

## Wafangdian Bearing Co., LTD

### Announcement on the Profit Distribution Plan for 2025

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 5th meeting of the 10th Board of Directors on April 24, 2025, and deliberated and approved the "Profit Distribution Plan for 2025". This proposal still needs to be submitted to the Company's 2025 shareholders' meeting for review.

#### II. The basic situation of the profit distribution and capital reserve fund conversion into share capital plan

According to the audit conducted by Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership), the net profit attributable to the parent company's shareholders for the year 2025 was -58,093,066.41 yuan. Adding the beginning undistributed profits of -766,382,732.49 yuan, the distributable profit was -824,475,798.90 yuan. No legal surplus reserve was extracted. The total distributable profit for shareholders was 0 yuan. After paying the cash dividends distributed to shareholders in 2024 of 0 yuan, the undistributed profit at the end of the year was -824,475,798.90 yuan.

Given that the distributable profit for the company in 2025 was negative, considering the actual situation of the company and its operational needs, the board of directors agreed on the 2025 profit distribution plan as follows: In 2025, the company will not distribute dividends, will not issue bonus shares, and will not convert the accumulated surplus reserve into share capital.

#### III. Specific Details of the cash dividend plan

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

Project	2025	2024	2023
Total cash dividend (yuan)	0	0	0
Total amount of repurchase and cancellation (yuan)	0	0	0

Net profit attributable to shareholders of the listed company (yuan)	-58,093,066.41	-110,212,481.53	-99,478,593.08
Consolidated financial statements: Accumulated undistributed profits at the end of the current year (yuan)	-824,475,798.90		
The parent company's statement: Accumulated undistributed profits at the end of the current year (yuan)	-551,829,520.90		
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)	-89,261,380.34		
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		

## (2) 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 2025 was -824,475,798.90 yuan, and the cumulative undistributed profit at the end of the financial statements of the parent company was -551,829,520.90 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 5th Meeting of the 10th Board of Directors

**Hereby notify**

**Board of directors of**

**Wafangdian bearing Company limited**

**April 27, 2026**