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北京京城機電股份有限公司

Beijing Jingcheng Machinery Electric Company Limited

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0187)

ANNOUNCEMENT ON 2025 ANNUAL RESULTS

The board of directors (the “**Board**”) of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) hereby announces that the audited preliminary consolidated results for the year ended 31 December 2025 (the “**Reporting Period**”) prepared by the Company and its subsidiaries (the “**Group**”) in accordance with the China Accounting Standards for Business Enterprises are as follows:

I. FINANCIAL DATA

(All amounts are stated in RMB Yuan unless otherwise stated)

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan Currency: RMB

Item	Note	31 December 2025	31 December 2024
Current assets:			
Cash at bank and on hand		622,657,705.19	482,988,509.97
Settlement reserve			
Loans to banks and other financial institutions			
Financial assets held for trading			
Derivative financial assets			
Notes receivable		26,051,969.37	14,048,892.34
Accounts receivable		589,525,344.17	499,865,493.32
Receivable financing		9,328,872.99	17,738,416.42
Advances to suppliers		31,566,310.63	44,784,447.17
Premiums receivable			

Item	Note	31 December 2025	31 December 2024
Reinsurance premium receivable			
Reinsurance contract reserves receivable			
Other receivables		6,837,130.59	3,253,586.63
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under agreements to resell			
Inventories		271,035,734.10	322,798,726.80
Including: Data resources			
Contractual assets		30,646,907.15	17,727,137.20
Assets held for sale			
Non-current assets due within one year			
Other current assets		<u>33,482,602.95</u>	<u>66,859,038.79</u>
Total current assets		<u>1,621,132,577.14</u>	<u>1,470,064,248.64</u>
Non-current assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		112,106,835.13	113,338,773.49
Investments in other equity instruments			
Other non-current financial assets			
Investment properties			
Fixed assets		846,943,355.65	603,611,099.03
Construction in progress		14,754,194.27	280,234,944.36
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		171,039,349.61	184,732,895.25
Intangible assets		162,678,164.43	173,323,950.09
Including: Data resources			
Development expenditures			
Including: Data resources			
Goodwill		168,996,039.10	168,996,039.10
Long-term deferred expenses		14,066,067.60	11,538,542.98
Deferred income tax assets		16,855,655.86	62,473,777.37
Other non-current assets		<u>4,918,574.34</u>	<u>18,299,049.58</u>
Total non-current assets		<u>1,512,358,235.99</u>	<u>1,616,549,071.25</u>
Total assets		<u>3,133,490,813.13</u>	<u>3,086,613,319.89</u>

Item	Note	31 December 2025	31 December 2024
Current liabilities:			
Short-term borrowings		180,000,000.00	230,000,000.00
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		114,056,555.05	116,344,018.02
Accounts payable		345,108,522.50	395,135,400.60
Advances from customers			
Contractual liabilities		52,183,269.47	65,835,225.59
Financial assets sold under agreements to repurchase			
Deposits and placements from other financial institutions			
Securities brokering			
Securities underwriting			
Employee benefits payable		35,607,575.26	37,221,250.27
Taxes payable		17,357,397.31	17,922,431.27
Other payables		34,513,428.48	69,177,703.97
Including: Interest payable			
Dividends payable			
Handling charges and commissions payable			
Reinsurance amounts payable			
Liabilities held for sale			
Non-current liabilities due within one year		20,158,264.58	15,578,997.72
Other current liabilities		21,732,565.26	14,537,663.61
Total current liabilities		<u>820,717,577.91</u>	<u>961,752,691.05</u>

Item	Note	31 December 2025	31 December 2024
Non-current liabilities:			
Reserve of insurance contract			
Long-term borrowings		151,594,466.85	133,350,000.00
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		207,696,873.72	220,087,249.70
Long-term payables		543,207,700.00	253,207,700.00
Long-term employee benefits payable		35,047,602.43	33,131,627.97
Estimated liabilities		11,324,097.72	7,986,099.32
Deferred income		12,196,070.50	13,453,008.53
Deferred income tax liabilities		4,471,217.03	51,487,703.77
Other non-current liabilities			
Total non-current liabilities		<u>965,538,028.25</u>	<u>712,703,389.29</u>
Total liabilities		<u><u>1,786,255,606.16</u></u>	<u><u>1,674,456,080.34</u></u>
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		547,485,988.00	547,665,988.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		1,022,910,641.69	1,195,306,532.75
Less: Treasury stocks			
Other comprehensive income		2,613,676.09	4,172,992.51
Special reserves		2,276,474.67	1,222,044.23
Surplus reserves		45,665,647.68	45,665,647.68
Provisions for general risk			
Undistributed profit		-763,507,523.54	-709,876,579.95
Total owners' equity (or shareholders' equity) attributable to the parent company		<u>857,444,904.59</u>	<u>1,084,156,625.22</u>
Minority interest		<u>489,790,302.38</u>	<u>328,000,614.33</u>
Total owners' equity (or shareholders' equity)		<u><u>1,347,235,206.97</u></u>	<u><u>1,412,157,239.55</u></u>
Total liabilities and owners' equity (or shareholders' equity)		<u><u>3,133,490,813.13</u></u>	<u><u>3,086,613,319.89</u></u>

Person in charge of
the Company:
Mr. Li Zhongbo

Person in charge of
accounting work:
Ms. Feng Yongmei

Person in charge of
the accounting firm:
Mr. Yang Yue

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

Prepared by: Beijing Jingcheng Machinery Electric Company Limited *Unit: Yuan Currency: RMB*

Item	<i>Note</i>	2025	2024
I. Total operating revenue		1,527,964,195.06	1,648,860,246.58
Including: Operating revenues		1,527,964,195.06	1,648,860,246.58
Interest incomes			
Earned premiums			
Handling charges and commissions incomes			
II. Total operating cost		1,561,748,666.45	1,604,664,069.62
Including: Operating cost		1,279,232,164.08	1,340,508,218.30
Interest expenses			
Fees and commissions expenses			
Cash surrender amount			
Net expenses of claim settlement			
Net provision for insurance contract reserves			
Policyholder dividend expenses			
Expenses for reinsurance accepted			
Taxes and surcharges		11,977,024.36	11,288,726.80
Selling expenses		43,241,240.13	44,335,591.91
Administrative expenses		124,329,785.87	127,786,552.09
R&D expenses		87,027,104.97	69,021,375.00
Financial expenses		15,941,347.04	11,723,605.52
Including: Interest expenses		23,034,833.97	18,115,965.90
Interest income		3,996,710.17	5,275,823.47
Add: Other earnings		17,366,111.70	12,540,134.71
Investment incomes (with “-” for losses)		-37,306,331.53	17,014,252.86
Including: Investment income from affiliated enterprises and joint ventures		-738,424.48	6,006,496.51
Derecognition income of financial asset measured at the amortized cost			
Exchange gains (with “-” for losses)			
Gains from net exposure hedges (with “-” for losses)			
Gains from changes of fair values (with “-” for losses)			

Item	Note	2025	2024
Credit impairment losses (with “-” for losses)		-8,133,979.84	-11,361,408.14
Assets impairment losses (with “-” for losses)		-42,919,206.06	-22,606,278.80
Incomes of assets disposal (with “-” for losses)		9,684,739.38	171,297.46
III. Operating profit (with “-” for losses)		-95,093,137.74	39,954,175.05
Add: Non-operating income		2,689,495.96	1,114,470.68
Less: Non-operating expenses		2,199,817.40	1,330,884.68
IV. Total profits (with “-” for total losses)		-94,603,459.18	39,737,761.05
Less: Income tax expenses		23,514,190.83	17,192,582.04
V. Net profits (with “-” for net losses)		-118,117,650.01	22,545,179.01
(I) Classified according to operating continuity			
1. Net profit from continuing operations (with “-” for net losses)		-118,117,650.01	22,545,179.01
2. Net profit from discontinued operations (with “-” for net losses)			
(II) Classified according to attribution of the ownership			
1. Net profit attributable to the parent company’s shareholders (with “-” for net losses)		-53,630,943.59	7,477,047.53
2. Profit and loss of minority interests (with “-” for net losses)		-64,486,706.42	15,068,131.48
VI. Other net comprehensive incomes after-tax		-1,724,081.74	1,194,001.93
(I) Other net after-tax comprehensive income attributable to owner of the parent company		-1,559,316.42	1,078,598.62
1. Other comprehensive income that cannot be reclassified through profit or loss			
(1) Remeasurement of changes in the defined benefit plan			
(2) Other comprehensive incomes that cannot be transferred to profit or loss under the equity method			
(3) Changes in fair value of investments in other equity instruments			
(4) Changes in fair value of the enterprise’s credit risk			

Item	Note	2025	2024
2. Other comprehensive incomes that can be reclassified into profit or loss		-1,559,316.42	1,078,598.62
(1) Other comprehensive incomes that can be transferred to profit or loss under the equity method		1,558.12	-7,990.73
(2) Change of fair value of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Credit impairment provisions for other debt investment			
(5) Reserves for cash flows hedges			
(6) Converted difference in foreign currency financial statements		-1,560,874.54	1,086,589.35
(7) Others			
(II) Net other comprehensive income attributable to minority shareholders after tax		-164,765.32	115,403.31
VII. Total comprehensive incomes		-119,841,731.75	23,739,180.94
(I) Total comprehensive incomes attributable to owners of the parent company		-55,190,260.01	8,555,646.15
(II) Total comprehensive income attributable to minority shareholders		-64,651,471.74	15,183,534.79
VIII. Earnings per share:			
(I) Basic earnings per share (Yuan per share)		-0.10	0.01
(II) Diluted earnings per share (Yuan per share)		-0.10	0.01

For a business combination under common control occurred in the current period, the net profit realized by the merged party before the combination was: RMB0; the net profit realized by the merged party in the previous period was: RMB0.

Person in charge of
the Company:
Mr. Li Zhongbo

Person in charge of
accounting work:
Ms. Feng Yongmei

Person in charge of
the accounting firm:
Mr. Yang Yue

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

I. Scope of Consolidated Financial Statements

The Company's consolidated financial statements cover Qingdao BYTQ United Digital Intelligence Co., Ltd. (“**BYTQ**”), Jingcheng Holding (Hong Kong) Co., Ltd., Beijing Tianhai Industry Co., Ltd. (“**Beijing Tianhai**” or “**Tianhai Industry**”) and its subsidiaries Tianjin Tianhai High Pressure Container Co., Ltd. (“**Tianjin Tianhai**”), Shanghai Tianhai Composite Cylinders Co., Ltd. (“**Shanghai Tianhai**”), Beijing Tianhai Hydrogen Energy Equipment Co., Ltd. (“**Hydrogen Energy Company**” or “**Tianhai Hydrogen Energy**”), Beijing Minghui Tianhai Gas Storage Equipment Sales Co., Ltd. (“**Minghui Tianhai**”), Kuancheng Tainhai Pressure Container Co., Ltd., Beijing Jingcheng Haitong Technology Culture Development Co., Ltd. (“**Jingcheng Haitong**”) and BTIC America Corporation.

II. Basis for Preparation of Financial Statements

1. Preparation basis

The Group prepared these financial statements based on transactions and events that had actually occurred in accordance with “Accounting Standards for Business Enterprises” issued by the Ministry of Finance and relevant application guidelines, interpretations and other related requirements (collectively hereinafter the “**Accounting Standards for Business Enterprises**”), the “Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares, No. 15: General Requirements for Financial Reports” (revised in 2023) of China Securities Regulatory Commission (the “**CSRC**”) and relevant rules, and relevant provisions on disclosure of the Companies Ordinance of Hong Kong and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Hong Kong Listing Rules**”).

