                    | MYR 100            | Malaysia  | Research and experimental development | -                      | 100      | Establishment       |
| Wayzim USA           | USA                         | USD 20,000         | USA       | Research and experimental development | -                      | 100      | Establishment       |
| Wayzim Russia        | Russia                      | RUB 10,000         | Russia    | Research and experimental development | -                      | 100      | Establishment       |
| Wayzim Hungary       | Hungary                     | HUF 3.01 million   | Hungary   | Research and experimental development | -                      | 100      | Establishment       |

|                    |                   |                 |                   |                                       |     |     |  |               |
|--------------------|-------------------|-----------------|-------------------|---------------------------------------|-----|-----|--|---------------|
| Wayzim Thailand    | Thailand          | THB 1 million   | Thailand          | Research and experimental development | -   | 100 |  | Establishment |
| Wayzim Germany     | Germany           | EUR 25,000      | Germany           | Research and experimental development | -   | 100 |  | Establishment |
| Wayzim UK          | UK                | GBP 50,000      | UK                | Research and experimental development | -   | 100 |  | Establishment |
| Anhui Zhongwei     | Anhui             | 1000            | Wuhu              | Research and experimental development | -   | 100 |  | Establishment |
| Wayzim Mexico      | Mexico            | MXN 50,000      | Mexico            | Research and experimental development | -   | 100 |  | Establishment |
| Wayzim Brazil      | Brazil            | BRL 350,000     | Brazil            | Research and experimental development | -   | 100 |  | Establishment |
| Wayzim South Korea | South Korea       | KRW 100 million | South Korea       | Research and experimental development | -   | 100 |  | Establishment |
| Zhejiang Equipment | Zhejiang          | 5000            | Hangzhou          | Research and experimental development | 100 | -   |  | Establishment |
| Wayzim Hong Kong   | Hong Kong (China) | HKD 55 million  | Hong Kong (China) | Research and experimental development | 100 | -   |  | Establishment |

The difference between the shareholding ratio in subsidiaries and the voting proportion:

None

Basis for the fact that the investee is controlled by half or less voting rights and that the investee is not controlled by half or more voting rights:

None

Basis of control for the important structured entity included in the scope of the combination:

None

Basis for determining whether the Company is an agent or a client:

None

Other notes:

None

## (2). Important non-wholly-owned subsidiaries

☐ Applicable ☒ Not applicable

## (3). Main financial information of the important non-wholly-owned subsidiaries

☐ Applicable ☒ Not applicable

## (4). Significant restrictions on the use of corporate group assets and the liquidation of corporate group debts

☐ Applicable ☒ Not applicable



**(5). Financial support and other supports provided for structured entities included in the consolidated financial statements**

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

**2. Transactions with changes in the owner's equity in the subsidiary and continuous control over the subsidiary**

☐ Applicable ☒ Not applicable

**3. Equity in joint ventures or associates**

☐ Applicable ☒ Not applicable

**4. Important joint operations**

☐ Applicable ☒ Not applicable

**5. Equity in structured entities not included in consolidated financial statements**

Related notes to structured entities not included in the scope of consolidated financial statements:

☐ Applicable ☒ Not applicable

**6. Others**

☐ Applicable ☒ Not applicable

**XI. Government Subsidies****1. Government subsidies not recognized as receivables at the end of the reporting period**

☐ Applicable ☒ Not applicable

Reasons for not receiving the expected amounts of government subsidies at the expected point of time

☐ Applicable ☒ Not applicable

**2. Liability items involving government subsidies**

☒ Applicable ☐ Not applicable

In CNY

| Financial statements item | Beginning balance | Newly-added subsidy amount in the current period | Amount of non-operating income included in the current period | Other transferred income in the current period | Other changes in the current period | Ending balance | Asset-related/Income-related |
|---------------------------|-------------------|--|---|--|-------------------------------------|----------------|------------------------------|
| Deferred income           | 113,097,609.83    | 18,686,100.00                                    | -   | 4,650,882.24                                   | -                                   | 127,132,827.59 | Asset-related                |
| Deferred income           | 10,509,770.25     | -  | -   | 4,991,758.49                                   | -                                   | 5,518,011.76   | Income-related               |

|   |                |               |   |               |                 |                |                |
|---|----------------|---------------|---|---------------|-----------------|----------------|----------------|
| Other accounts payable                      | 24,944,700.00  | -             | - | 2,500,000.00  | -               | 22,444,700.00  | Asset-related  |
| Other accounts payable                      | 108,248,097.42 | 4,216,000.00  | - | 9,147,570.04  | -               | 103,316,527.38 | Income-related |
| Non-current liabilities due within one year | 500,000.00     | -             | - | 300,000.00    | -<br>200,000.00 | -              | Income-related |
| Total                                       | 257,300,177.50 | 22,902,100.00 | - | 21,590,210.77 | -<br>200,000.00 | 258,412,066.73 | /              |

### 3. Government subsidies included in the current profit and loss

√ Applicable □ Not applicable

In CNY

| Type           | Current amount incurred | Prior amount incurred |
|----------------|-------------------------|-----------------------|
| Asset-related  | 4,650,882.24            | 4,293,792.57          |
| Income-related | 24,039,726.75           | 48,091,746.90         |
| Total          | 28,690,608.99           | 52,385,539.47         |

Other notes:

None

## XII. Risks Related to Financial Instruments

### 1. Risks from financial instruments

√ Applicable □ Not applicable

The Group is exposed to risks from financial instruments in its daily activities, mainly including:

- Credit risks
- Liquidity risks
- Interest rate risks
- Exchange rate risks

The following mainly discusses the above risk exposures and their causes, as well as the changes during the reporting period, risk management objectives, policies and procedures, methods of measuring risks, and the changes of risks during the reporting period.

The Group engages in risk management with the objective of striking an appropriate balance between risk and return in an effort to minimize the adverse impact of financial risks on its financial performance. Based on this objective, the Group has developed risk management policies to identify and analyze the risks it faces, set appropriate acceptable levels of risk and designed proper internal control procedures to monitor the Group's risk level. The Group will periodically review these risk management policies and internal control systems to adapt to changes in market conditions and the Group's operating activities.

#### (1). Credit risks

Credit risks refer to the risks that may bring financial losses to one party of a financial instrument due to the other party's failure to perform its obligations. The Group's credit risks mainly come from money funds, accounts receivable, and contractual assets. The Management will continuously monitor the exposure to these credit risks.

Except for cash, the other money funds of the Group are mainly deposited in credit-worthy financial institutions, and thus the Management level believes that there are no material credit risks or losses to the Group due to the breach by the other party.

The maximum credit risk exposure to the Group is the carrying amount of financial assets, including derivative financial instruments, on the balance sheet. The Group has not provided any other guarantees that may expose the Group to credit risks.

#### Accounts receivable and contractual assets

The Group's credit risks are mainly subject to the characteristics of each customer, rather than their industry, country, and region. Therefore, the concentration of material credit risks arises primarily from the existence of significant accounts receivable and contractual assets of the Group to individual customers. At the balance sheet date, the top five customers of the Group accounted for 19% of the Group's total accounts receivable and contractual assets (vs. 40% in 2023).

For accounts receivable, the Risk Management Committee of the Group has formulated credit policies as the case may be, and conducted credit evaluation on customers to determine the credit lines and credit terms. Credit evaluation mainly refers to the customer's financial condition, external ratings, and bank credit history (if possible). The accounts receivable are due within 90 days of the billing date. Under normal circumstances, the Group does not require collateral from customers.

See Note VII. 5, 6, and 30 for details about accounts receivable and contractual assets.

## (2). Liquidity risks

Liquidity risks refer to the risks of capital shortage when an enterprise fulfills its obligations settled by the delivery of cash or other financial assets. The Company and its subsidiaries are liable for their own cash management, including short-term investment of surplus cash and the financing of loans to meet projected cash requirements. If borrowings exceed the preset authorization limits, the approval of the Company's Board of Directors is needed. It is the Group's policy to regularly monitor short- and long-term working capital requirements and compliance with borrowing agreements to ensure that adequate cash reserves are maintained while securing commitments from major financial institutions to provide adequate stand-by funds for short- and longer-term working capital.

The remaining contract term of the Group's financial liabilities at the balance sheet date based on the undiscounted contract cash flows (including interest calculated at the contract interest rate (or, in case of a floating rate, at the year-end current rate)) and the earliest date required for payment are as follows:

In CNY

| Item                       | Undiscounted contract cash flows as of December 31, 2024 |               |              |                   |                  | Book value of the Balance Sheet |
|----------------------------|--|---------------|--------------|-------------------|------------------|---------------------------------|
|                            | Repayment within one year or in real time                | 1–2 years     | 2–5 years    | More than 5 years | Total            |                                 |
| Accounts payable           | 815,643,006.39   | -             | -            | -                 | 815,643,006.39   | 815,643,006.39                  |
| Other accounts payable     | 244,262,927.94   | -             | -            | -                 | 244,262,927.94   | 244,262,927.94                  |
| Lease liabilities          | 9,814,562.11   | 3,644,088.76  | 5,063,284.40 | 3,415,500.00      | 21,937,435.27    | 20,212,506.10                   |
| Long-term accounts payable | 34,080,872.12  | 22,629,478.60 | -            | -                 | 56,710,350.72    | 56,575,376.64                   |
| Total                      | 1,103,801,368.56   | 26,273,567.36 | 5,063,284.40 | 3,415,500.00      | 1,138,553,720.32 | 1,136,693,817.07                |

**(3). Interest rate risks**

The interest-bearing financial instruments with fixed and floating interest rates expose the Group to the fair value interest rate risks and cash flow interest rate risks, respectively. The Group determines the ratio of fixed and floating rate instruments based upon market conditions and maintains an appropriate mix of fixed and floating rate instruments through regular review and supervision. The Group does not hedge interest rate risks with derivative financial instruments.

