

Wafangdian bearing Co., LTD

Announcement on the Profit Distribution Plan for 2024

Our company, the whole members of the board of directors and top managements ensured the truth, accuracy, completeness, no false record, misleading statement and fatal omit of the announcement.

I. Review Procedure

Wafangdian Bearing Co., LTD. (hereinafter referred to as the "Company") held the 16th meeting of the 9th Board of Directors and the 10th meeting of the 9th Board of Supervisors on April 25, 2025, and deliberated and approved the "Profit Distribution Plan for 2024". This proposal still needs to be submitted to the Company's 2024 shareholders' meeting for review.

II. Basic Information on the 2024 Profit Distribution Plan

According to the audit of Lixin Certified Public Accountants (Special General Partnership), the net profit attributable to shareholders of the parent company of the company for the year 2024 was -110,212,481.53 yuan, plus the undistributed profit at the beginning of the year of -656,170,250.96 yuan, and the distributable profit was -766,382,732.49 yuan. The legal surplus reserve was 0 yuan, the total profit available for distribution to shareholders was 0 yuan, the cash dividend distributed to shareholders for the year 2023 was reduced by 0 yuan, and the undistributed profit at the end of the period was -766,382,732.49 yuan.

Given that the company's distributable profit for 2024 is negative, considering the company's actual situation and operational needs, the board of directors agrees that the profit distribution plan for 2024 is as follows: In 2024, the company will not distribute dividends or bonuses, will not issue bonus shares, and will not increase share capital by transferring reserve funds. The current profit distribution plan still needs to be submitted to the company's 2024 annual shareholders' meeting for review.

III. Specific Details of the cash dividend plan

(1) The profit distribution plan for 2024 does not trigger any other risk warnings

Project	2024	2023	2022
Total cash dividend (yuan)	0	0	0
Total amount of repurchase and cancellation (yuan)	0	0	0
Net profit attributable to shareholders	-110,212,481.	-99,478,5	-139,897,498.8

of the listed company (yuan)	53	93.08	7
Consolidated financial statements: Accumulated undistributed profits at the end of the current year (yuan)	-766,382,732.49		
The parent company's statement: Accumulated undistributed profits at the end of the current year (yuan)	-495,179,558.47		
Whether it has been listed for three consecutive years	Yes		
Total cumulative cash dividends in the last three fiscal years (yuan)	0		
Total repurchase and cancellation in the last three fiscal years (yuan)	0		
Average net profit of the last three fiscal years (yuan)	-116,529,524.49		
Total cumulative cash dividends and buyback cancellation in the last three fiscal years (yuan)	0		
Whether it touches the circumstances specified in Article 9.8.1 (9) of the Stock Listing Rules that may be subject to other risk warnings	No		

## (II) Explanation of the rationality of the cash dividend plan

The relevant provisions on profit distribution in the Company's Articles of Association are as follows: Conditions for cash dividends: 1. The distributable profits realized by the company in that year were positive and the cash flow was abundant. Implementing cash dividends will not affect the company's subsequent continuous operation. 2. The auditing institution issues a standard unqualified opinion on the company's financial report for that year. 3. The company has no major investment plans or significant cash expenditures, etc. (except for fundraising projects). Major investment plans or major cash expenditures refer to any of the following circumstances: (1) The cumulative expenditures of the company on external investments, asset acquisitions or equipment purchases, etc. within the next twelve months reach or exceed 50% of the company's latest

audited net assets. (2) The accumulated expenditures of the company on external investment, asset acquisition or equipment purchase, etc. within the next twelve months reach or exceed 30% of the company's latest audited total assets.

The cumulative undistributed profit at the end of the consolidated financial statements of the company for the year 2024 was -766,382,732.49 yuan, and the cumulative undistributed profit at the end of the financial statements of the parent company was -495,179,558.47 yuan, which did not meet the profit distribution conditions stipulated in the Company's Articles of Association.

This profit distribution plan takes into account the company's business losses, development capital needs, and to ensure the company's continuous and stable operation and better protect the long-term interests of all shareholders, the company plans not to conduct profit distribution, not to issue bonus shares, and not to increase share capital by capital reserve in 2024. It complies with the relevant provisions of the Company Law, the Stock Listing Rules of the Shenzhen Stock Exchange, the Regulatory Guidelines for Listed Companies No. 3 - Cash Dividends of Listed Companies, and the Company's Articles of Association.

#### **Iv. Reference Documents**

- 1.Resolution of the 16th Meeting of the 9th Board of Directors
- 2.Resolution of the 10th Meeting of the 9th Supervisory Board.

**Hereby notify**

**Board of directors of**

**Wafangdian bearing Company limited**

**April 28, 2025**