2. Going concern

The Group has evaluated its ability to continue as a going concern for a period of twelve months from 31 December 2025, and no matters or circumstances have been identified that cast significant doubt on its ability to continue as a going concern. These financial statements are presented on a going concern basis.

III. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates indication:

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises and give a true, accurate and complete account of the financial position of the Company and the Group as at 31 December 2025 and of their operating results and cash flows for the year 2025 and other related information.

2. Accounting period

The accounting period of the Company is from 1 January to 31 December of each calendar year.

3. Business cycle

The Group treats 12 months as a dividing standard for the liquidity of assets and liabilities since the business cycle is rather short for the Group's business.

4. Recording currency

RMB is the recording currency for the Company and its subsidiaries, except for BTIC America Corporation and Jingcheng Holding (Hong Kong) Co., Ltd., which use USD as their recording currency.

5. Methodology of determining materiality standard and basis for selection

Item	Materiality standard
Significant individual receivables with provisions for bad debts	There is objective evidence that the credit risk of a single receivable has changed significantly compared with that of other receivables in its portfolio, and the amount is greater than RMB10 million
Recovery or reversal of significant bad debt provisions on receivables	Individual recovery or reversal amount accounts for more than 10% of the total amount of various types of receivables and the amount is greater than RMB10 million
Write-off of significant receivables	The amount of write-off of a single item accounts for more than 10% of the total amount of bad debt provision for various types of receivables and the amount is greater than RMB10 million
Prepayments aged over 1 year	The amount of prepayments aged over 1 year accounts for more than 10% of the total prepayments and its amount is greater than RMB10 million
Important projects under construction	The budget of a single item is greater than RMB10 million
Payables aged over 1 year	Accounts payable aged over 1 year account for more than 10% of the total accounts payable and the amount is greater than RMB10 million
Material changes in book value of contractual liabilities	Changes in the book value of contractual liabilities account for more than 10% of the balance of contractual liabilities at the beginning of the year and the amount is greater than RMB10 million
Contractual liabilities aged over 1 year	Contractual liabilities aged over 1 year account for more than 10% of the total contractual liabilities and the amount is greater than RMB10 million
Other payables aged over 1 year	The amount of other payables aged over 1 year individually accounts for more than 10% of the total amount of other payables and the amount is greater than RMB10 million

Item	Materiality standard
Significant non-wholly owned subsidiaries	Non-wholly owned subsidiaries whose revenues account for more than 10% of the Group's revenues and amount to more than RMB100 million
Significant associates and joint ventures	The book value of long-term equity investment in a single investee unit accounts for more than 5% of the Group's net assets and the amount is greater than RMB10 million, or the profit or loss of the investment under the equity method of long-term equity investment accounts for more than 10% of the Group's consolidated net profit
Significant undertakings and contingencies	The amount of a single item exceeds RMB10 million
Significant subsequent events	The amount of a single item exceeds RMB10 million

6. Accounting treatment method for business merger under common control and different control

(1) Business merger under common control

A business merger under common control is one in which all of the merging enterprises are ultimately controlled by the same party or parties both before and after the business merger, and that control is not transitory.

The assets and liabilities acquired by the Group, as the combined party, from business combination under common control should be measured based on the book value in the ultimate controlling party's consolidated statements of the combining party on the combination date. The difference between the book value of the net assets obtained and the book value of the consideration paid (or the aggregate nominal amount of the shares issued) shall be used to adjust the capital reserves; where the capital reserves are not sufficient to be offset, the retained earnings shall be adjusted.

(2) Business merger under different control

A business merger not under common control is a business merger in which all of the merging entities are not ultimately controlled by the same party or parties both before and after the business merger.

The identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the business merger not under common control are measured at fair value at the acquisition date by the Group as the acquirer. If the cost of merging is larger than the fair value of the identifiable net assets of the acquiree obtained from the combination, the difference shall be recognized as goodwill; if the cost of merging is less than the fair value of the identifiable net assets of the acquiree obtained from the combination, the fair value of various identifiable assets, liabilities and contingent liabilities obtained in business merger and the cost of merging shall be reviewed first. If, after review, the cost of merger is still less than the fair value of identifiable net assets of the acquiree obtained from the combination, the difference shall be included in the non-operating income for the current period.

7. Criteria for determining the control and preparation methods of consolidated financial statements

The scope of consolidation of the consolidated financial statements is determined based on control, including the Company and all the subsidiaries controlled by the Company. The standard for the Group to determine whether an entity is under control is when the Group has the rights to control, to variable returns from its involvement in the investee and has the ability to affect those returns through its power over the investee.

When preparing consolidated financial statements, if the accounting policy or the accounting period adopted is inconsistent between the subsidiaries and the Company, the financial statements of subsidiaries shall be adjusted according to the accounting policy or the accounting period of the Company.

The effect of all intra-group transactions between the Company and its subsidiaries and among subsidiaries on the consolidated financial statements is eliminated on consolidation. Shares in owners' equity of subsidiaries but not attributable to the parent company, shares attributable to minority interests in net profit and loss for the current period, other comprehensive income and total comprehensive income shall be respectively listed in consolidated financial statements as "minority interests, minority profit and loss of minority interests, other comprehensive income attributable to minority shareholders and total comprehensive income attributable to minority shareholders".

Operating results and cash flows of subsidiaries which are acquired by business merger under common control are included in consolidated financial statements from the beginning of the period during which the merger occurs. Upon the preparation of comparative consolidated financial statements, adjustments to relevant items in financial statements of the previous year are made as if the reporting entity resulting from the merger had existed since the point in time when the ultimate controlling party began to exercise control.

As for subsidiaries acquired by business merger under different control, operating results and cash flows shall be incorporated into consolidated financial statements from the date when the Group takes the control. In preparing consolidated financial statements, adjustments to financial statements of subsidiaries are based on the fair value of each identifiable assets, liabilities or contingent liabilities determined at the purchase date.

8. Classification of joint arrangements and accounting treatment method for joint operations

The Group's joint arrangements include joint operations and joint ventures. Joint operation refers to a joint arrangement where the joint operators have rights to the assets and assume the liabilities associated with the arrangement. Joint venture refers to a joint arrangement in which the joint venturers have rights only to the net assets of the arrangement.

For joint operations, the Group, as a joint operator in a joint operation, recognises assets and liabilities held and assumed individually and based on its share, and recognises the related revenues and expenses individually or based on its share in accordance with the relevant agreements. When a transaction occurs with a joint operation involving the purchase or sale of assets that do not constitute part of the business, only the share of the profit or loss arising from the transaction that is attributable to the other participants in the joint operation is recognised.

9. Standards for determining cash and cash equivalents

Cash shown in the cash flow statement of the Group refers to both cash on hand and the deposit held in bank available for payment at any time. Cash equivalent in the cash flow statement refers to investments with a holding period of not more than 3 months, of high liquidity, which can be easily converted to known amounts of cash and subject to insignificant risk of value changes.

10. Changes in significant accounting policy

Not applicable

Other Description:

Nil

11. Turnover*Unit: Yuan Currency: RMB*

Category of contracts	Amount in the current year		Amount in the previous year	
	Revenue	Cost	Revenue	Cost
Classification by type of goods				
Including: Gas storage and transportation product	1,166,862,071.13	1,049,336,433.10	1,277,349,944.20	1,117,317,434.21
Automatic manufacturing equipment system integration	275,635,376.07	187,824,946.33	266,466,140.26	183,364,371.14
Others	50,343,272.97	16,400,439.96	63,735,395.76	16,400,439.96
Classification by business area				
Including: Domestic	911,114,948.09	715,952,788.99	965,585,410.79	741,340,230.03
Overseas	581,725,772.08	537,609,030.40	641,966,069.43	575,742,015.28
Total	<u>1,492,840,720.17</u>	<u>1,253,561,819.39</u>	<u>1,607,551,480.22</u>	<u>1,317,082,245.31</u>

12. Taxes

Unit: Yuan Currency: RMB

Item	Amount in current year	Amount in previous year
Corporate income tax in the current year	24,912,556.06	21,367,142.71
Deferred income tax	-1,398,365.23	-4,174,560.67
Total	<u>23,514,190.83</u>	<u>17,192,582.04</u>

13. Dividend

No dividend was paid or proposed during 2025, and no dividend has been proposed since the end of the Reporting Period (2024: nil).

14. Accounts receivable

(1) Accounts receivable

Unit: Yuan Currency: RMB

Type	Book balance Amount	Closing balance Provision for bad debts Amount	Book value	Book balance Amount	Opening balance Provision for bad debts Amount	Book value
Provision for bad debts made on an individual basis	110,457,055.42	110,457,055.42	0.00	24,640,314.87	24,640,314.87	0.00
Provision for bad debts made on a collective basis	644,096,854.82	54,571,510.65	589,525,344.17	554,210,737.99	54,345,244.67	499,865,493.32
Including: Aging portfolio	<u>644,096,854.82</u>	<u>54,571,510.65</u>	<u>589,525,344.17</u>	<u>554,210,737.99</u>	<u>54,345,244.67</u>	<u>499,865,493.32</u>
Total	<u>754,553,910.24</u>	<u>165,028,566.07</u>	<u>589,525,344.17</u>	<u>578,851,052.86</u>	<u>78,985,559.54</u>	<u>499,865,493.32</u>

(2) Accounts receivable listed by age

Unit: Yuan Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	538,025,092.23	408,118,264.17
1-2 years	93,715,216.12	77,675,581.33
2-3 years	41,115,874.16	28,878,806.20
Over 3 years		
Including: 3-4 years	29,406,431.45	15,398,899.60
4-5 years	18,988,748.03	6,620,385.53
Over 5 years	<u>33,302,548.25</u>	<u>42,159,116.03</u>
Total	<u>754,553,910.24</u>	<u>578,851,052.86</u>

The aging analysis of the Group is presented based on dates of the relevant transactions.

15. Accounts payable

(1) Presentation of accounts payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Material payment, etc.	323,807,003.26	392,733,171.51
Project payment	<u>21,301,519.24</u>	<u>2,402,229.09</u>
Total	<u><u>345,108,522.50</u></u>	<u><u>395,135,400.60</u></u>

(2) Significant payables with the aging over 1 year

Not applicable

(3) Presentation of accounts payable by age

Unit: Yuan Currency: RMB

Aging of accounts payable	Closing balance	Opening balance
Within 1 year	269,371,759.53	303,134,255.63
1-2 years	41,066,312.22	44,902,996.10
2-3 years	5,456,056.11	8,608,284.03
Over 3 years	<u>29,214,394.64</u>	<u>38,489,864.84</u>
Total	<u><u>345,108,522.50</u></u>	<u><u>395,135,400.60</u></u>

The Group's aging analysis is presented based on the dates of the relevant transactions.