In CNY

The interest-bearing financial instruments held by the Group at year-end are as follows:

| Item                                | December 31, 2024        |                  | December 31, 2023        |                  |
|-------------------------------------|--------------------------|------------------|--------------------------|------------------|
|                                     | Annual interest rate (%) | Amount           | Annual interest rate (%) | Amount           |
| Fixed-rate financial instruments    | -                        | -                | -                        | -                |
| Financial assets                    | -                        | -                | -                        | -                |
| –Money funds                        | 0.10–1.85                | 227,296,463.40   | 0.00–3.26                | 74,821,879.01    |
| –Trading financial assets           | 2.10–3.30                | 291,016,990.44   | 2.10–3.36                | 454,849,906.40   |
| Financial liabilities               | -                        | -                | -                        | -                |
| –Short-term borrowings              | /                        | -                | 2.90                     | -20,017,722.23   |
| Total                               |                          | 518,313,453.84   |                          | 509,654,063.18   |
| Floating-rate financial instruments | -                        | -                | -                        | -                |
| Financial assets                    | -                        | -                | -                        | -                |
| –Money funds                        | 0.10–2.70                | 247,532,259.73   | 0.00–5.70                | 401,271,713.89   |
| –Trading financial assets           | 0.50–3.07                | 810,019,573.82   | 1.50–2.95                | 763,130,799.17   |
| Total                               | -                        | 1,057,551,833.55 |                          | 1,164,402,513.06 |

**Sensitivity analysis**

On December 31, 2024, an assumed increase/decrease in interest rates of 100 basis points would result in an increase/decrease in shareholders' equity and net loss of the Group of CNY 8,960,594.11 (vs. CNY 9,827,838.86 in 2023), with other variables being constant.

**(4). Exchange rate risks**

For foreign currency assets and liabilities such as money funds, accounts receivable, contractual assets, other non-current assets, and other accounts payable not denominated in recording currency, the Group will buy and sell foreign currencies at market exchange rates when necessary to ensure that the net risk exposure is maintained at an acceptable level in case of short-term imbalances.

The Group's exchange rate exposure to foreign currency assets and liabilities as of December 31 is as follows. For presentation purposes, the risk exposure amount is shown in CNY and converted at the spot exchange rates on the balance sheet date. Translation differences from foreign currency transactions in the financial statements are not included.

In CNY

| Item        | December 31, 2024        |                           | December 31, 2023        |                           |
|-------------|--------------------------|---------------------------|--------------------------|---------------------------|
|             | Foreign currency balance | Balance of CNY conversion | Foreign currency balance | Balance of CNY conversion |
| Money funds |                          |                           |                          |                           |
| –CNY        | 65,131,498.20            | 65,131,498.20             | 13,622,608.43            | 13,622,608.43             |
| –EUR        | 3,482,783.39             | 26,210,382.96             | 657,460.37               | 5,167,112.54              |
| –USD        | 15,635,474.18            | 112,394,042.60            | 4,580,129.57             | 32,439,683.71             |
| –GBP        | 744,882.70               | 6,760,927.83              | 7,199.49                 | 65,091.31                 |

|                            |               |                |               |                |
|----------------------------|---------------|----------------|---------------|----------------|
| Accounts receivable        |               |                |               |                |
| –EUR                       | 4,102,304.38  | 30,872,712.07  | 367,763.95    | 2,890,330.44   |
| –USD                       | 5,477,594.57  | 39,375,140.81  | 8,393,828.83  | 59,450,971.45  |
| Other accounts receivable  |               |                |               |                |
| –CNY                       | -             | -              | 192,525.74    | 192,525.74     |
| –USD                       | 56,616.21     | 406,979.96     | 76,099.34     | 538,988.80     |
| –THB                       | 302,357.06    | 64,281.11      | 90,000.00     | 18,662.52      |
| Contract assets            |               |                |               |                |
| –USD                       | 3,074,172.86  | 22,098,384.19  | 2,458,335.73  | 17,411,654.47  |
| –EUR                       | 29,555.70     | 222,427.33     | -             | -              |
| Other non-current assets   |               |                |               |                |
| –EUR                       | 43,055.44     | 324,022.32     | 40,842.81     | 320,991.81     |
| –USD                       | 658,339.57    | 4,732,408.16   | 1,195,435.00  | 8,466,907.47   |
| Accounts payable           |               |                |               |                |
| –USD                       | -1,335,276.05 | -9,598,498.36  | -120,778.80   | -855,440.01    |
| Other accounts payable     |               |                |               |                |
| –EUR                       | -1,806,591.16 | -13,595,863.09 | -135,160.00   | -1,062,249.47  |
| –USD                       | -1,667,164.23 | -11,984,243.37 | -305,278.39   | -2,162,195.25  |
| –THB                       | -5,580,426.35 | -1,186,398.64  | -2,704,897.41 | -560,891.12    |
| Net balance sheet exposure |               |                |               |                |
| –CNY                       | 65,131,498.20 | 65,131,498.20  | 13,815,134.17 | 13,815,134.17  |
| –EUR                       | 5,851,107.75  | 44,033,681.59  | 930,907.13    | 7,316,185.32   |
| –GBP                       | 744,882.70    | 6,760,927.83   | 7,199.49      | 65,091.31      |
| –USD                       | 21,899,757.11 | 157,424,213.99 | 16,277,771.28 | 115,290,570.64 |
| –THB                       | -5,278,069.29 | -1,122,117.53  | -2,614,897.41 | -542,228.60    |

The Group's applicable exchange rate analysis of CNY against foreign currencies is as follows:

| Currency | Average exchange rate |        |
|----------|-----------------------|--------|
|          | 2024                  | 2023   |
| GBP      | 9.0588                | 8.7176 |
| SGD      | 5.3493                | 5.2802 |
| THB      | 0.2100                | 0.2043 |
| EUR      | 7.6925                | 7.6411 |
| USD      | 7.1356                | 7.0237 |
| RUB      | 0.0732                | 0.0867 |
| MYR      | 1.5807                | 1.5592 |
| KRW      | 0.0052                | 0.0055 |
| HUF      | 0.0194                | 0.0195 |
| MXN      | 0.3840                | 0.3856 |

| Currency | Intermediate rate on reporting day |        |
|----------|------------------------------------|--------|
|          | 2024                               | 2023   |
| GBP      | 9.0765                             | 9.0411 |
| SGD      | 5.3214                             | 5.3772 |
| THB      | 0.2126                             | 0.2074 |
| EUR      | 7.5257                             | 7.8592 |
| USD      | 7.1884                             | 7.0827 |
| RUB      | 0.0661                             | 0.0803 |
| MYR      | 1.6199                             | 1.5415 |
| KRW      | 0.0049                             | 0.0055 |
| HUF      | 0.0183                             | 0.0205 |
| MXN      | 0.3498                             | 0.4181 |

### Sensitivity analysis

Assuming that risk variables other than the exchange rate remain unchanged, a 10% appreciation of the CNY due to the exchange rate changes of the CNY against the EUR, USD, GBP, and THB on December 31, 2024 and December 31, 2023 will result in an increase/decrease in the shareholders' equity and net profit of the Group, specifically as follows. This effect is shown in CNY at the spot exchange rates on the balance sheet date.