16. Undistributed profit

Unit: Yuan Currency: RMB

Item	Current year	Previous year
Opening balance	-709,876,579.95	-717,353,627.48
Add: Adjusted amount of opening undistributed profits	0.00	0.00
Opening balance of the current year	-709,876,579.95	-717,353,627.48
Add: Net profit attributable to owners of parent company for the current year	-53,630,943.59	7,477,047.53
Less: Appropriation to statutory surplus reserves	0.00	0.00
Appropriation of discretionary surplus reserves	0.00	0.00
Appropriation to general risk provision	0.00	0.00
Ordinary share dividends payable	0.00	0.00
Ordinary share dividends transferred into share capital	0.00	0.00
Closing balance of the current year	<u>-763,507,523.54</u>	<u>-709,876,579.95</u>

17. Income tax expenses

Unit: Yuan Currency: RMB

Income tax expenses	Amount in current year	Amount in previous year
Current income tax calculated according to tax law and relevant provisions	24,912,556.06	21,367,142.71
1. Mainland China corporate income tax	19,636,374.05	17,369,142.76
2. Hong Kong income tax	0.00	0.00
3. Other regions (USA)	5,276,182.01	3,997,999.95
Deferred income tax expenses	-1,398,365.23	-4,174,560.67
Total	<u>23,514,190.83</u>	<u>17,192,582.04</u>

18. Return on net assets and earnings per share

Unit: Yuan Currency: RMB

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	-5.07	-0.10	-0.10
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	<u>-8.03</u>	<u>-0.16</u>	<u>-0.16</u>

II. MANAGEMENT DISCUSSION AND ANALYSIS

(I) Chairman's Report

I. Review

The year 2025 marked the closing year of the “14th Five-Year Plan”, and also a pivotal year for the Company to consolidate transformation outcomes, gather momentum and march toward new phase of high quality development. The Company deemed the full realization of the strategic objectives under the “14th Five-Year Plan” as its core missions, focused on its two main business segments, namely, gas storage and transportation equipment and intelligent manufacturing, and collectively promoted various operation and management efforts. In face of new journey and new mission, the Company always upheld Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guiding principle, earnestly studied and implemented the spirits of the 20th National Congress of the Communist Party of China (“CPC”) and the plenary sessions of the 20th CPC Central Committee, firmly supported the “Two Establishes” and resolutely achieved the “Two Maintains”, and fully performed various decisions and deployments of the Beijing Municipal Communist Party Committee, Beijing Municipal People’s Government and Beijing Municipal State-owned Assets Supervision and Administration Commission as well as Beijing Jingcheng Machinery Electric Holding Co., Ltd.. In deepening the implementation of “Five Initiatives” synergy, services and integration into new development layout, the Company continuously strengthened strategy leadership, deepened reform and innovation, grasped higher quality and efficiency, guarded the risk bottom line, and practically performed its economic responsibility, political responsibility and social responsibility as a state-owned enterprise, laid a solid foundation for the full completion of the “14th Five-Year Plan”, and prepared well for the “15th Five-Year Plan”.

During the Reporting Period, the Company focused on the following tasks:

1. Focusing on main business breakthrough and consolidating foundation for operational development

(1) Gas storage and transportation segment:

In the steel gas cylinder sector, the differentiation strategy adopted by the Company gained significant results. For regular gas customers, it precisely covered the price-sensitive groups, while the revenue of large-diameter products recorded growth year-on-year; it focused on large gas companies and newly built projects, actively expanded product sales boundary; strengthened the professional construction of customer service, fully secured the business continuity and customer stability, and solidified the operating base.

In the compound gas cylinders and system integration sector, the Company had outstanding highlights and its core advantages continued to solidify. In the context of development of the entire sector falling short of expectations, the Company recorded year-on-year growth of business revenue, and made breakthrough developments in critical fields. The Company completed the declaration and announcement for a number of mainstream automakers' novel models, and continued to provide stable high quality supplies for existing customers; it focused on strategic major customers, increased its acquiring ability, solidified its brand product leadership, solidified its competition barriers; it successfully entered into industrial air respirator segment market, further expanded sales scale and nurtured new growth drivers.

The cryogenic sector of the Company advanced steadily, with new track layout gaining preliminary outcomes. Backed by "local promotion" model, the Company dug existing customer demands, and its overall sales of cryogenic cylinders increased from last year; with its first set of liquid hydrogen tank delivered successfully, the Company precisely grasped the window period of market growth, developed new customers, and explored the new track of hydrogen storage and transportation, seizing opportunities for future development.

The Company diversified efforts in the international market, with risk prevention and market expansion advancing in parallel. In face of the pressure of international trade competition, the Company stabilized US and European market shares by proactive pricing optimization and window period stocking and other means; actively explored Southeast Asia and other emerging markets, and promoted steady increase of overseas revenue by field visit, exhibitions, agency upgrading, in-depth cooperation and other means; continued to deepen cooperation with global industrial giants, secured stable supply, consolidated high-end market position; strengthened international market entry capabilities, completed the export certification of a number of products, and laid a solid foundation for overseas market expansion.

(2) Intelligent manufacturing segment:

In 2025, BYTQ with technological breakthrough and structural optimization as its core driving forces, focused on intelligent manufacturing business, promoted dual improvement in operating scale and management level, and realized steady high quality development.

The Company steadily improved operational quality and efficiency and continuously optimized business structure. Surrounding annual operational objectives, the Company practically promoted business expansion and project delivery, to realize steady growth of revenue and total profits. The Company solidified its cooperation base in the field of traditional home appliances, actively expanded the strategic collaboration in the field of other productive equipment,

and expanded business development space; in response to the structural change of customer demands, it adjusted product priorities proactively, optimized the percentages of different product classes according to market and operating reality, and maximized the efficiency of productive resources; it reinforced supply chain collaboration and cost control, scientifically evaluated project cost-effectiveness, effectively maintained the stability of business scope and gross profit margin, and displayed strong market adaptability and operating resilience.

The Company aligned product iterations with market needs, showing a clearer focus on efficiency-driven outcomes. The Company closely docked with customer's product updating and product line upgrading demands, dynamically optimized its product structure, prioritized orders with higher profitability room and higher market potential, and focused on single project efficiency increase; continued to promote product standardization and modular design, optimized cost control and delivery cycle, enhanced its product overall competitiveness; successfully promoted suspension chain products to many new application scenarios of home appliances, expanded industry coverage and laid a product foundation for multiple field expansion.

The Company continued to improve its management system, fully stimulating its organizational vitality. The Company fully revised existing management systems, promoted the management system upgrading in a standard and systematic manner; improved human resources incentive and restriction mechanism, signed operational objective responsibility letters with department chiefs and core cadres, to itemize tasks, materialize responsibilities and motivate team activity and creativity; made substantive progress in the industrial park construction, completed the main body and nearly finished the decoration work, to provide a solid hardware support for subsequent intensive production, operating cost reduction and efficiency increase, and solidify the foundation of sustainable development.

2. Adhering to innovation-driven development, unleashing the momentum for transformational growth

Beijing Tianhai, a subsidiary of the Company, marched on a new stage of its core R&D platform building, successfully erected and put in operation an industry-leading comprehensive R&D testing platform, providing strong support for autonomous technological breakthrough. Throughout the year, the Company focused on new materials application, critical parts design, sophisticated manufacturing process and other core fields, broke through a number of technological bottlenecks, added a number of patents; took active part in the preparation of national and industrial standards, passed a number of important special evaluations and qualification reviews, and consolidated its technological leadership in the industry. Meanwhile, the Company adhering to orientation to market demands, systematically started more than ten key R&D topics, and helped multiple projects to move swiftly from the laboratory to industrial application, which not only strongly supported current market order delivery,

but also reserved technological and product resources for nurturing emerging growth drivers, and practically gave play to the value leading role of technological innovation.

BYTQ, a subsidiary of the Company, persisted in high R&D input, providing solid security for technological breakthrough. The iteration and upgrading of automatic press machine technology further enlarged its technological advantage in the industry, solidified its product competition barriers, and provided strong support to order acquisition; the continuing improvement of fully automated carton loading technology successfully expanded related business scenarios, helped the Company to gain more orders; the Company promoted the integrated application of robotics and visual technology, increased its competitiveness and market share in commercial air-conditioning sector; the Company optimized suspension chain mounting technique, plus robotic loading/unloading design, increased productivity, reduced operating costs, and while leveraging on the in-depth research on end-product manufacturing processes, expanded relevant products to more extensive applied scenarios, and fully enhanced its profitability.

3. *Solidifying risk control barriers, securing steady corporate operation*

The Company persisted in bottom line thinking, performed risk control and compliance management throughout the operation, systematically advanced risk control in key fields, and solidified safety barriers for sustainable development. Firstly, the Company strengthened the resolution of legal and operational risks, actively responded to potential legal risks and effectively relieved potential operational risks. Secondly, the Company improved institutional and internal control system, carried out the enacting, revision, invalidation and interpretation of systems throughout the year, revised and added tens of important management systems, enhanced business process normalization; deepened internal control audit and evaluation, realized a closed-loop rectification of international control defects and specialized problem, continued effective internal control over financial reporting, and continuously enhanced corporate governance capability in compliance with the laws and regulations. Thirdly, the Company strictly held the production safety bottom line, implemented entire staff responsibility for production safety, focused on firefighting, dangerous chemicals, special equipment and other key fields, deepened hidden dangers identification and rectification, organized various safety inspections, ensure safety and stability during important activities, and reached the zero accident target in production safety throughout the year.

4. *Streamlining financial control, improving profitability*

The Company focused on cost reduction and efficiency increase as its core objectives, take measures to optimize its operation and management, and increase its operating performance. It promoted technological cost reduction, procurement cost reduction, manufacturing cost reduction through competitive negotiation, high quality suppliers expansion, process optimization, equipment reconstruction and other means; reinforced

budget rigidity management, optimized payment terms, strictly controlled management expenses and financial expenses; actively docked with various financing institutions, optimized financing structure, reduced capital cost; made full use of policy bonus, conducted tax planning rationally, reduced tax burden effectively and improved operating benefits fully.

II. Outlook

1. Focusing on enhancing the quality of core business, while improving the profitability of subsidiaries

(1) Gas storage and transportation segment:

In the steel gas cylinder sector, the Company will closely track changes in relevant policies such as tax rates in the international market, and deepen cooperation with local customers. It will fully promote entry certification of key regional products, establish target customer list using reliable tools and perform targeted marketing to lay a solid foundation for expanding emerging markets. It will explore ways to upgrade overseas sales from a single product export to a “product + service” solution, and improve local operating capability and market shares. On the domestic market, the Company will further expand incremental market by leveraging on cost advantage, and on the basis of further maintaining major customers, keep an keen eye on new projects, tap demand, and expand high-end markets with key competitive products to capture greater market shares.

In the compound gas cylinder sector, the Company will continue to deepen cooperation with international major customers in the international markets and maintain existing market advantages and foundation. The Company will deeply promote the demand docking for its major products, and fully satisfy local customer demands through personified programs. The Company will intensify market survey efforts, precisely capture application scenarios for various emerging products, focus on demand with targeted efforts, and continuously expand its market share in overseas business. On the domestic market, the Company will focus on market cultivation and ecological expansion in an all-round way. On the one hand, it will focus on systematic development in key areas, offer targeted services and upgraded promotions to existing and new customers, and consolidate and improve the market shares of main products. On the other hand, the Company will actively expand into a full hydrogen energy industrial chain, with a diversified deployment of application scenarios. Meanwhile, the Company will try to innovate business model to lower user’s threshold and accelerate market penetration and ecological cooperation.