In CNY

| Item              | Shareholders' equity | Net profits |
|-------------------|----------------------|-------------|
| December 31, 2024 |                      |             |
| USD               | 993,495.65           | 993,495.65  |
| EUR               | 59,013.25            | 59,013.25   |
| CNY               | 110,625.91           | 110,625.91  |
| THB               | -4,729.21            | -4,729.21   |
| GBP               | 555.44               | 555.44      |
| December 31, 2023 |                      |             |
| USD               | 978,887.04           | 978,887.04  |
| EUR               | 61,628.41            | 61,628.41   |
| CNY               | 110,625.91           | 110,625.91  |
| THB               | -4,613.54            | -4,613.54   |
| GBP               | 553.28               | 553.28      |

## 2. Hedging

### (1). The Company's risk management through hedging activities

☐ Applicable ☒ Not applicable

Other notes

☒ Applicable ☐ Not applicable

**(2). The company's application of hedge accounting for qualifying hedging activities**

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

**(3). The company's risk management via hedging activities (without hedge accounting) with expected achievement of risk management objectives**

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

**3. Financial asset transfer****(1). Classification of transfer methods**

☒ Applicable ☐ Not applicable

| In CNY          |  |  |                      |  |
|-----------------|--|--|----------------------|--|
| Transfer method | Nature of transferred financial assets                         | Amount of transferred financial assets | Derecognition status | Basis for derecognition determination  |
| Endorsement     | Banker's acceptances accepted by general commercial banks      | 6,949,442.46                           | Not derecognized     | Substantially all risks and rewards incidental to ownership of the endorsed notes receivable (including related default risks) are retained. |
| Endorsement     | Banker's acceptances accepted by highly-rated commercial banks | 17,464,512.20                          | All derecognized     | The financial assets, along with almost all the risks and returns arising from the ownership thereof, are transferred to the transferee.     |
| Total           | /  | 24,413,954.66                          | /                    | /  |

**(2). Financial assets derecognized due to transfers**

☒ Applicable ☐ Not applicable

| In CNY                      |                                 |   |   |
|-----------------------------|---------------------------------|---|---|
| Item                        | Financial asset transfer method | Amount of derecognized financial assets | Profit or loss related to derecognition |
| Receivables-based financing | Endorsement                     | 17,464,512.20                           | -                                       |
| Total                       | /                               | 17,464,512.20                           | -                                       |

**(3). Continuing involvement in transferred financial assets**

√ Applicable □ Not applicable

In CNY

| Item             | Asset transfer method | Amount of assets arising from continuing involvement | Amount of liabilities arising from continuing involvement |
|------------------|-----------------------|--|---|
| Notes receivable | Endorsement           | 6,949,442.46   | 6,949,442.46  |
| Total            |                       | 6,949,442.46   | 6,949,442.46  |

Other notes

□ Applicable √ Not applicable

**XIII. Disclosure of Fair Value****1. Ending fair value of assets and liabilities measured at fair value**

√ Applicable □ Not applicable

In CNY

| Item  | Ending fair value              |                                |                                |                  |
|---|--------------------------------|--------------------------------|--------------------------------|------------------|
|   | Level 1 fair value measurement | Level 2 fair value measurement | Level 3 fair value measurement | Total            |
| <b>I. Recurring fair value measurement</b>                                    |                                |                                |                                |                  |
| (I) Trading financial assets  | -                              | 1,101,036,564.26               |                                | 1,101,036,564.26 |
| 1. Financial assets measured at fair value through the current profit or loss | -                              | 1,101,036,564.26               |                                | 1,101,036,564.26 |
| (1) Financial products  | -                              | 1,101,036,564.26               |                                | 1,101,036,564.26 |
| (II) Receivables-based financing  | -                              | 2,065,547.83                   | -                              | 2,065,547.83     |
| (III) Investment in other equity instruments                                  | -                              | -                              | 167,827,676.77                 | 167,827,676.77   |
| (IV) Other non-current financial assets                                       | 5,797,417.08                   | -                              | -                              | 5,797,417.08     |
| <b>Total assets continuously measured at fair value</b>                       | 5,797,417.08                   | 1,103,102,112.09               | 167,827,676.77                 | 1,276,727,205.94 |

**2. Determination basis for the market price of items measured at Level 1 fair value on a recurring and non-recurring basis**

√ Applicable □ Not applicable

The Group uses the active market quotations on December 31, 2024 as the fair value of other non-current financial assets on December 31, 2024.

**3. Valuation techniques and qualitative and quantitative information on important parameters adopted for items measured at Level 2 fair value on a recurring and non-recurring basis**

√ Applicable □ Not applicable



The receivables financing with recurring Level 2 fair value measurements is banker's acceptances, whose remaining period is short and book balance is close to the fair value.

At the end of the period, wealth management products predict future cash flows based on product types and the rate of return to determine the fair value.

#### 4. Valuation techniques and qualitative and quantitative information on important parameters adopted for items measured at Level 3 fair value on a recurring and non-recurring basis

√ Applicable □ Not applicable

The trading financial assets with recurring Level 3 fair value measurements mainly consist of investments in unlisted equity instruments held by the Group.

The quantitative information of Level 3 fair value measurement is as follows:

|   | Fair value as of December 31, 2024 | Valuation technique         | Unobservable inputs  | Range  |
|---|------------------------------------|-----------------------------|--|--|
| Investment in unlisted equity instruments | 5,900,000.00                       | Market multiples approach   | Average price-to-sales ratio of comparable companies, average price-to-earnings ratio of comparable companies, the enterprise value, and liquidity discounts | The higher the average price-to-sales ratio of comparable companies, average price-to-earnings ratio of comparable companies, and the enterprise value, the lower the liquidity discounts and the higher the fair value. |
| Investment in unlisted equity instruments | 161,927,676.77                     | Discounted cash flow method | Expected yield   | 9.00%/11.22%   |

#### 5. Adjustment information between beginning and ending book values and sensitivity analysis of unobservable parameters of items measured at Level 3 fair value on a recurring basis

√ Applicable □ Not applicable

Adjustment information between the beginning and ending book values of items measured at Level 3 fair value on a recurring basis

In CNY

| Item   | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Beginning balance  | 166,100,742.87    | 20,000,000.00     |
| Purchases and investments  | -                 | 88,000,000.00     |
| Profits or losses in other comprehensive income                          |                   |                   |
| —Changes in the fair value of the investment in other equity instruments | 1,726,933.90      | 58,100,742.87     |
| Balance at the end of the year   | 167,827,676.77    | 166,100,742.87    |

**6. The reason for transfers and the policy to determine the transfer time of items measured at fair value on a recurring basis with transfers among different levels in the current period**

☐ Applicable ☒ Not applicable

**7. Changes in valuation techniques in the current period and causes**

☐ Applicable ☒ Not applicable

**8. Fair value of financial assets and liabilities not measured at fair value**

☐ Applicable ☒ Not applicable

**9. Others**

☐ Applicable ☒ Not applicable

**XIV. Affiliates and Affiliate Transactions****1. The Company's parent company**

☐ Applicable ☒ Not applicable

**2. The Company's subsidiaries**

Refer to the notes for status details of subsidiaries of the Company.

☒ Applicable ☐ Not applicable

Refer to Section X.X.1 for status details of the Company's subsidiaries.

**3. The Company's joint ventures and associates**

The Company's important joint ventures or associates will be presented in a note.

☐ Applicable ☒ Not applicable

Other joint ventures and associates having affiliate transactions with the Company in the current period or having affiliate transactions with the Company to generate balances in the previous period

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

**4. Other affiliates**

☒ Applicable ☐ Not applicable

| Name of other affiliates | Relationship between other affiliates and the Company |
|--------------------------|---|
| Li Gongyan               | Key management personnel and the actual controller    |
| Yao Yi                   | Key management personnel                              |
| Du Ping                  | Key management personnel                              |
| Xu Yan                   | Key management personnel                              |
| Liu Jia                  | Key management personnel                              |
| Chen Mingfei             | Key management personnel                              |
| Du Wei                   | Key management personnel                              |
| Lyu Meiya                | Key management personnel                              |
| Zhong Jianpeng           | Key management personnel                              |
| Ke Li                    | Key management personnel                              |
| Li Xiaobing              | Key management personnel until July 31, 2024          |

|  |  |
|--|--|
| Institute of Microelectronics of the Chinese Academy of Sciences | Shareholders indirectly holding more than 5% of the shares                                   |
| Beijing Zhongke Micro Investment Management Co., Ltd.            | Shareholders directly holding more than 5% of the shares                                     |
| Jiangsu Carnival Technology Co., Ltd.                            | Enterprises controlled by other close relatives of key management personnel                  |
| Kunshan Meibang Environmental Technology Co., Ltd.               | Enterprises under significant influence of other close relatives of key management personnel |

Other notes

None

## 5. Affiliate transactions

### (1). Affiliate transactions involving the purchasing and sales of goods and the rendering and acceptance of services

Purchasing of goods and receiving of services

☒ Applicable ☐ Not applicable

In CNY

| Affiliates  | Content of affiliate transactions | Current amount incurred | Prior amount incurred |
|---|-----------------------------------|-------------------------|-----------------------|
| Jiangsu Carnival Technology Co., Ltd.                 | Purchasing of goods               | 2,216,102.13            | 27,604,824.64         |
| Beijing Zhongke Micro Investment Management Co., Ltd. | Purchasing of goods               | 526,061.38              |                       |
| Total   | /                                 | 2,742,163.51            | 27,604,824.64         |

Sales of goods and rendering of services

☐ Applicable ☒ Not applicable

Affiliate transactions of purchasing and sales of goods and rendering and receiving of services

☐ Applicable ☒ Not applicable

### (2). Affiliate trusteeship/Contracting and entrusted management/Outsourcing

Trusteeship/Contracting of the Company:

☐ Applicable ☒ Not applicable

Affiliate trusteeship/Contracting

☐ Applicable ☒ Not applicable

Affiliate trusteeship/Contracting of the Company

☐ Applicable ☒ Not applicable

Affiliate management/Outsourcing

☐ Applicable ☒ Not applicable

### (3). Lease among associates

The Company acts as the Lessor:

☐ Applicable ☒ Not applicable

The Company acts as the Lessee:

☒ Applicable ☐ Not applicable

In CNY

| Name of the Lessor                                    | Type of assets leased | Lease expenses of short-term leases and low-value assets with simplified treatment (if applicable) |                       | Variable lease payments not included in the measurement of lease liabilities (if applicable) |                       | Rental payment          |                       | Interest expenses on lease liabilities assumed |                       | Increased right-of-use assets |                       |
|---|-----------------------|--|-----------------------|--|-----------------------|-------------------------|-----------------------|--|-----------------------|-------------------------------|-----------------------|
|   |                       | Current amount incurred  | Prior amount incurred | Current amount incurred  | Prior amount incurred | Current amount incurred | Prior amount incurred | Current amount incurred                        | Prior amount incurred | Current amount incurred       | Prior amount incurred |
| Beijing Zhongke Micro Investment Management Co., Ltd. | Buildings             | -  | -                     | -  | -                     | 2,277,426.96            | 1,825,859.54          | 153,773.06                                     | 228,618.64            | -                             | -                     |

Lease among associates

☐ Applicable ☒ Not applicable

**(4). Guarantee with associates**

The Company as the Guarantor

☐ Applicable ☒ Not applicable

The Company as the Secured Party

☐ Applicable ☒ Not applicable

Guarantee with affiliates

☐ Applicable ☒ Not applicable**(5). Fund borrowing from/to affiliates**☒ Applicable ☐ Not applicable

In CNY

| Affiliates | Borrowing amount | Start date | Maturity date | Remarks  |
|------------|------------------|------------|---------------|--|
| Lending    |                  |            |               |  |
| Yao Yi     | 91,500.00        | 4/1/2024   | 8/3/2024      | All borrowings and interests have been returned. |
|            |                  |            |               |  |

**(6). Asset transfer and debt restructuring of affiliates**☐ Applicable ☒ Not applicable**(7). Remuneration of key management personnel**☒ Applicable ☐ Not applicable

In CNY 10,000

| Item                                     | Current amount incurred | Prior amount incurred |
|--|-------------------------|-----------------------|
| Equity-settled share-based payment       | 1039.88                 | 1094.78               |
| Other means of payment                   | 784.74                  | 564.03                |
| Remuneration of key management personnel | 1,824.62                | 1,658.81              |

**(8). Other affiliate transactions**☒ Applicable ☐ Not applicable

In CNY

| Other affiliate transactions                                     | Content of affiliate transactions |  | Current amount incurred | Prior amount incurred |
|--|-----------------------------------|--|-------------------------|-----------------------|
| Institute of Microelectronics of the Chinese Academy of Sciences | Reimbursed expenses of affiliates |  | 625,810.22              | 665,086.50            |

**6. Status of unsettled items such as receivables and payables from related parties****(1). Receivables**√ Applicable ☐ Not applicable

In CNY

| Item                          | Affiliates  | Ending balance |                         | Beginning balance |                         |
|-------------------------------|---|----------------|-------------------------|-------------------|-------------------------|
|                               |   | Book balance   | Provision for bad debts | Book balance      | Provision for bad debts |
| Accounts receivable           | Kunshan Meibang Environmental Technology Co., Ltd.    | 45,000.00      | 22,500.00               | 45,000.00         | 13,500.00               |
| Accounts receivable           | Jiangsu Carnival Technology Co., Ltd.                 | 384,550.00     | 19,227.50               |                   |                         |
| Long-term accounts receivable | Beijing Zhongke Micro Investment Management Co., Ltd. | 63,528.00      | -                       | 63,528.00         | -                       |
| Advance payments              | Jiangsu Carnival Technology Co., Ltd.                 | 1,785,162.00   | -                       | -                 | -                       |
| Total                         | /   | 2,278,240.00   | 41,727.50               | 108,528.00        | 13,500.00               |

**(2). Payables**√ Applicable ☐ Not applicable

In CNY

| Item                   | Affiliates  | Ending book balance | Beginning book balance |
|------------------------|---|---------------------|------------------------|
| Accounts payable       | Kunshan Meibang Environmental Technology Co., Ltd.    | 16,268,388.42       | 36,268,388.42          |
| Accounts payable       | Jiangsu Carnival Technology Co., Ltd.                 | 430,018.25          | 11,740,554.36          |
| Notes payable          | Jiangsu Carnival Technology Co., Ltd.                 | 2,888,561.00        | 6,343,533.00           |
| Other accounts payable | Key management personnel                              | 18,847.05           | 146,219.46             |
| Other accounts payable | Beijing Zhongke Micro Investment Management Co., Ltd. | 424,886.30          |                        |
| Other accounts payable | Jiangsu Carnival Technology Co., Ltd.                 | 7,230.00            |                        |
| Total                  | /   | 20,037,931.02       | 54,498,695.24          |

**(3). Miscellaneous**☐ Applicable √ Not applicable

**7. Commitments by affiliates**

☐ Applicable ☒ Not applicable

**8. Others**

☐ Applicable ☒ Not applicable

**XV. Share-based Payments****1. Various equity instruments**

☒ Applicable ☐ Not applicable

Unit of quantity: share Unit of currency: CNY

| Category of grantee                                     | Granted in this period |            | Exercised in this period |        | Unlocked in this period |         | Expired in this period |        |
|---|------------------------|------------|--------------------------|--------|-------------------------|---------|------------------------|--------|
|   | Quantity               | Amount     | Quantity                 | Amount | Quantity                | Amount  | Quantity               | Amount |
| Core management/technical/production/business personnel | 1,527,600              | 10,690,200 | -                        | -      | 46,400                  | 1584700 | -                      | -      |
| Total   | 1,527,600              | 10,690,200 | -                        | -      | 46,400                  | 1584700 | -                      | -      |

Outstanding stock options or other equity instruments at the end of the period

☐ Applicable ☒ Not applicable

**2. Equity-settled share-based payment**

☒ Applicable ☐ Not applicable

In CNY

|  |  |
|--|--|
| Equity-settled share-based payment recipients  |  |
| Method for determining the fair value of equity instruments on the grant date                              | Market price and company fair value assessment report of the fair value of equity instruments on the grant date  |
| Key parameters of the fair value of equity instruments on the grant date                                   | Market price and assessment price on the grant date, and the Black-Scholes option pricing model  |
| The basis for determining the number of vested equity instruments  | On each balance sheet date within the waiting period, the Group adjusts the number of available equity instruments by making the best estimate of the latest acquired follow-up information, such as the change in the number of employees with the latest available rights. |
| Reasons for material differences between the estimates of the current period and those of the prior period | None   |
| The accumulated amount of equity-settled share-based payments included in the capital surplus              | 287,216,537.46   |

**Other notes**

In accordance with the decision on the implementation of equity-based incentives deliberated at the General Meeting of the Company on September 28, 2018, the Company implemented equity-based incentives (hereinafter referred to as the "Second Share-based Payment") for the other 17 partners except Li Gongyan through Qunchuang Zhongda. The partners paid a consideration of CNY 1 to join Qunchuang Zhongda for the indirect acquisition of shares in the Company. The Company entered into the *Incentive Equity Grant Agreement* with each of such partners on December 25, 2018. In accordance with the *Incentive Equity Grant Agreement*, the incentive shares are oriented to the incentive objects for their continued employment with or provision of services to the Company for a period of not less than ten years. On June 30, 2019, the interim Board of Directors and the shareholders' meeting of the Company deliberated and approved the *Equity Incentive Plan of Wayzim*. (hereinafter referred to as the "Equity Incentive Plan"). According to the Equity Incentive Plan, the service period corresponding to the incentive equity is changed from no less than 10 years to a stepped service period of 3 to 10 years.

According to the decision of the Board of Directors of the Company on the implementation of equity-based incentives, which was deliberated and approved on November 1, 2019, the Company implemented equity-based incentives for employees Zuo Xiaofang, Zhang Jing, and Zhong Jianpeng through Qunchuang Zhongda (hereinafter referred to as the "Fourth Share-based Payment"). Zuo Xiaofang and Zhang Jing acquired the Company's shares of Qunchuang Zhongda indirectly from Li Gongyan at the consideration of CNY 5 per registered capital. Zhong Jianpeng acquired the Company's shares of Qunchuang Zhongda indirectly from Li Gongyan at the consideration of CNY 1 per registered capital. On December 17, 2019, the Company entered into the *Incentive Equity Grant Agreement* with each of these employees. The service period is governed by the Equity Incentive Plan adopted on June 30, 2019, as set out in the *Incentive Equity Grant Agreement*.