In the cryogenic sector, regarding the new ecology, new scenarios and new applications of various related products in the international market, the Company will carry out market cultivation and technology docking in advance to become a first mover. By continuously promoting quality assurance, delivery stability and service optimization, the Company will maintain its competitive advantages in downstream customer market, and accelerate regional channel layout and customers penetration. On the domestic market, the Company will maintain stable market shares of major products, focus on innovative demonstration projects, and expand product application scenarios to seize market opportunities.

(2) Intelligent manufacturing segment:

The Company will make every effort to secure orders in the home appliance industry, and practically advance project execution, inspection and acceptance. Meanwhile, the Company will increase resource investment in non-standard automated equipment sector in related industries, expand business channels, address technological shortcomings, achieve healthy development and cultivate new profit growth drivers.

Relying on the existing solid foundation and maintaining a stable product structure in the home appliance industry, the Company will independently develop specialized equipment, enhance its technological level and supply chain management capabilities and reduce product costs. In the field of home appliance products, the Company will continue to pursue breakthroughs in specialized equipment technology and iterative upgrades of final assembly lines, deepen its presence in the home appliance business sector, and enhance the profitability of general assembly line. It will optimize product structure, extend the useful life of components and parts, improve equipment stability, and enhance product recognition among customers. Meanwhile, the Company will fully optimize product quality, expand the application fields of products across its various business lines, and create high quality products which satisfy the customers.

The Company will continue to improve corporate management system and human resources management system, optimize incentive mechanism, motivate staff potentials, increase operating efficiency, and reduce management cost. It will enhance talents recruitment, optimize the development pathways for R&D technical staff and technician teams, improve qualification standards and the promotion and training system, and focus on enhancing their professional skills. It will fully complete the renovation of industrial park, relocate the production and office to the new address, improve staff members' working environment, reduce logistic cost and improve production efficiency.

2. *Promoting transformation through innovation, and accelerating outcome application*

The Company will firmly implement the innovation-driven development strategy, systematically build future-oriented core competitive edges, and support industrial transformation and upgrading with technological leadership. The Company will focus on industrial frontiers and strategic demands, continue to intensify R&D efforts, and make great efforts in promoting material technological project research. By deepening the industry-academia-research synergy mechanism, the Company will actively connect external research resources, promote the introduction and internal transformation of high-level technological achievements, and solidify the foundation of sustainable innovation.

Guided by market demand, the Company will accelerate R&D outcomes translation into realistic productivity and market benefits. By optimizing innovation project management and cross departmental synergy mechanism, the Company will shorten the cycle from technology development to mass production, ensure outcome rapid response to market changes, and effectively improve the Company's entire technological strength and product competitiveness.

The Company will improve innovation system and mechanism, strengthen intellectual property full process management and operation, and promote patenting of technologies and patent standardization. By establishing a robust incentive and assessment system, the Company will stimulate innovation vitality across all employees and build an open, collaborative and efficiently transformative innovation ecology, and infuse solid technological development momentum for the high quality development of the Company during the "15th Five-Year Plan" period.

3. *Strengthening corporate governance, and enhancing management level*

The Company will establish a sound corporate governance mechanism to ensure its efficient operation under a framework of regulatory compliance. By deepening the reform of its internal management systems and improving its standardized management of processes, the Company and its subsidiaries will establish a scientific, sensible and standardized operation and management system. The Company and its subsidiaries will promote the specialization, professionalization and standardization of the management tasks of various functions and provide solid protection for the sound development of the two core segments, namely gas storage and transportation equipment and automatic equipment.

4. *Strengthening risk prevention and control to ensure regulatory compliance*

The Company will deepen its internal control and compliance management and promote in-depth integration of internal control and business activities. It will regularly review the effectiveness of its internal control processes, identify and rectify potential risk points in a timely manner, and ensure the continuous improvement and

optimization of its internal control system. In addition, the Company will further enhance the transparency and effectiveness of its internal control management through the introduction of advanced mechanisms for auditing and overseeing internal control. It will also intensify the development of a compliance management system to enhance the risk prevention and control capabilities of its subsidiaries. Moreover, the Company will strictly adhere to the regulatory requirements for listed companies and state-owned assets and complete internal control audits and special inspections. Meanwhile, the Company will strengthen production safety management to ensure the safe and stable operations.

5. *Strengthening financial control capabilities, and building a new defense against risks*

The Company will strengthen the Group's financial control functions, promote the system of dispatched financial officer, and realize vertical management and collective coordination of financial supervision, to ensure the compliance of the financial activities of all subsidiaries, and timely identify and resolve potential financial risks. The Company will intensify the training efforts for financial staff, prioritize the improvement of their capabilities in fiscal laws, regulations, risk management and other expertise, and enhance the financial team's overall qualities and response to complicated financial problems.

6. *Driving internal vitality through multiple initiatives*

To unleash the enthusiasm and creativity of employees, the Company will continue to advance the reform of its differentiated incentive mechanism, and establish an incentive system that integrates short-term, mid-term, and long-term strategies. In particular, through innovative measures such as implementing restricted share incentive schemes, the Company will closely align employees' personal interests with its long-term development, jointly driving the achievement of strategic goals and ushering in a new era of proactive entrepreneurship.

(II) Main operations during the Reporting Period

The year 2025 was the year to close the "14th Five-Year Plan", during which, in face of global industrial chain restructuring, industry competition escalating and other sharply changing external challenges, the Company always persisted in the leadership of CPC Central Committee, resolutely implemented various decisions and deployments, firmly upheld the high quality development objective, started from focusing on annual tasks, planned for strategies, expanded market, improved operation, increased efficiency, controlled the risks, raised the benefits, and replaced the old with the new, and continuously consolidated and expanded the foundation for good corporate development, made great efforts in realizing smooth transition from the "14th Five-Year Plan" to the "15th Five-Year Plan", made good docking, laid solid foundation, clarified the path and accumulated the momentum for high quality development in the coming 5 years, and tried to create a new phase of corporate development.

1. *Building foundations through strategic guidance, and strengthening momentum with reform breakthroughs*

At the historic intersection between the conclusion of the “14th Five-Year Plan” and the commencement of the “15th Five-Year Plan”, the Company was fully invested in preparing its strategic planning, precisely grasped new dynamics, new task and new development ideology, scientifically judged the change of external conditions, systematically combed internal and external resources and core capabilities, extensively gathered the wisdom of all parties, reached the consensus on development, clarified the Company’s directive ideas, developmental principles, core objectives, business layout and security measures for the “15th Five-Year Plan” strategic planning, drawing the picture for the Company’s high quality development in coming five years.

2. *Consolidating the foundation through market expansion, and expanding new horizons via structural optimization*

Gas storage and transportation segment:

In 2025, on the international markets, through actively negotiating with clients, optimizing inventory management, and strictly tracking policies, the Company dealt squarely with competition pressure and stabilized market share. Meanwhile, the Company explored new market positively, increased publicity, and continued deepening cooperation with major customers, and enhanced its product entry advantages on the international market. On the domestic market, it realized product precision layout by differentiation strategy, expanded customer base coverage, and proactively dug new projects for new cooperation. The Company established cooperation with a number of new customers while maintaining stable cooperation with existing customers, deeply penetrated the segment markets of relevant products, and continuously expanded its scale.

Intelligent manufacturing segment:

The Company steadily promoted its traditional home appliance business, continued cooperation in the fields of other productive equipment, reinforced long-term strategic cooperation, and laid a solid foundation for subsequent development of the Company. In addition, in face of customer’s changing demands, the Company flexibly allocated its various productive resources according to its own technical features, production capacity, management level and other factors, optimized its project structure, and maintained stable gross profit margin while maintaining its business scale.

3. Accumulating momentum through innovation, and achieving upgrades with intelligent manufacturing

Within the Reporting Period, the Company continued reinforcing technological innovation and industrial upgrading, keeping high level of R&D investment throughout the year. It completed the establishment of the leading comprehensive R&D testing platform in Mainland China and put it into use, led and took part in the revision of many national standards, and obtained dozens of new patents. Closely tracking customer needs and guided by market orientation, the Company carried out targeted technological breakthroughs, continuously improved the product portfolio, and further enhanced market responsiveness. Deepening digital transformation, the Company has deployed its self-developed inspection system and unmanned key component processing production line. Some critical equipment on the production lines has achieved highly intelligent adjusting and coordinated production, increasing the overall efficiency.

BYTQ, a subsidiary of the Company, continuously secured technology R&D through high intensity R&D expenses. Its automatic press machine technology further updated and iterated, expanding the Company's competition barriers for such core product. With robotic plus visual application expansion, the Company continuously improved its fully automated technology and mounting process, reduced product costs, increased its market competitiveness and market share in corresponding product sector, extended the application scope, and strengthened its profitability.

4. Improving operations to unlock potential, and enhancing synergies to boost development

In 2025, the Company regarded higher operating quality as its core, focused on critical value chains, namely research, industry, supply and marketing, continuously refined management, and practically increased its operating quality and efficiency. By expanding high quality suppliers, product R&D and other measures, it realized significant procuring cost reduction, technology cost reduction and manufacturing cost reduction. It enhanced financial control, reduced financing cost, optimized capital structure, and secured the capital requirements of strategic business. It strengthened team building of cadres and talents, improved their professional skills, and continuously optimized team structure. It further implemented the 6S field management system, created entire staff participation atmosphere, and realized better working conditions and higher staff qualities.

5. Building barriers through risk prevention, and ensuring stability through compliance

The Company actively mitigated operating risk, solidified institutional foundation, deepened internal control, improved the safety system, among others, thereby continuously reinforcing legal compliance in corporate governance, systematically promoted risk control, quality safety and other key fields, thereby building strong barriers for its high quality development.

(III) Analysis of principal business

1. Table of movement analysis on the related items in income statement and cash flow statement

Unit: Yuan Currency: RMB

Item	Current year	Corresponding period of last year	Change (%)
Operating income	1,527,964,195.06	1,648,860,246.58	-7.33
Operating cost	1,279,232,164.08	1,340,508,218.30	-4.57
Selling expense	43,241,240.13	44,335,591.91	-2.47
Administrative expense	124,329,785.87	127,786,552.09	-2.71
Financial cost	15,941,347.04	11,723,605.52	35.98
R&D expenses	87,027,104.97	69,021,375.00	26.09
Net cash flows generated from operating activities	4,876,554.69	-57,592,661.96	—
Net cash flows generated from investing activities	-88,710,729.67	-85,565,852.79	—
Net cash flows generated from financing activities	215,557,662.91	120,738,636.11	78.53
Other income	17,366,111.70	12,540,134.71	38.48
Investment income	-37,306,331.53	17,014,252.86	-319.27
Asset impairment losses	-42,919,206.06	-22,606,278.80	89.86
Income from disposal of assets	9,684,739.38	171,297.46	5,553.76
Non-operating revenue	2,689,495.96	1,114,470.68	141.32
Non-operating expenses	2,199,817.40	1,330,884.68	65.29

2. Analysis of income and cost

(1) Principal business by product and by region

Unit: Yuan Currency: RMB

By product	Operating income	Operating cost	Principal business by product			
			Gross profit margin (%)	Increase/decrease in operating income over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Gas storage and transportation products	1,166,862,071.13	1,049,336,433.10	10.07	-8.65	-6.08	-2.46
Automatic manufacturing equipment system integration	275,635,376.07	187,824,946.33	31.86	3.44	2.43	0.67
Others	50,343,272.97	16,400,439.96	67.42	-21.01	0.00	-6.85
Total	1,492,840,720.17	1,253,561,819.39	16.03	-7.14	-4.82	-2.04

By region	Operating income	Operating cost	Principal business by region			
			Gross profit margin (%)	Increase/decrease in operating income over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year (%)
Domestic	911,114,948.09	715,952,788.99	21.42	-5.64	-3.42	-1.80
Overseas	581,725,772.08	537,609,030.40	7.58	-9.38	-6.62	-2.73
Total	1,492,840,720.17	1,253,561,819.39	16.03	-7.14	-4.82	-2.04

Description of principal business by product and by region

Domestic market: Revenue during the Reporting Period decreased by 5.64% year-on-year due to intensified competition in the domestic market.

International market: Revenue during the Reporting Period decreased by 9.38% year-on-year as a result of a decline in sales volume and profit for certain products, as the Company's gas storage and transportation segment faced considerable downward pressure on its export business due to escalating international trade frictions.

(2) *Analysis of production and sales volume*

Principal product	Unit	Production volume	Sales volume	Inventory volume	Increase/ decrease in production volume over last year (%)	Increase/ decrease in sales volume over last year (%)	Increase/ decrease in inventory volume over last year (%)
Cylinders segment	Unit	800,328	985,544	167,172	-22	-24	-11
Compound gas cylinders segment	Unit	114,667	122,558	2,726	-16	-4	-77
Cryogenic segment	Unit	14,557	11,802	2,059	32	14	28

Description of production and sales volume

In 2025, the Company continuously deepened its market layout centered on “improving quality and efficiency and targeted marketing”, concentrated on core businesses and major customers' needs, and flexibly responded to the competitive landscape in different segments, thereby promoting the steady development of each business segment amid a complex external environment. Among them, the cylinder segment, affected by trade frictions, experienced a year-on-year decline in production and sales volume, while inventory levels were effectively controlled; the compound cylinder segment maintained relatively stable sales volume, while inventory decreased significantly, demonstrating an improvement in production-sales coordination capability; benefited from the continued volume growth of high-end products, the cryogenic segment achieved relatively rapid year-on-year growth in production and sales volume, showing strong market resilience and growth potential.

(3) Cost analysis

Unit: Yuan Currency: RMB

By product	Component of cost	Current period	By product		Change in amount over last year (%)	Description	
			Proportion over total cost for the current period (%)	Corresponding period of last year			Proportion over total cost for the corresponding period of last year (%)
Gas storage and transportation products	Materials	667,733,689.49	63.63	712,715,301.76	63.79	-6.31	
	Labour cost	91,297,831.03	8.70	96,606,840.70	8.64	-5.50	
	Manufacturing cost	290,304,912.58	27.67	307,995,291.75	27.57	-5.74	
	Total	1,049,336,433.10	100.00	1,117,317,434.21	100.00	-6.08	
Automatic manufacturing equipment system integration	Materials	151,367,898.70	80.59	158,131,487.26	86.24	-4.28	
	Labour cost	11,017,271.26	5.87	7,829,964.03	4.27	40.71	
	Manufacturing cost	25,439,776.37	13.54	17,402,919.85	9.50	46.18	
	Total	187,824,946.33	100.00	183,364,371.14	100.00	2.43	
Others	Lease cost	16,400,439.96	100.00	16,400,439.96	100.00	0	
	Total	16,400,439.96	100.00	16,400,439.96	100.00	0	

Other information on cost analysis

During the Reporting Period, the Company continued to optimize the procurement costs of raw materials and auxiliary materials through measures such as expanding supply channels and deepening business negotiations, effectively curbing the rising trend of procurement costs and ensuring the effectiveness of cost control.

(4) Information on major customers and major suppliers

Sales to the five largest customers amounted to RMB429,961,700, representing 28.13% of the total annual sales, of which sales to related parties were RMB0, representing 0% of total annual sales.

Procurement from the five largest suppliers amounted to RMB387,500,300, representing 30.64% of total annual procurement cost, of which procurement from related parties were RMB127,285,300, representing 10.07% of total annual procurement cost.

Other description:

Nil

3. Expenses

Unit: Yuan Currency: RMB

Item	Current year	Corresponding period of last year	Change (%)
Selling expense	43,241,240.13	44,335,591.91	-2.47
Administrative expense	124,329,785.87	127,786,552.09	-2.71
Research and development expenses	87,027,104.97	69,021,375.00	26.09
Financial cost	15,941,347.04	11,723,605.52	35.98

4. Research and development expenditure

(1) Breakdown of research and development expenditure

Unit: Yuan Currency: RMB

Research and development expenditure recorded in expenses during the period	87,027,104.97
Research and development expenditure capitalised during the period	–
Total research and development expenditure	87,027,104.97
Percentage of total research and development expenditure over operating income (%)	5.70
Percentage of research and development expenditure capitalised (%)	–

(2) Description

Not applicable

5. Cash flows

Unit: Yuan Currency: RMB

Item	Current year	Corresponding period of last year	Change (%)
Cash inflows from operating activities	1,251,564,040.97	1,238,839,920.84	1.03
Cash outflows from operating activities	1,246,687,486.28	1,296,432,582.80	-3.84
Net cash flows generated from operating activities	4,876,554.69	-57,592,661.96	–
Cash inflows from investing activities	6,532,728.26	17,206,572.00	-62.03
Cash outflows from investing activities	95,243,457.93	102,772,424.79	-7.33
Net cash flows generated from investing activities	-88,710,729.67	-85,565,852.79	–
Cash inflows from financing activities	543,250,000.00	295,000,000.00	84.15
Cash outflows from financing activities	327,692,337.09	174,261,363.89	88.05
Net cash flows generated from financing activities	215,557,662.91	120,738,636.11	78.53

Description:

1. Net cash flows from operating activities increased by approximately RMB62,469,200 year-on-year, which was mainly due to an increase in tax refunds received during the current period compared with the previous period;
2. Net cash flows from investing activities decreased by approximately RMB3,144,900 year-on-year, which was mainly due to a decrease in cash paid for the purchase of fixed assets, intangible assets, and other long-term assets during the current period compared with the previous period;
3. Net cash flows from financing activities increased by approximately RMB94,819,000 year-on-year, which was mainly due to the investment funds received by subsidiaries during the current period.

(IV) Description of material change in profit due to non-principal business

Not applicable

(V) Analysis of assets and liabilities

1. Assets and liabilities

Unit: Yuan Currency: RMB

Name of item	Balance at the end of the current period	Balance of the current period over total assets (%)	Balance at the end of the previous period	Balance of the previous period over total assets (%)	Change in amount over the previous period (%)	Description
Notes receivable	26,051,969.37	0.83	14,048,892.34	0.46	85.44	Mainly due to an increase in undue acceptance bills
Receivable financing	9,328,872.99	0.30	17,738,416.42	0.57	-47.41	Mainly due to a decrease in undue acceptance bills
Other receivables	6,837,130.59	0.22	3,253,586.63	0.11	110.14	Mainly due to the increase in margin
Contractual assets	30,646,907.15	0.98	17,727,137.20	0.57	72.88	Mainly due to the reclassification of undue retention receivables
Other current assets	33,482,602.95	1.07	66,859,038.79	2.17	-49.92	Mainly due to a decrease in value-added tax retained by subsidiaries
Fixed assets	846,943,355.65	27.03	603,611,099.03	19.56	40.31	Mainly due to an increase in fixed assets of subsidiaries.
Construction in progress	14,754,194.27	0.47	280,234,944.36	9.08	-94.74	Mainly due to the transfer of construction in progress to fixed assets of subsidiaries
Deferred income tax assets	16,855,655.86	0.54	62,473,777.37	2.02	-73.02	Mainly due to the presentation of deferred income tax assets and deferred income tax liabilities on a net basis during the current period
Other non-current assets	4,918,574.34	0.16	18,299,049.58	0.59	-73.12	Mainly due to a decrease in prepayments for equipment by subsidiaries during the current period
Other payables	34,513,428.48	1.10	69,177,703.97	2.24	-50.11	Mainly due to the decrease in the second investment payment and advance payment paid to subsidiaries during the current period
Other current liabilities	21,732,565.26	0.69	14,537,663.61	0.47	49.49	Mainly due to an increase in notes receivable of subsidiaries that did not meet the conditions for derecognition during the current period

Name of item	Balance at the end of the current period	Balance at the end of the current period over total assets (%)	Balance at the end of the previous period	Balance at the end of the previous period over total assets (%)	Change in amount over the previous period (%)	Description
Long-term payables	543,207,700.00	17.34	253,207,700.00	8.20	114.53	Mainly due to the increase in equity repurchase obligations during the current period
Expected liabilities	11,324,097.72	0.36	7,986,099.32	0.26	41.80	Mainly due to the accrual of quality guarantee deposits by subsidiaries during the current period
Deferred income tax liabilities	4,471,217.03	0.14	51,487,703.77	1.67	-91.32	Mainly due to the presentation of deferred income tax assets and deferred income tax liabilities on a net basis during the current period
Other comprehensive income	2,613,676.09	0.08	4,172,992.51	0.14	-37.37	Mainly due to the effect of exchange differences on foreign currency statements
Special reserves	2,276,474.67	0.07	1,222,044.23	0.04	86.28	Mainly due to an increase in the accrual of production safety expenses by subsidiaries

Other description:

Nil

2. Major restricted assets at the end of the Reporting Period

Unit: Yuan Currency: RMB

Item	End of the year			Condition of restriction
	Book balance	Book value	Type of restriction	
Fixed assets and intangible assets	160,521,389.15	86,760,330.76	Mortgaged houses and buildings	Mortgaged borrowings and bank acceptance bills
Monetary funds	71,723,630.05	71,723,630.05	Security deposit	Security deposit for bank acceptance bills, security deposit for letter of guarantee
	6,700,000.00	6,700,000.00	Funds frozen by litigation	Funds frozen by litigation
Notes receivable	9,333,049.02	9,333,049.02	Pledged bank acceptance bills	Pledged bank acceptance bills
Total	248,278,068.22	174,517,009.83	–	–

Item	Book balance	Beginning of the year		Condition of restriction
		Book value	Type of restriction	
Fixed assets and intangible assets	160,638,154.58	96,058,176.93	Mortgaged houses and buildings	Mortgaged borrowings and bank acceptance bills
Accounts receivable financing	2,800,000.00	2,800,000.00	Pledged notes receivable	Pledge
Monetary funds	69,544,018.02	69,544,018.02	Security deposit	Security deposit for bank acceptance bills
	1,639,488.83	1,639,488.83	Security deposit	Security deposit for letter of credit
	1,232,613.74	1,232,613.74	Funds frozen by litigation	Funds frozen by litigation
Total	235,854,275.17	171,274,297.52	–	–

3. Other description

Not applicable.

(VI) Analysis of industry operation

(1) Gas Storage and Transportation Segment

The upstream of the gas storage and transportation equipment industry mainly represents steel, forgings, etc., the midstream represents the gas storage and transportation equipment manufacturing industry, and the downstream represents the gas storage and transportation equipment application industry, mainly applied in chemical, medical, food processing, aviation and aerospace and other fields. The market demand for the gas storage and transportation equipment industry maintained a relatively stable growth trend, with the market size remaining at a high level.

Cylinders industry:

The overall development trend of China's industrial gas market was stable and improving, and the total market volume of the cylinders segment was steadily recovering. In 2025, the Chinese economic environment gradually improved, and the demand of the gas cylinders market rebounded and basically met expectations. Driven by the effective implementation of policies, continuous advancement of industrial upgrading, and concentrated release of equipment renewal, the demand of the cylinder segment achieved steady growth throughout the year.