The Company implemented the first tranche of the employee stock ownership plan in 2022 in accordance with the *Proposal for the First Employee Stock Ownership Plan (Draft Amendment) of Wayzim Intelligent Manufacturing Technology Co. Ltd. and Abstract*, the *Proposal for Management Measures for the First Employee Stock Ownership Plan of Wayzim Intelligent Manufacturing Technology Co. Ltd. (Amendment)*, and the *Proposal for Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Related to the First Tranche of Employee Stock Ownership Plan* adopted at the 18th Meeting of the First Board of Directors and the 7th Meeting of the First Board of Supervisors held on April 26, 2022 as well as the Annual General Meeting 2021 held on May 16, 2022. On July 18, 2022, the Company made a total payment of CNY 20,000,000.00 to the first tranche of the Employee Stock Ownership Plan for the purchase of the Company's shares. On July 29, 2022, the Company completed the purchase of 508,500 shares for a total amount of CNY 19,272,315.30 under the first tranche of the Employee Stock Ownership Plan. On August 1, 2022, the Employee Stock Ownership Plan refunded the remaining amount of CNY 727,684.70 to the Company. The underlying shares acquired under the Employee Stock Ownership Plan will be unlocked in ten installments 12 months after July 29, 2022, with a lockup period of 12 months for each installment, totaling 120 months.

At the 11th Meeting of the Second Board of Directors and the Ninth Meeting of the Second Board of Supervisors on June 7, 2024, and the 2023 Annual General Meeting of Shareholders on May 13, 2024, the Company reviewed and approved the *Proposal for Adjusting the List and Granted Quantity of Incentive Targets Under the 2024 Restricted Stock Incentive Plan*, the *Proposal for the First Grant of Restricted Stock to Incentive Targets Under the 2024 Incentive Plan*, and the *Proposal for Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Related to the 2024 Restricted Stock Incentive Plan*, granting restricted stocks in 2024. Restricted stocks will be unlocked in six installments 12 months after June 7, 2024, with a lockup period of 12 months for each installment, totaling 72 months.

The Company implemented the Phase II Employee Stock Ownership Plan in 2024 in accordance with the *Proposal for the Phase II Employee Stock Ownership Plan (Draft) of Wayzim Technology Co., Ltd. and Abstract*, the *Proposal for Management Measures for the Phase II Employee Stock Ownership Plan of Wayzim Technology Co., Ltd.*, and the *Proposal for Requesting the General Meeting to Authorize the Board of Directors to Handle Matters Related to the Phase II Employee Stock Ownership Plan* adopted at the Ninth Meeting of the Second Board of Directors and the Seventh Meeting of the Second Board of Supervisors held on April 20, 2024, and the Annual General Meeting 2023 held on May 13, 2024. On August 23, 2024, the Company received the *Securities Transfer Registration Confirmation* issued by China Securities Depository and Clearing Corporation Limited, confirming that 530,400 shares of the Company's treasury stocks held by the Company's repurchase special securities account were transferred off-market to the securities account of the Wayzim Technology Co., Ltd. Phase II Employee Stock Ownership Plan at a price of CNY 17.00 per share. The underlying shares acquired under the Employee Stock Ownership Plan will be unlocked in six installments 12 months after August 23, 2024, with a lockup period of 12 months for each installment, totaling 72 months. The total revenue from the transfer of the related treasury stocks was CNY 9,016,800.00, while the total repurchase cost of related treasury stocks was CNY 22,892,064.00. The amount by which the treasury stock transfer price fell below its cost (CNY 13,875,264.00) was deducted from the capital reserve (capital stock premium).



**3. Cash-settled share-based payment**

☐ Applicable ☒ Not applicable

**4. Share-based payment expenses in the current period**

☒ Applicable ☐ Not applicable

In CNY

| Category of grantee                                     | Equity-settled share-based payment expenses | Cash-settled share-based payment expenses |
|---|---|---|
| Core management/technical/production/business personnel | 25,462,875.89                               | -   |
| Total   | 25,462,875.89                               | -   |

Other notes

None

**5. Modification and termination of share-based payment**

☐ Applicable ☒ Not applicable

**6. Others**

☐ Applicable ☒ Not applicable

**XVI. Commitments and Contingencies****1. Important commitments**

☒ Applicable ☐ Not applicable

Important external commitments, nature, and amounts on the balance sheet date

In CNY

**(1) Capital commitments**

| Item  | December 31, 2024 | December 31, 2023 |
|---|-------------------|-------------------|
| Asset purchase contracts in progress (signed but not yet performed) | 63,407,764.17     | 193,912,049.37    |

**(2) Operating lease commitments**

According to the irrevocable operating lease agreement, the minimum lease payments payable by the Group after December 31, 2024 and after December 31, 2023 are as follows:

In CNY

| Item                               | December 31, 2024 | December 31, 2023 |
|------------------------------------|-------------------|-------------------|
| Subtotal for aging within one year | 1,715,328.02      | 3,166,865.17      |
| 1-2 years                          | -                 | -                 |
| 2-3 years                          | -                 | -                 |
| More than 3 years                  | -                 | -                 |
| Total                              | 1,715,328.02      | 3,166,865.17      |

**2. Contingencies****(1). Material contingencies on the balance sheet date**

☐ Applicable ☒ Not applicable

**(2). It is also important to specify where the Company has no material contingencies to disclose:**

☐ Applicable ☒ Not applicable

**3. Others**

☐ Applicable ☒ Not applicable

**XVII. Events After the Balance Sheet Date**

**1. Significant non-adjusting events**

☐ Applicable ☒ Not applicable

**2. Profit distribution**

☐ Applicable ☒ Not applicable

**3. Sales return**

☐ Applicable ☒ Not applicable

**4. Other events after the balance sheet date**

☐ Applicable ☒ Not applicable

**XVIII. Other Important Matters**

**1. Correction of accounting errors in the prior period**

**(1). Retrospective restatement**

☐ Applicable ☒ Not applicable

**(2). Prospective application**

☐ Applicable ☒ Not applicable

**2. Important debt restructuring**

☐ Applicable ☒ Not applicable

**3. Replacement of assets**

**(1). Exchange of non-monetary assets**

☐ Applicable ☒ Not applicable

**(2). Replacement of other assets**

☐ Applicable ☒ Not applicable

**4. Annuity plan**

☐ Applicable ☒ Not applicable

**5. Discontinued operations**

☐ Applicable ☒ Not applicable

**6. Segment information****(1). Basis and accounting policies for determining reporting segments**

☐ Applicable ☒ Not applicable

**(2). Financial information on reporting segments**

☐ Applicable ☒ Not applicable

**(3). Reasons for a company that has no reporting segments or fails to disclose the total assets and liabilities of each reporting segment**

☐ Applicable ☒ Not applicable

**(4). Other notes**

☒ Applicable ☐ Not applicable

The Group has one customer whose revenue accounts for 10% or more of the total revenue (two customers in 2023), or rather, about 26% (33% in 2023).

| In CNY               |   |                |
|----------------------|---|----------------|
| Customer             | 2024  | 2023           |
| Shanghai Zhongtongji | 639,331,868.51                                  | 427,010,437.53 |
| Wayzim Hangzhou      | Less than 10% of the total revenue of the Group | 212,688,498.28 |

**7. Other significant transactions and events having an impact on the investor's decision-making**

☐ Applicable ☒ Not applicable

**8. Others**

☐ Applicable ☒ Not applicable

**XIX. Notes to Major Items in Financial Statements of the Parent Company****1. Accounts receivable****(1). Disclosure by aging**

☒ Applicable ☐ Not applicable

| In CNY                              |                     |                        |
|-------------------------------------|---------------------|------------------------|
| Aging                               | Ending book balance | Beginning book balance |
| Within 1 year                       |                     |                        |
| Including: Within 1 year (itemized) |                     |                        |
| Within 1 year                       | 450,385,260.94      | 577,025,435.72         |
| Subtotal for aging within one year  | 450,385,260.94      | 577,025,435.72         |
| 1-2 years                           | 59,517,016.97       | 112,998,614.59         |
| 2-3 years                           | 32,257,279.76       | 6,383,520.10           |
| More than 3 years                   | 13,288,768.29       | 12,602,570.45          |
| Minus: Provision for bad debts      | 61,057,811.03       | 89,284,999.25          |
| Total                               | 494,390,514.93      | 619,725,141.61         |

**(2). Disclosure by provision for bad debts**

√ Applicable □ Not applicable

In CNY

| Category   | Ending balance |                |                         |                           |                | Beginning balance |                |                         |                           |                |
|--|----------------|----------------|-------------------------|---------------------------|----------------|-------------------|----------------|-------------------------|---------------------------|----------------|
|  | Book balance   |                | Provision for bad debts |                           | Book value     | Book balance      |                | Provision for bad debts |                           | Book value     |
|  | Amount         | Proportion (%) | Amount                  | Proportion of accrual (%) |                | Amount            | Proportion (%) | Amount                  | Proportion of accrual (%) |                |
| Accrued provision for bad debts by individual item | 6,949,844.93   | 1              | 6,949,844.93            | 100                       | -              | 20,604,243.52     | 3              | 20,604,243.52           | 100                       | -              |
| Including:   |                |                |                         |                           |                |                   |                |                         |                           |                |
| Portfolio 1: Affiliates within the Group           | -              | -              | -                       | -                         | -              | -                 | -              | -                       | -                         | -              |
| Portfolio 2: Other customers                       | 6,949,844.93   | 1              | 6,949,844.93            | 100                       | -              | 20,604,243.52     | 3              | 20,604,243.52           | 100                       | -              |
| Accrued provision for bad debts by portfolio       | 548,498,481.03 | 99             | 54,107,966.10           | 10                        | 494,390,514.93 | 688,405,897.34    | 97             | 68,680,755.73           | 10                        | 619,725,141.61 |
| Including:   |                |                |                         |                           |                |                   |                |                         |                           |                |
| Portfolio 1: Affiliates within the Group           | 148,957,574.76 | 27             | -                       | -                         | 148,957,574.76 | 44,888,168.37     | 6              | -                       | -                         | 44,888,168.37  |
| Portfolio 2: Other customers                       | 399,540,906.27 | 73             | 54,107,966.10           | 14                        | 345,432,940.17 | 643,517,728.97    | 91             | 68,680,755.73           | 11                        | 574,836,973.24 |
| Total  | 555,448,325.96 | 100            | 61,057,811.03           | 11                        | 494,390,514.93 | 709,010,140.86    | 100            | 89,284,999.25           | 13                        | 619,725,141.61 |