Compound gas cylinders industry:

The hydrogen energy industry chain is shifting from a policy cultivation stage to the stage of large-scale implementation and rapid advancement. According to data from China Association of Automobile Manufacturers, in 2025, the production and sales volume of fuel cell vehicles in China achieved a restorative growth. Driven by the advancement of carbon neutrality goals, the final push of demonstration application policies and the accelerated expansion of end-use scenarios, the demand for hydrogen energy is being steadily unlocked.

Cryogenic industry:

In 2025, affected by the slowdown in infrastructure investment, sluggish recovery in bulk industrial gas consumption, coupled with the continued substitution of liquid supply modes such as “Kuai Yi Leng*(快易冷)”, the overall market demand for cryogenic cylinders in China remained in a low-level adjustment phase. In the vehicle-mounted cylinders market, domestic heavy trucks continued to follow a pattern dominated by stock replacement in 2025, with replacement demand for LNG heavy trucks being steadily released. Throughout the year, the market for vehicle-mounted LNG cylinders remained generally stable without significant fluctuations.

(2) *Intelligent Manufacturing Segment*

Automation equipment industry:

In 2025, the industrial automation equipment market in Mainland China was at a relatively high level, while traditional sectors slowed down, emerging sectors like collaborative robots increased market size. Application of large artificial intelligence models in industrial control and process optimization accelerated, robots were developing toward embodied intelligence, and deeply integrated with large models to increase interactivity. Automation, industrial internet and digital twin among other technologies were deeply integrated.

The industry was in the transition from growth to maturity. The growth of traditional industrial automation field slowed down, and competition focused on costs and services. On the contrary, emerging fields (like collaborative robots, medical, and logistic automation) were in rapid growth period, being the major growth drivers. Although the market was recovering, price competition intensified still, small to middle-sized enterprises were facing large pressure on profitability and survival.

In the future, automation equipment sector may expect steady growth. Technology integration (artificial intelligence+ automation), deepening localization, and transformation to high intelligence (such as robot service model) and greening will become the long-term direction of industry development.

Home appliances industry:

In 2025, Mainland China's home appliance industry grew steadily as driven by "old for new" policy, and the cumulative retail sales in the first ten months maintained rapid growth. The whole industry began recovery as driven by policy, its profitability turned better, product transformed and upgraded, green healthy, scenario-based and portfolio products became the top choices of consumer market. Overseas business became a critical growth driver, and the relevant listed companies in the industry recorded considerable overseas revenue scale in the first half of the year.

In current industry conditions, policy boosted industry upgrading, standards guided the industry toward standardization, and global branding and technical integration and innovation accelerated. Against the backdrop of smart, green, and scenario-driven trends in the home appliance industry, the productive equipment automation process was extending from "manufacturing automation" to "product intelligence" and "scenario autonomy". In the short run, the intelligent reconstruction at production end served as the foundation for improving competitiveness; in the long run, intelligent products represented by robots will play a decisive role in the future.

(VII) Analysis of investments

1. *General analysis of external equity investments*

(1) Material equity investments

Not applicable.

(2) Material non-equity investments

Not applicable.

(3) Financial assets measured at fair value

Not applicable.

(VIII) Material disposal of assets and equity interest

Not applicable.

(IX) Analysis of major subsidiaries and associates

*Unit: Yuan Currency: RMB
(Unless otherwise indicated)*

Company name	Type of company	Principal activities	Registered capital	Total asset	Net asset	Operating revenue	Operating profit	Net profit
Beijing Tianhai Industry Co., Ltd.	Subsidiary	Production and sale of gas cylinders, pressure vessels and auxiliary equipment, etc.	748,759,761.19	2,396,952,648.64	856,344,267.85	1,315,296,582.82	-138,032,296.32	-151,809,035.54
Jingcheng Holding (Hong Kong) Company Limited	Subsidiary	Import and export trade, investment holding and consultancy services, etc.	HK\$1,000	75,055,642.40	3,498,458.95	184,642,395.30	282,270.70	282,270.70
Qingdao BYTQ United Digital Intelligence Co., Ltd.	Subsidiary	Robots and automation equipment etc.	21,418,633	549,495,993.79	378,660,826.14	276,062,880.41	53,980,993.08	45,177,874.04

(X) Structured entities under the control of the Company

Not applicable.

(XI) Other financing matters

Capital increase of a wholly-owned subsidiary

In order to satisfy the needs of business development and to facilitate equity diversification and a market-oriented governance structure, Tianhai Hydrogen, a wholly-owned subsidiary of the Company, increased its capital by introducing investors through public tender on the China Beijing Equity Exchange (the “**Capital Increase**”). The public tender period commenced on 15 July 2025 and ended on 19 August 2025. On 29 August 2025, Tianhai Hydrogen, Tianhai Industry (a wholly-owned subsidiary of the Company) and eight investors signed the capital increase agreement and its supplemental agreement, pursuant to which the investors agreed to increase the capital of Tianhai Hydrogen by RMB290 million in total, of which RMB129,528,535.96 was credited to registered capital, and RMB160,471,464.04 was recorded in the capital reserve. Upon completion of the capital increase, the registered capital of Tianhai Hydrogen Energy increased from RMB360 million to RMB489,528,535.96, and the equity interest held by Tianhai Industry in Tianhai Hydrogen Energy changed from 100% to 73.5403%. Tianhai Industry waived its pre-emptive right over Tianhai Hydrogen in respect of the Capital Increase. The waiver of pre-emptive right by Tianhai Industry does not affect the control over Tianhai Hydrogen. Upon completion of the Capital Increase, Tianhai Hydrogen has become a holding subsidiary of the Company and there are no changes to the scope of consolidated financial statements of the Company.

The Capital Increase was considered and approved at the fourteenth extraordinary meeting of the eleventh session of the Board and the twenty-second meeting of the eleventh session of the supervisory committee convened by the Company on 29 August 2025, and does not need to be submitted to the general meeting of the Company for consideration. The Capital Increase constitutes a deemed disposal and a discloseable transaction under Chapter 14 of the Hong Kong Listing Rules, but does not constitute a related party transaction, nor does it constitute a material asset restructuring. As at the end of the Reporting Period, the Company had completed all relevant procedures required for the Capital Increase, including the settlement of funds and the change in industrial and business registrations. The Capital Increase has officially been completed.

For details, please refer to the announcement on “Discloseable Transaction – Deemed Disposal in relation to the Capital Increase of a Wholly-owned Subsidiary” dated 29 August 2025 and the relevant supplemental announcement dated 9 September 2025.

(XII) Industry structure and trends

1. Gas storage and transportation segment

Cylinders industry:

In 2026, affected by international trade barriers, traditional major export markets are significantly restricted, forcing the export structure to shift toward emerging markets, while the pressure in the international market remains to be high. In China, driven by the recovery of manufacturing, equipment renewal and upgrading, and stricter safety compliance, the demand for industrial cylinders continues to recover. Boosted by high-end sectors such as semiconductors, chips, hydrogen energy and healthcare, the demand for special gas cylinders and high-purity gas cylinders rises rapidly, and the product structure continues to upgrade. However, the Chinese market is still dominated by stock replacement with limited increment, and the industry competition is becoming increasingly fierce.

Compound gas cylinders industry:

In 2026, China launches a new round of comprehensive hydrogen energy application pilot programs. The policy shifts focus from demonstration and assessment to large-scale promotion, fuel cell vehicles are promoted nationwide from demonstration clusters, and the market driving forces are gaining strength. Meanwhile, “low-altitude economy” is included in the national key development directions, and the rapid application of hydrogen energy in unmanned aerial vehicles and low-altitude aircrafts turns it into a new growth point for the industry. The continuous localization and cost reduction of compound gas cylinders further supports the clustered and efficient transportation of high value-added gases such as electron gases. The strong demand for helium, hydrogen and natural gas storage and transportation equipment in overseas markets promotes the continuous release of export opportunities.

Cryogenic industry:

In 2026, the market demand for industrial cryogenic cylinders maintains stable. Although the industry as a whole remains in a phase of structural adjustment affected by factors such as insufficient investment, weak demand for bulk industrial gas, and continued substitution by “Kuai Yi Leng*(快易冷)” in the early stage, the downturn market pressure has gradually eased as industrial gas demand steadily recovers. In the vehicle-mounted cylinders market, domestic heavy trucks continue to rely mainly on stock replacement, while the demand for vehicle-mounted LNG cylinders remains stable.

2. *Intelligent manufacturing segment*

In the first three quarters of 2025, the cumulative output of industrial robots in China achieved significant year-on-year growth, with the production volume already surpassing the level of 2024. The Company predicts the following industry trend in coming years: (1) along with large artificial intelligence models, machine vision and other technology deeply integrated with robotics, the robots will break through traditional automation equipment scope, and evolve toward “embodied intelligence” that has autonomous sensing and deciding capabilities. (2) In addition to traditional automotive and 3C industries, the robots will reach new energy, semiconductor, warehouse, logistics and commercial services among other fields more extensively. (3) Leveraging on the entire industry chain and engineering experience accumulated in Mainland China, the leading domestic robot enterprises will be more confident in competing with global peers, in particular in establishing brand influence in emerging markets and the “Belt and Road” region.

In addition, as domestic manufacturers continued breakthroughs in controls, server system and other core component fields recently, their product cost-effectiveness and autonomous control level increased significantly. Homemade robot customized services demonstrated obvious advantages in segment markets, while competition in the domestic market will also shift from “price war” to comprehensive competition encompassing technology, products, services and global operation capabilities. As a result, the level of market concentration is expected to further increase, and the leading role of top-tier enterprises will become even more prominent.

(XIII) Development strategies of the Company

1. Gas Storage and Transportation Segment

Corporate Positioning: Building a globally leading gas storage and transportation equipment manufacturing and service enterprise.

Strategic Approach: Continuing to consolidate the leading advantages and market position in industrial gas cylinders and fire extinguisher cylinders, and enhance profitability; focus on and optimize the product structure of the natural gas business, maintain an appropriate scale, innovate operational models, and strengthen competitive advantages; intensify market layout and technology transformation efforts in the hydrogen energy sector, accelerate the industrialization and mass production of Type IV cylinders, and seize the first-mover opportunities in the hydrogen energy industry.

2. Intelligent Manufacturing Segment

Positioning: Building an industry leading comprehensive intelligent manufacturing solutions provider.

Strategy: Focusing on the industrial automation equipment manufacturing field and deeply engaging in the home appliances industry, maintaining existing product advantages and business competitiveness, while actively expanding new business fields. Focusing on industrial automation, robotics integration applications, intelligent manufacturing equipment production and integration, offering comprehensive intelligent manufacturing solutions to enterprises, and trying the best to become a quality technical service provider.

(XIV) Operating plan

In 2026, the Company will fully promote the implementation of the “15th Five-Year Plan” strategy, focus on its two principal businesses, namely, gas storage and transportation equipment and intelligent manufacturing, and make efforts in improving its entire profitability. The Company plans to consolidate its industry position by deepening market expansion and business model innovation, and accelerate the layout and demonstrative application of hydrogen energy and other emerging fields. Meanwhile, the Company will strengthen its drive for innovation, promote technological outcomes efficient translation and product iteration, and accelerate digitization to nurture new types of productivity. In terms of internal management, the Company will optimize the Group’s control and synergy mechanism, strengthen the bottom line of risk prevention and compliant operations, and pursue high-quality and sustainable leapfrog development.

(XV) Potential risks

In 2025, the Company continued to promote high quality development in complicated and changing international and domestic conditions, and meanwhile it was clearly aware that, it might face the following major risks during strategic progress and operation management, requiring earlier judgment and systematic response:

1. Complexity of international economic and trade conditions, and market entry risk

Currently, global economy slowed down, main economies continued adjusting its monetary policies, geopolitical conflicts were not mitigated substantially, international trade rules and regional economic and trade relationships were still under reconstruction, all of which brought some uncertainties to the Company's overseas business expansion. On the one hand, European, American and other traditional export markets might further strengthen industrial protection and trade barriers, continue raising tariff policies, anti-dumping investigation, technical standard limitation and other compliance thresholds, which might directly affect the Company's product export cost and market competitiveness; on the other hand, although emerging markets had large potentials, economic and political stability, exchange rate fluctuations, differences in localization policy and other factors constituted operating challenges. In addition, international supply chain was not recovered to pre-COVID 19 status completely, and the pressures on logistic efficiency and transportation cost were still large. The Company will increase international business resilience by deepening market diversification, overseas localization service capability building, compliance management reinforcement and exchange rate risk hedging and other means.

2. Industry competition intensifying, and profit margin under pressure

The gas storage and transportation equipment sector was promising in the long run, but along with industry transformation and upgrading as well as progress toward the "dual-carbon" mission, the market competition was increasingly fierce. On one hand, leading enterprises within the industry continued enlarging technology investment and production capacity expansion, so product homogeneous competition still existed in some scope, and price pressure might further impact the Company's gross profit level; on the other hand, downstream customers posed increasing higher requirements for product performance, cost control, service response and others, plus fluctuating material cost, rising resource and labour costs and other factors, the Company faced multiple pressures on profitability. Therefore, the Company should further highlight technological innovation and differentiated competition, continue optimizing product structure, increasing the percentage of high value-added products, while reducing cost and increasing efficiency through refined management and supply chain synergy, consolidate and expand its competitive advantage in critical segments.

3. Policy dependence of new business incubation and market uncertainty

Hydrogen energy storage and transportation equipment and system as the new strategic business sectors the Company prioritized deployment in were still in the initial stage of industrialization, under great influence of national and local policy drive, infrastructure construction progress, terminal application scenario expansion pace and other external factors. The hydrogen energy technical path, industrial standards, business model and others were still evolving, the timing of a full-scale market boom was still uncertain, all these might affect the Company's relevant capacity release and investment return cycle. In addition, the Company's expansion in intelligent manufacturing and other emerging business fields was also facing technology iteration acceleration, ever-changing customer demands, cross-industry competition and other challenges. The Company will adopt the strategy of "technical reserves plus market nurturing", strengthen the collaboration between policy makers, industry partners and research institutions, take active part in standard system building, flexibly adjust business progress pace, strictly control project investment risk, and ensure new business stable growth.

4. Execution risk during internal operation and transformation process

Along with in-depth reform, digital transformation, organizational and talent system upgrading, the internal management complexity increased, so the Company might face challenges in execution level, like inadequate strategic decoding, inefficient cross-departmental synergy, talent structure not adapted to business demands in short term, digital system integration cycle being time-consuming, etc. The Company will systematically improve organizational execution and transformation success rate by intensifying target management, optimizing process mechanism, enlarging talents introduction and training efforts, steadily advancing digital development step by step and other means.

In face of foregoing risks, the Company will always insist on bottom line thinking and forward looking layout, establish and improve risk identification, assessment, response and surveillance full process management system, drive the in-depth integration of risk management and business growth, and lay a solid safety foundation for sustainable development.

(XVI) Analysis of financial position and operating results of the Company during the Reporting Period

1. Overall Analysis

During the Reporting Period, the Company's total profit decreased by approximately RMB134,341,200 year on year. The operating profit decreased by approximately RMB135,047,300 year on year and the net non-operating expenses increased by approximately RMB706,100 year on year. The operating income decreased by approximately RMB120,896,100 year on year and the operating cost decreased by approximately RMB61,276,100 year on year.

During the Reporting Period, financial expenses increased by RMB4,217,700 or 35.98% year on year, which was mainly due to a year-on-year increase of RMB4,918,900 in interest expenses.

During the Reporting Period, other income increased by RMB4,826,000 or 38.48% year on year, which was mainly due to an increase in government grants transferred from deferred income to other income by the Company in the current period.

During the Reporting Period, investment income decreased by RMB54,320,600 year on year, which was mainly because: (1) investment income arising from the disposal of long-term equity investments in the current period amounted to a loss of RMB39,262,500; (2) investment income decreased by RMB6,744,900 due to a year-on-year decline in the net profit of associated companies; (3) income from debt restructuring decreased RMB8,313,200 year on year.

During the Reporting Period, asset impairment loss increased by approximately RMB20,312,900 year on year, which was mainly due to an increase in the difference between the net realizable value of inventories and selling prices during the year, which resulted in an increase in the provision for inventory write-downs.

During the Reporting Period, income from the disposal of assets increased by approximately RMB9,513,400 year on year, which was mainly due to an increase in income from the disposal of fixed assets of subsidiaries.

During the Reporting Period, non-operating income increased by RMB1,575,000 year on year, which was mainly due to a year-on-year increase in compensation income for breach of contract received by subsidiaries.

During the Reporting Period, non-operating expenses increased by approximately RMB868,900 year on year, which was mainly due to an increase in loss on the damage or retirement of fixed assets of subsidiaries.

2. Analysis of assets, liabilities and shareholders' equity

Total assets and total liabilities increased at the end of the Reporting Period, as compared with that of the beginning of the year. Total assets amounted to approximately RMB3,133,490,800, representing an increase of approximately RMB46,877,500 or 1.52% as compared with the beginning of the year. Total liabilities amounted to approximately RMB1,786,255,600, representing an increase of approximately RMB111,799,500 or 6.68% as compared with the beginning of the year. Total shareholders' equity amounted to approximately RMB1,347,235,200, representing a decrease of approximately RMB64,922,000 or 4.60% as compared with the beginning of the year.

3. Analysis of financial position

By implementing prudent financial policies, the Company established a strict risk control system for investment, financing and cash management to maintain a sound capital structure and solid financing channels. The Company kept its loan scale under strict control so that it could satisfy the capital needs for its operating activities while minimizing its financing cost and preventing financial risks by fully utilizing financial instruments, with a view to achieving sustainable growth and maximizing shareholder value.

Liquidity and capital structure

	2025	2024
(1) Debt-to-asset ratio	57.01%	54.25%
(2) Quick ratio	164.50%	119.29%
(3) Current ratio	197.53%	152.85%
(4) Gearing ratio	132.59%	118.57%

4. Bank loans

The Company prudently implemented its annual capital budget plan in accordance with changes in the market environment and the requirements of customers to strictly control its bank loan scale. The Company fully utilized financial instruments to reduce its financing cost and prevent financial risks to improve the profit of the Company and shareholders while satisfying the capital needs for the operating activities of the Company. At the end of the Reporting Period, the Company's short-term loans decreased by RMB50,000,000 or 21.74%, as compared with the beginning of the period, and its long-term loans increased by RMB18,244,500 or 13.68% as compared with the beginning of the period.

5. Foreign exchange risk management

The Company is mainly exposed to foreign exchange risk relating to US dollars and euro. The Group's main operation is settled by RMB, except for the Company's subsidiaries, Beijing Tianhai, BTIC America Corporation and Jingcheng Holding (Hong Kong) Co., Ltd., which use US dollars and euro for procurement and sale. Accordingly, it may be exposed to foreign exchange risk arising from changes in exchange rates between US dollars, euro and RMB. As at the end of the Reporting Period, the Group had no foreign exchange hedging policy. However, the Company will actively take measures to reduce foreign exchange risks, and make appropriate preparations and responses to hedge significant foreign exchange risks when necessary.

(XVII) Principal sources of funds and their use

1. Cash flows from operating activities

Cash inflows from operating activities of the Company during the Reporting Period were mainly derived from sale of goods. Cash outflows were mainly used in expenses related to production and operating activities. During the Reporting Period, cash inflows from operating activities amounted to RMB1,251,564,000, while cash outflows amounted to RMB1,246,687,500. Net cash flows during the Reporting Period from operating activities amounted to RMB4,876,500.

2. Cash flows from investing activities

During the Reporting Period, cash inflows from investing activities of the Company amounted to RMB6,532,700, which mainly came from the disposal of fixed assets during the current period, while cash outflows from investing activities amounted to RMB95,243,500, which were mainly used as investment expenses and expenses for the purchase and construction of fixed assets. Net cash flows from investing activities during the Reporting Period amounted to RMB-88,710,800.

3. Cash flows from financing activities

Cash inflows from financing activities during the Reporting Period amounted to RMB543,250,000, which were mainly derived from bank borrowings and cash received from absorbed investments. Cash outflows from financing activities during the Reporting Period amounted to RMB327,692,300, which were mainly due to the repayment of loans, interest expenses and the payment of operating lease rentals. Net cash flows from financing activities during the Reporting Period amounted to RMB215,557,700.

In 2025, net cash flows from operating activities increased by approximately RMB62,469,200 year on year, which was mainly due to an increase in tax refunds received during the current period as compared with the previous period. Net cash flows from investing activities decreased by approximately RMB3,144,900 year on year, which were mainly due to a year-on-year decrease in cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets during the current period. Net cash flows from financing activities increased by approximately RMB94,819,000 year on year, which was mainly due to the investment funds received by subsidiaries during the current period.

(XVIII) Capital structure

During the Reporting Period, the Company's capital structure consisted of shareholders' equity and liabilities. Shareholders' equity amounted to RMB1,347,235,200, including minority interest of RMB489,790,300, total liabilities amounted to RMB1,786,255,600, and total assets amounted to RMB3,133,490,800. As at the end of the period, the Company's gearing ratio was 57.01%.

Capital structure by liquidity

Total current liabilities	RMB820,717,600	Accounting for 26.19% of assets
Total shareholders' equity	RMB1,347,235,200	Accounting for 42.99% of assets
Of which: Minority interest	RMB489,790,300	Accounting for 15.63% of assets

(XIX) Contingent liabilities

As at the end of the Reporting Period, the Company did not have any discloseable significant contingent liabilities.

(XX) Details of the Group's charge on assets

Assets with restriction on ownership or use right:

Unit: Yuan Currency: RMB

Item	Book balance	End of the year		Condition of restriction
		Book value	Type of restriction	
Fixed assets and intangible assets	160,521,389.15	86,760,330.76	Mortgaged houses and buildings	Mortgaged borrowings and bank acceptance bills
Monetary funds	71,723,630.05	71,723,630.05	Security deposit	Security deposit for bank acceptance bills, security deposit for letter of guarantee
	6,700,000.00	6,700,000.00	Funds frozen by litigation	Funds frozen by litigation
Notes receivable	9,333,049.02	9,333,049.02	Pledged bank acceptance bills	Pledged bank acceptance bills
Total	248,278,068.22	174,517,009.83	—	—

Item	Book balance	Beginning of the year		Condition of restriction
		Book value	Type of restriction	
Fixed assets and intangible assets	160,638,154.58	96,058,176.93	Mortgaged houses and buildings	Mortgaged borrowings and bank acceptance bills
Accounts receivable financing	2,800,000.00	2,800,000.00	Pledged notes receivable	Pledge
Monetary funds	69,544,018.02	69,544,018.02	Security deposit	Security deposit for bank acceptance bills
	1,639,488.83	1,639,488.83	Security deposit	Security deposit for letter of credit
	1,232,613.74	1,232,613.74	Funds frozen by litigation	Funds frozen by litigation
Total	235,854,275.17	171,274,297.52	—	—

(XXI) Number of employees, remuneration, compensation policies, and training programs during the Reporting Period

1. *Number of Employees*

The Company had 1,348 employees during the Reporting Period.