Accrued provision for bad debts by individual item:

√ Applicable □ Not applicable

In CNY

| Company                               | Ending balance |                         |                   |                              |
|---------------------------------------|----------------|-------------------------|-------------------|------------------------------|
|                                       | Book balance   | Provision for bad debts | Accrual ratio (%) | Reason for accrual           |
| Suning Logistics (Shenzhen) Co., Ltd. | 3,432,000.00   | 3,432,000.00            | 100               | Expected to be uncollectible |
| CONVEYROLL,S.A.DEC.V.                 | 1,590,859.41   | 1,590,859.41            | 100               | Expected to be uncollectible |
| ZTO ASIA PTE. LTD.                    | 1,500,000.00   | 1,500,000.00            | 100               | Expected to be uncollectible |
| Tian Tian Express Co., Ltd.           | 426,985.52     | 426,985.52              | 100               | Expected to be uncollectible |
| Total                                 | 6,949,844.93   | 6,949,844.93            | 100               | /                            |

Notes to accrued provision for bad debts by individual item

□ Applicable √ Not applicable

Accrued provision for bad debts by portfolio:

√ Applicable □ Not applicable

Portfolio accrual item: accounts receivable

In CNY

| Company                                  | Ending balance      |                         |                   |
|--|---------------------|-------------------------|-------------------|
|  | Accounts receivable | Provision for bad debts | Accrual ratio (%) |
| Portfolio 1: Affiliates within the Group | 148,957,574.76      | -                       | -                 |

|                              |                |               |    |
|------------------------------|----------------|---------------|----|
| Portfolio 2: Other customers | 399,540,906.27 | 54,107,966.10 | 14 |
| Total                        | 548,498,481.03 | 54,107,966.10 | 10 |

Notes to accrued provision for bad debts by portfolio

☒ Applicable ☐ Not applicable

According to the nature and credit length of customers, the Company divides accounts receivable into the portfolios: affiliates within the Group and other customers, subject to different expected credit loss rates, respectively. The Company holds that the portfolio of affiliates within the Group has no significant risk, and no provision for bad debts is accrued.

The Company always measures the provision for impairment of accounts receivable in accordance with the amount equivalent to the expected credit loss in the duration, and calculates its expected credit loss based on the comparison table between overdue days and default loss rate. Based on the historical experience of the Company, there is no significant difference between different customer segments except related parties within the Group. Therefore, the customer segments are not further distinguished (except affiliates within the Group) in the calculation of the provision for bad debts.

Accrued provision for bad debts by the general model of expected credit loss

☐ Applicable ☒ Not applicable

Classification basis in different stages and accrual ratio of provision for bad debts

None

Notes to significant changes in the book balance of accounts receivable whose loss provision changes in the current period

☐ Applicable ☒ Not applicable

### (3). Provision for bad debts

☒ Applicable ☐ Not applicable

| Category   | Beginning balance | Amount of change in the current period |                               |                      |               | In CNY         |
|--|-------------------|--|-------------------------------|----------------------|---------------|----------------|
|  |                   | Accrual                                | Recovered or transferred back | Write-off/Charge-off | Other changes | Ending balance |
| Accrued provision for bad debts by individual item | 20,604,243.52     | 1,778,359.41                           | 14,002,640.00                 | 1,430,118.00         | -             | 6,949,844.93   |
| Accrued provision for bad debts by portfolio       | 68,680,755.73     | 33,022,661.95                          | 47,595,451.58                 | -                    | -             | 54,107,966.10  |
| Total  | 89,284,999.25     | 34,801,021.36                          | 61,598,091.58                 | 1,430,118.00         | -             | 61,057,811.03  |

The significant amounts recovered or transferred back for provision for bad debts in the current period:

☐ Applicable ☒ Not applicable

Other notes

None

### (4). Accounts receivable actually written off in the current period

☒ Applicable ☐ Not applicable

| Item                                     | Written-off amount | In CNY       |
|--|--------------------|--------------|
| Accounts receivable actually written off |                    | 1,430,118.00 |

Write-off of significant accounts receivable

☐ Applicable ☒ Not applicable

**(5). Accounts receivable and contract assets of the top 5 companies in terms of ending balance collected by debtor**

☒ Applicable ☐ Not applicable

In CNY

| Company              | Ending balance of accounts receivable | Ending balance of contract assets | Ending balance of accounts receivable and contract Assets | Proportion in the total ending balance of accounts receivable and contract assets (%) | Ending balance of provision for bad debts |
|----------------------|---------------------------------------|-----------------------------------|---|---|---|
| Shanghai Zhongtongji | 58,908,739.55                         | 58,479,604.55                     | 117,388,344.10  | 15  | 6,268,942.55                              |
| Wayzim Hangzhou      | 21,734,609.81                         | 34,583,634.60                     | 56,318,244.41   | 7   | 6,168,895.83                              |
| Wayzim Russia        | 33,185,019.98                         | -                                 | 33,185,019.98   | 4   | -   |
| Wayzim Anhui         | 29,889,472.29                         | -                                 | 29,889,472.29   | 4   | -   |
| Intelligent Sensing  | 27,789,257.02                         | -                                 | 27,789,257.02   | 3   | -   |
| Total                | 171,507,098.65                        | 93,063,239.15                     | 264,570,337.80  | 33  | 12,437,838.38                             |

Other notes

None

Other notes:

☐ Applicable ☒ Not applicable

**2. Other accounts receivable**

**Items**

☒ Applicable ☐ Not applicable

In CNY

| Item                           | Ending balance | Beginning balance |
|--------------------------------|----------------|-------------------|
| Interests receivable           | 17,563,777.80  | 12,236,523.65     |
| Dividends receivable           |                |                   |
| Other accounts receivable      | 472,948,430.11 | 450,988,221.26    |
| Minus: Provision for bad debts | 2,976,678.64   | 1,501,414.78      |
| Total                          | 487,535,529.27 | 461,723,330.13    |

Other notes:

☐ Applicable ☒ Not applicable

**Interests receivable****(1). Classification of interests receivable**

☒ Applicable ☐ Not applicable

In CNY

| Item                  | Ending balance | Beginning balance |
|-----------------------|----------------|-------------------|
| Loans to subsidiaries | 17,563,777.80  | 12,236,523.65     |
| Total                 | 17,563,777.80  | 12,236,523.65     |

**(2). Material overdue interests**

☐ Applicable ☒ Not applicable

**(3). Disclosure by provision for bad debts**

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by individual item:

☐ Applicable ☒ Not applicable

Note to accrued provision for bad debts by individual item:

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by portfolio:

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by the general model of expected credit loss

☐ Applicable ☒ Not applicable

Classification basis in different stages and accrual ratio of provision for bad debts

None

Notes to significant changes in the book balance of interests receivable whose loss provision changes in the current period

☐ Applicable ☒ Not applicable

**(4). Provision for bad debts**

☐ Applicable ☒ Not applicable

The significant amounts recovered or transferred back for provision for bad debts in the current period:

☐ Applicable ☒ Not applicable

Other notes:

None

**(5). Interest receivable actually written off in the current period**

☐ Applicable ☒ Not applicable

Write-off of significant interest receivable:

☐ Applicable ☒ Not applicable

Notes to the write-off:

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

**Dividends receivable**

**(6). Dividends receivable**

☐ Applicable ☒ Not applicable

**(7). Significant dividends receivable with aging over one year**

☐ Applicable ☒ Not applicable

**(8). Disclosure by provision for bad debts**

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by individual item:

☐ Applicable ☒ Not applicable

Note to accrued provision for bad debts by individual item:

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by portfolio:

☐ Applicable ☒ Not applicable

Accrued provision for bad debts by the general model of expected credit loss

☐ Applicable ☒ Not applicable

Classification basis in different stages and accrual ratio of provision for bad debts

None

Notes to significant changes in the book balance of dividends receivable whose loss provision changes in the current period

☐ Applicable ☒ Not applicable

**(9). Provision for bad debts**

☐ Applicable ☒ Not applicable

The significant amounts recovered or transferred back for provision for bad debts in the current period:

☐ Applicable ☒ Not applicable

Other notes:

None

**(10). Dividend receivable actually written off in the current period**

☐ Applicable ☒ Not applicable

Write-off of significant dividends receivable:

☐ Applicable ☒ Not applicable

Notes to the write-off:

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable



**Other accounts receivable****(11). Disclosure by aging**√ Applicable ☐ Not applicable

In CNY

| Aging                               | Ending book balance | Beginning book balance |
|-------------------------------------|---------------------|------------------------|
| Within 1 year                       |                     |                        |
| Including: Within 1 year (itemized) |                     |                        |
| Within 1 year                       | 136,695,198.54      | 461,191,905.89         |
|                                     |                     |                        |
| Subtotal for aging within one year  | 136,695,198.54      | 461,191,905.89         |
| 1–2 years                           | 311,086,920.55      | 1,565,516.50           |
| 2–3 years                           | 42,430,077.50       | 175,311.20             |
| More than 3 years                   | 300,011.32          | 292,011.32             |
| Minus: Provision for bad debts      | 2,976,678.64        | 1,501,414.78           |
| Total                               | 487,535,529.27      | 461,723,330.13         |

**(12). Classification by payment nature**√ Applicable ☐ Not applicable

In CNY

| Nature of payment              | Ending book balance | Beginning book balance |
|--------------------------------|---------------------|------------------------|
| Amounts due from subsidiaries  | 460,986,474.96      | 448,150,047.89         |
| Bid and project security       | 18,266,168.91       | 10,121,879.78          |
| Petty cash for employees       | 107,117.11          | 26,976.14              |
| Others                         | 11,152,446.93       | 4,925,841.10           |
| Sub-total                      | 490,512,207.91      | 463,224,744.91         |
| Minus: Provision for bad debts | 2,976,678.64        | 1,501,414.78           |
| Total                          | 487,535,529.27      | 461,723,330.13         |

**(13). Accrual of provision for bad debts**√ Applicable ☐ Not applicable

In CNY

| Provision for bad debts                          | Stage I                                    | Stage II  | Stage III   | Total        |
|--|--|---|---|--------------|
|  | Expected credit loss in the next 12 months | Expected credit loss over the entire duration (without credit impairment) | Expected credit loss for the entire duration (with credit impairment) |              |
| Balance as of January 01, 2024                   | 1,499,414.78                               | -   | 2,000.00  | 1,501,414.78 |
| Balance on January 1, 2024 in the current period |  |   |   |              |
| Transferred to Stage II                          |  |   |   |              |
| Transferred to Stage III                         |  |   |   |              |
| Transferred back to Stage II                     |  |   |   |              |
| Transferred back to Stage I                      |  |   |   |              |
| Accrual in the current period                    | 1,765,288.32                               | -   | -   | 1,765,288.32 |
| Transferred back                                 | 78,560.00                                  | -   |   | 78,560.00    |

|                                  |              |   |          |              |
|----------------------------------|--------------|---|----------|--------------|
| in the current period            |              |   |          |              |
| Write-off in the current period  |              |   | 2,000.00 | 2,000.00     |
| Charge-off in the current period |              |   |          |              |
| Other changes                    | -209,464.46  | - | -        | -209,464.46  |
| Balance as of December 31, 2024  | 2,976,678.64 | - | -        | 2,976,678.64 |

Classification basis in different stages and accrual ratio of provision for bad debts

As of December 31, 2024, the Company has no other accounts receivable in Stages II and III. The analysis of other accounts receivable in Stage I is as follows:

(a) Other accounts receivable of the portfolio accrued provision for bad debts are all in Stage I. The analysis is as follows:

Portfolio 1: Affiliates within the Group

In CNY

| Item              | Balance at the end of the year |                         |   |
|-------------------|--------------------------------|-------------------------|---|
|                   | Book balance                   | Provision for bad debts | Expected credit loss rate within the next 12 months (%) |
| Within 1 year     | 89,039,637.34                  | -                       | -   |
| 1-2 years         | 371,946,837.62                 | -                       | -   |
| 2-3 years         | -                              | -                       | -   |
| More than 3 years | -                              | -                       | -   |
| Total             | 460,986,474.96                 | -                       | -   |

Portfolio 2: Other counterparties

In CNY

| Item              | Balance at the end of the year |                         |   |
|-------------------|--------------------------------|-------------------------|---|
|                   | Book balance                   | Provision for bad debts | Expected credit loss rate within the next 12 months (%) |
| Within 1 year     | 25,424,815.22                  | 1,315,130.76            | 5   |
| 1-2 years         | 2,694,583.28                   | 808,374.99              | 30  |
| 2-3 years         | 1,106,323.13                   | 553,161.57              | 50  |
| More than 3 years | 300,011.32                     | 300,011.32              | 100   |
| Total             | 29,525,732.95                  | 2,976,678.64            | /   |

Notes to significant changes in the book balance of other accounts receivable whose loss provision changes in the current period

☐ Applicable ☒ Not applicable

The basis for the provision for bad debts of the current period and evaluation on a significant increase in the credit risk of financial instruments is as follows:

☐ Applicable ☒ Not applicable

**(14). Provision for bad debts**

☒ Applicable ☐ Not applicable

In CNY

| Category   | Beginning balance | Amount of change in the current period |                               |                      |               | Ending balance |
|--|-------------------|--|-------------------------------|----------------------|---------------|----------------|
|  |                   | Accrual                                | Recovered or transferred back | Write-off/Charge-off | Other changes |                |
| Accrued provision for bad debts by individual item | 2,000.00          | -                                      | -                             | 2,000.00             | -             | -              |
| Accrued provision for bad debts by portfolio       | 1,499,414.78      | 1,765,288.32                           | 78,560.00                     | -                    | -209,464.46   | 2,976,678.64   |
| Total  | 1,501,414.78      | 1,765,288.32                           | 78,560.00                     | 2,000.00             | -209,464.46   | 2,976,678.64   |

The significant amounts recovered or transferred back for provision for bad debts in the current period:

☐ Applicable ☒ Not applicable

Other notes

None

**(15). Other accounts receivable actually written off in the current period**

☐ Applicable ☒ Not applicable

Details of significant write-off of other accounts receivable:

☐ Applicable ☒ Not applicable

Notes to write-off of other accounts receivable:

☐ Applicable ☒ Not applicable

**(16). Other accounts receivable of the top 5 companies in terms of ending balance collected by debtor**

☒ Applicable ☐ Not applicable

In CNY

| Company             | Ending balance | Proportion in the total ending balance of other receivables (%) | Nature of payment        | Aging                             | Provision for bad debts Ending balance |
|---------------------|----------------|---|--------------------------|-----------------------------------|--|
| Intelligent Sensing | 261,415,615.72 | 53.29   | Borrowings by affiliates | Within 1 year/1–2 years/2–3 years | -                                      |
| Wayzim Anhui        | 125,296,533.15 | 25.54   | Borrowings by affiliates | Within 1 year/1–2 years/2–3 years | -                                      |
| Zhitong Intelligent | 26,520,000.00  | 5.41  | Borrowings by affiliates | Within 1 year/1–2 years/2–3 years | -                                      |
| Wayzim R&D          | 11,217,071.93  | 2.29  | Borrowings by affiliates | Within 1 year                     | -                                      |
| Wayzim Jiangxi      | 8,000,000.00   | 1.63  | Borrowings by affiliates | Within 1 year                     | -                                      |
| Total               | 432,449,220.80 | 88.16   | /                        | /                                 | -                                      |

**(17). Other accounts receivable that are presented due to the centralized management of funds**

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

### 3. Long-term equity investments

☒ Applicable ☐ Not applicable

In CNY

| Item                       | Ending balance |                          |                | Beginning balance |                          |                |
|----------------------------|----------------|--------------------------|----------------|-------------------|--------------------------|----------------|
|                            | Book balance   | Provision for impairment | Book value     | Book balance      | Provision for impairment | Book value     |
| Investment in subsidiaries | 502,480,693.30 | -                        | 502,480,693.30 | 429,884,929.59    | -                        | 429,884,929.59 |
| Total                      | 502,480,693.30 | -                        | 502,480,693.30 | 429,884,929.59    | -                        | 429,884,929.59 |

#### (1). Investment in subsidiaries

☒ Applicable ☐ Not applicable

In CNY

| Investee             | Beginning balance (book value) | Beginning balance of provision for impairment | Changes in the current period |                    |                                  |        | Ending balance (book value) | Ending balance of provision for impairment |
|----------------------|--------------------------------|---|-------------------------------|--------------------|----------------------------------|--------|-----------------------------|--|
|                      |                                |   | Additional investment         | Reduced investment | Provision for impairment accrued | Others |                             |  |
| Wayzim Anhui         | 10,000,000.00                  |   | -                             |                    |                                  |        | 10,000,000.00               |  |
| Wayzim R&D           | 87,261,664.74                  |   | 6,525,895.67                  |                    |                                  |        | 93,787,560.41               |  |
| Zhongke Guanwei      | 22,093,300.00                  |   | -                             |                    |                                  |        | 22,093,300.00               |  |
| Wayzim Guangdong     | 45,800,000.00                  |   | 2,600,000.00                  |                    |                                  |        | 48,400,000.00               |  |
| Zhitong Intelligent  | 1,170,000.00                   |   | 200,000.00                    |                    |                                  |        | 1,370,000.00                |  |
| Intelligent Sensing  | 100,000,000.00                 |   | -                             |                    |                                  |        | 100,000,000.00              |  |
| Wayzim Chengdu       | 49,300,000.00                  |   | 758,995.96                    |                    |                                  |        | 50,058,995.96               |  |
| Wayzim Jiangxi       | 100,000,000.00                 |   | -                             |                    |                                  |        | 100,000,000.00              |  |
| Jiangsu Power        | 5,000.00                       |   | -                             |                    |                                  |        | 5,000.00                    |  |
| Weizhizhi Automation | 7,115,033.07                   |   | 6,733,025.31                  |                    |                                  |        | 13,848,058.38               |  |
| Wayzim Singapore     | 7,139,931.78                   |   | 55,277,846.77                 |                    |                                  |        | 62,417,778.55               |  |
| Zhejiang Equipment   | -                              |   | 500,000.00                    |                    |                                  |        | 500,000.00                  |  |
| Total                | 429,884,929.59                 |   | 72,595,763.71                 |                    |                                  |        | 502,480,693.30              |  |

#### (2). Investment in associates and joint ventures

☐ Applicable ☒ Not applicable

#### (3). Impairment testing of long-term equity investments

☐ Applicable ☒ Not applicable

Other notes:

None

**4. Operating revenue and operating costs****(1). Operating revenue and operating costs**

√ Applicable □ Not applicable

In CNY

| Item             | Current amount incurred |                  | Prior amount incurred |                  |
|------------------|-------------------------|------------------|-----------------------|------------------|
|                  | Revenue                 | Cost             | Revenue               | Cost             |
| Main business    | 2,366,218,061.11        | 1,953,837,016.06 | 1,875,779,326.26      | 1,551,631,870.98 |
| Other businesses | 110,515,599.08          | 74,759,993.07    | 89,902,073.44         | 62,392,343.45    |
| Total            | 2,476,733,660.19        | 2,028,597,009.13 | 1,965,681,399.70      | 1,614,024,214.43 |

**(2). Breakdown information of operating revenue and operating costs**

√ Applicable □ Not applicable

In CNY

| Classification of contracts                    | Total             |                  |
|--|-------------------|------------------|
|  | Operating revenue | Operating cost   |
| By business region                             |                   |                  |
| Chinese Mainland                               | 2,134,598,563.44  | 1,757,533,180.65 |
| Others   | 338,062,687.91    | 269,212,567.36   |
| Contract type                                  |                   |                  |
| –Sales of total integrated sorting systems     | 1,474,309,179.65  | 1,178,786,434.24 |
| –Sales of cross belt sorting systems           | 450,952,302.47    | 391,245,623.67   |
| –Sales of large-parcel sorting systems         | 125,878,193.73    | 101,060,862.09   |
| –Sales of Narrow Belt Sorters                  | 93,549,304.53     | 88,293,910.74    |
| –Sales of the intelligent warehouse system     | 86,480,542.93     | 65,604,606.19    |
| –Sales of dynamic DWSs                         | 23,769,291.84     | 21,310,885.05    |
| –Sales of 2D Bulk Flow Singulators             | 43,873,996.93     | 39,811,982.05    |
| –Sales of conveying equipment                  | 49,610,092.65     | 53,986,019.61    |
| –Sales of other equipment                      | 17,795,156.38     | 13,736,692.42    |
| Revenue from sales of accessories              | 94,000,597.42     | 69,687,072.53    |
| Revenue from rendering labor services          | 11,353,323.97     | 3,012,101.73     |
| Revenue from the technical service fee         | 1,089,268.85      | 209,557.69       |
| By the time of the transfer of goods           |                   |                  |
| Revenue recognition at a certain point of time | 2,470,627,587.84  | 2,026,745,729.61 |
| Revenue recognition over a period of time      | 2,033,663.51      | 18.40            |
| Total  | 2,472,661,251.35  | 2,026,745,748.01 |

Other notes

□ Applicable √ Not applicable

**(3). Performance obligations**

□ Applicable √ Not applicable

**(4). Apportionment to remaining performance obligations**

☐ Applicable ☒ Not applicable

**(5). Significant contract modifications or significant adjustments to transaction prices**

☐ Applicable ☒ Not applicable

Other notes:

In 2024, the operating revenue of the Company included CNY 4,072,408.84 of rental income not generated by contracts.

**5. Gains on investment**

☒ Applicable ☐ Not applicable

In CNY

| Item   | Current amount incurred | Prior amount incurred |
|--|-------------------------|-----------------------|
| Dividend income from other equity instrument investments during the holding period | 1,614,028.14            |                       |
| Gains on investment from the disposal of trading financial assets                  | 1,941,075.75            | 3,754,385.42          |
| Total  | 3,555,103.89            | 3,754,385.42          |

Other notes:

None

**6. Others**

☐ Applicable ☒ Not applicable

**XX. Supplementary Information****1. Statement of non-recurring profits or losses in the current period**

☒ Applicable ☐ Not applicable

In CNY

| Item   | Amount        | Remarks                  |
|--|---------------|--------------------------|
| Profit and loss on the disposal of non-current assets, including the write-off of the previously recognized provision for impairment of assets   | -2,409,177.31 | Listed by pre-tax amount |
| Government subsidies recognized in the current profit and loss, excluding those closely related to the Company's normal business operations, in compliance with the national policies, enjoyed in accordance with the specified criteria, and have a continuous impact on the Company's profit and loss                                      | 24,039,726.75 | Listed by pre-tax amount |
| In addition to effective hedging businesses related to the normal operation businesses of the Company, profits and losses from changes in the fair value of the financial assets and financial liabilities held by non-financial enterprises, as well as profits and losses from the disposal of financial assets and financial liabilities. | 23,053,503.97 | Listed by pre-tax amount |
| Fund possession cost recorded in the current profit and loss charged to non-financial  |               |                          |

|   |               |                          |
|---|---------------|--------------------------|
| companies   |               |                          |
| Profits and losses from entrusting others with investment or asset management   |               |                          |
| Profits and losses from externally entrusted loans  |               |                          |
| Asset losses due to force majeure, including natural disasters  |               |                          |
| Return from receivables impairment provisions tested with impairment solely   | 14,002,640.00 | Listed by pre-tax amount |
| Income generated since the investment cost for acquiring investments in subsidiaries, associates, or joint ventures is less than the fair value of the share in the recognizable net asset of the investee when the investment is conducted |               |                          |
| Current net profits/losses of a subsidiary established by business combination under common control from the beginning of the period to the date of combination   |               |                          |
| Profits/losses from non-monetary assets exchange  |               |                          |
| Profits and losses related to debt restructuring  |               |                          |
| The Company's one-time expenses due to the discontinuation of related businesses, including expenses for employee resettlement  |               |                          |
| One-time impact on the current profit and loss due to adjustments in tax, accounting, and other laws and regulations  |               |                          |
| One-time share-based payment expenses due to the cancellation or modification of the Equity Incentive Plan  |               |                          |
| Profits and losses generated by the fair value changes of payrolls payable for shares settled in cash after the exercisable date.   |               |                          |
| Profits and losses from changes in the fair value of investing real estate, of which the subsequent measurement is carried out by adopting the fair value method  |               |                          |
| Income from trades with significantly unfair prices   |               |                          |
| Profits and losses from contingencies irrelevant to the normal operations of the Company  |               |                          |
| Income from entrusted custody operation   |               |                          |
| Other non-operating income and expenditure, except for the aforementioned items   | -759,913.22   | Listed by pre-tax amount |
| Other profit and loss items conforming to the definition of non-recurring profits and losses  |               |                          |
| Minus: Affected amount of income tax  | 9,967,500.71  |                          |
| Amount of affected minority interests (after tax)   |               |                          |
| Total   | 47,959,279.48 |                          |

If an item that is not listed in the *No. 1 Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public—Non-recurring Profits and Losses* is identified as non-recurring profits and losses and the amount is significant, or if non-recurring profits and losses listed in the *No. 1 Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public—Non-recurring Profits and Losses* are classified as recurring profits and losses, the causes should be detailed.

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

## 2. Rate of return on equity and earnings per share (EPS)

☒ Applicable ☐ Not applicable

| Profit within the reporting period   | Weighted average return on equity (%) | Earnings per share       |                            |
|--|---------------------------------------|--------------------------|----------------------------|
|  |                                       | Basic earnings per share | Diluted earnings per share |
| Net profit attributable to common shareholders of the Company  | -2.36                                 | -0.67                    | -0.66                      |
| Net profits attributable to common shareholders of the Company after deducting non-recurring profits or losses | -3.70                                 | -1.04                    | -1.04                      |

## 3. Differences in accounting data under Chinese and international accounting standards

☐ Applicable ☒ Not applicable

## 4. Others

☐ Applicable ☒ Not applicable

Chairman: Li Gongyan

Submission date approved by the Board of Directors: April 21, 2025

## Revision information

☐ Applicable ☒ Not applicable