2. *Remuneration*

The Company paid employee remuneration totaling RMB176.83 million during the Reporting Period.

3. *Compensation Policy*

The Company implements a diversified compensation system centered around position-based performance wages. Position-based performance wages are determined based on established posts and headcount, with the relative value of each position assessed through job evaluation. Wage levels are set with reference to market rates in the labor market to ensure both internal and external fairness of remuneration. On this basis, the Company applies a technical grade appraisal and technological innovation reward scheme for technical personnel; a sales performance commission scheme for marketing personnel; a piece-rate wage system for basic production workers; and an annual salary system for senior management. In accordance with the different roles and work characteristics of various employee categories, the Company adopts a tiered and categorized diversified compensation policy.

4. *Training Programs*

Throughout the year, the Company, in alignment with its strategic development and superior deployment, has established a comprehensive and diverse training system encompassing “key position empowerment, all-staff risk prevention and control, technical quality improvement, and safety and compliance assurance”, with a particular focus on enhancing the capabilities of middle management and above. As at 31 December 2025, the training programs organized by the Company had accumulated 7,644 training attendances, with a total of 41,645 training hours, which effectively strengthened the comprehensive performance capabilities of the relevant personnel.

The training primarily covered eight major areas: (1) specialized training organized by higher-level authorities, which implemented requirements from the higher-level authorities and assisted relevant personnel in seizing policy opportunities and enhancing management skills; (2) professional training for key positions, which provided targeted empowerment for roles such as finance and discipline inspection; (3) all-staff risk prevention and control training, which delivered financial risk management training to middle management and above, reinforcing the defensive lines for development; (4) specialized technical and quality training, which focused on qualification certification, standard application, and core skills to strengthen technical breakthrough capabilities; (5) specialized training on business sales and procurement, which enhanced procurement team capabilities from the perspectives of business acumen, digital empowerment, and compliance management; (6) specialized training on safety, which centered on compliance, targeting, tiered approaches, and all-staff participation to solidify safety responsibilities at all levels; (7) specialized training on functional management, which focused on work discipline and lean operations to improve management efficiency; and (8) specialized training for skilled talents, which adopted a “on-the-job training” model to consolidate the foundation of the skilled workforce, while also completing various other special training programs.

(XXII) Occupation of funds and progress of repayment of debt during the Reporting Period

Not applicable

(XXIII) Explanation of the Company on “Modified Auditors’ Report” issued by the auditors

Not applicable

(XXIV) Proposals for profit distribution or for converting surplus reserves into share capital

1. Formulation, implementation or adjustment of cash dividend policy

Not applicable

2. Profit distribution plan or proposal or plan or proposal to convert surplus reserves into share capital in the previous three years (inclusive of the Reporting Period) of the Company

Unit: Yuan Currency: RMB

Year of distribution	Number of shares to be distributed for every ten shares (share)	Amount to be distributed for every ten shares (RMB) (tax inclusive)	Number of shares to be converted into share capital for every ten shares (share)	Amount of cash dividend (inclusive of tax)	Net profit attributable to ordinary shareholders of listed company in the consolidated financial statements during the year of distribution	Percentage of the net profit attributable to ordinary shareholders of the listed companies in the consolidated financial statements (%)
2025	0	0	0	0	-53,630,943.59	0
2024	0	0	0	0	7,477,047.53	0
2023	0	0	0	0	-51,675,143.59	0

3. Inclusion of repurchased shares by cash in cash dividend

Not applicable

4. If the Company records profits and the parent company records a positive undistributed profit attributable to ordinary shareholders during the Reporting Period but there has been no plan or proposal for the distribution of cash dividend of ordinary shares, the Company shall disclose the reasons and the usage of the undistributed profits and the usage plan in detail

Not applicable

III. EXPLANATION ON OTHER IMPORTANT MATTERS

1. **During the Reporting Period, the Company was subject to applicable enterprise income tax rates of 25% and 15%, and its subsidiaries outside China were subject to applicable enterprise income tax rates of 16.5% and 21%.**
2. **Review of financial statements for the Reporting Period by the audit committee**

The audit committee of the Board has reviewed and confirmed the financial report for 2025.

3. **Corporate Governance Code**

The Company complied with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Hong Kong Listing Rules during the Reporting Period.

The Company has adopted the principles and code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Hong Kong Listing Rules (the “**Corporate Governance Code**”)* as its corporate governance code. The Board considers that the Company complied with all applicable principles and code provisions set out in the Corporate Governance Code throughout the year, except for a deviation from Principle C.2 of the Corporate Governance Code during the period from 24 November 2025 to 14 December 2025.

Principle C.2 of the Corporate Governance Code provides that the management of every issuer includes the management of the Board, and the chairman of the Company is responsible for the management of the Board. On 24 November 2025, Mr. Li Junjie resigned from, among others, his positions of non-executive director and the chairman of the eleventh session of the board of directors of the Company, resulting in a temporary vacancy in the position of the chairman of the Company.

According to the PRC “Company Law”, the “Articles of Association”, the “Rules of Procedure of the General Meeting of Shareholders”, the “Rules of Procedure for the Board of Directors” and relevant regulations, before the appointment of a new chairman, the Company shall first nominate him/her as a candidate for director through the nomination committee, and then submit it to the Board for consideration and final resolution of the matter at the shareholders’ meeting. After the formal appointment of his/her directorship at the general meeting, he/she shall be elected by the Board to assume the position of the chairman of the Company. Furthermore, there was a slight time span between the resignation of the former chairman and the formal appointment of the new chairman as the year-end approached when the relevant meetings were convened to consider the above matters, and schedules were particularly busy with numerous tasks, making it relatively difficult to coordinate the availability of the management and the shareholders.

* *The amendments to the Corporate Governance Code effective on 1 July 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. For this announcement, the Company shall refer to the then effective Corporate Governance Code.*

To maintain a consistently high standard of corporate governance during the short period when the chairman position was temporarily vacant, the Company, in strict compliance with relevant regulations, promptly initiated and diligently executed all necessary procedures for the new chairman to take office, including considerations at meetings, information disclosure, and amendments to documents. Furthermore, the Company adhered to the principle of collective decision-making, with all major matters being strictly considered and determined at the Board meetings and promptly publishing announcements, thereby ensuring the relevant procedure is in compliance with the applicable laws and regulations, and is transparent. Meanwhile, the Company leveraged the leading role of independent non-executive directors of the Company in each professional committee, balanced and supervised the management with professional judgment, thereby ensuring the Company's operations are in compliance with the applicable laws and regulations.

Specifically, following the Company's formal receipt of the resignation application from Mr. Li Junjie, its former chairman, the fifteenth extraordinary meeting of the eleventh session of the Board was held on 24 November 2025, at which the "Resolution of Nominating Mr. Li Zhongbo as a Candidate for Non-executive Director of the Eleventh Session of the Board of Directors of the Company" was considered and approved, and the resignation application of Mr. Li Junjie was accepted by the Board, which took effect on 24 November 2025. Based on the nomination by the nomination committee of the eleventh session of the Board, the Board agreed to nominate Mr. Li Zhongbo as a candidate for non-executive director of the eleventh session of the Board and submit the same to the extraordinary general meeting of the Company for consideration. The proposed term of office shall commence on the date of consideration and approval at the extraordinary general meeting of the Company and end on the date of the 2025 annual general meeting of the Company.

Subsequently, the Company convened the third extraordinary general meeting of 2025 on 12 December 2025, at which the "Resolution in relation to Election of Mr. Li Zhongbo as a Non-executive Director of the Eleventh Session of the Board of Directors of the Company" was considered and approved, and Mr. Li Zhongbo was formally appointed as a non-executive director of the eleventh session of the board of directors of the Company.

On 15 December 2025, the Company convened the sixteenth extraordinary meeting of the eleventh session of the Board, at which the "Resolution on the Election of the Chairman of the Eleventh Session of the Board of Directors of the Company and Change of Authorised Representative in Hong Kong" was considered and approved, and all attending directors unanimously agreed to elect Mr. Li Zhongbo, a non-executive Director, as the Chairman of the eleventh session of the board of directors of the Company, with a term commencing on 15 December 2025 and ending on the date of the 2025 annual general meeting of the Company.

In summary, since the Company appointed Mr. Li Zhongbo as, among others, the eleventh session non-executive director and the chairman of the Company on 12 December 2025 and 15 December 2025 respectively, the Company has complied with Principle C.2 of the Corporate Governance Code from 15 December 2025.

4. Model Code for Securities Transactions by Directors and Supervisors

During the Reporting Period, the Company adopted a model code regarding securities transactions by directors and supervisors on terms no less exacting than the required standards set out in the “Model Code for Securities Transactions by Directors of Listed Issuers” in Appendix C3 to the Hong Kong Listing Rules. After making specific enquiries with all directors and supervisors of the Company, the Company confirmed that, each of the directors and supervisors of the Company complied with the required standards on securities transactions by directors and supervisors as set out in the model code for the 12 months ended 31 December 2025.

5. Share capital

I. Total number of shares and changes in share capital structure of the Company during the Reporting Period:

Unit: share

	Opening balance	Increase and decrease (+,-) in the current change				Subtotal	Closing balance
		Issuance of new shares	Bonus issue	Conversion from reserve	Other		
Total shares	547,665,988.00	0	0	0	-180,000.00 (Shares repurchased)	-180,000.00	547,485,988.00

II. Purchase, sale or redemption of listed securities of the Company:

Explanation on the implementation status of the repurchase and cancellation of part of the restricted A shares granted but subject to lock-up by the Company:

(1) Reasons for and the number of repurchase and cancellation

1. Reasons for resignation of the Participants

Pursuant to item (3) under (II) Changes in the Personal Circumstances of the Participants in Chapter XIII Measures for Changes to the Company and Personal Circumstances of the Participants of the 2023 Restricted Share Incentive Scheme of the Company (the “**Incentive Scheme**”), “if the Participant resigns or the employment relationship is terminated due to personal reasons, the Company shall repurchase the Restricted Shares subject to lock-up at the lower of the Grant Price and the market price”.

Given three of the participants under the initial grant resigned due to personal reasons and were no longer eligible to be the participants, the Company was required to repurchase and cancel all of the 80,000 restricted A shares granted but subject to lock-up at the lower of the grant price and the market price.

2. *Reasons for internal retirement of the participants*

Pursuant to item (7) under (II) Changes in the Personal Circumstances of the Participants in Chapter XIII Measures for Changes to the Company and Personal Circumstances of the Participants of the Incentive Scheme, “the Board shall determine the handling methods for other situations not specified herein”.

Given one of the participants under the initial grant no longer held any position in the Company due to internal retirement and it was not appropriate to continue to incentivise him, the Board decided to refer to the treatments on the participants as specified in item (3) under Part (II) in Chapter XIII of the Incentive Scheme, “if the Participant resigns or the employment relationship is terminated due to personal reasons, the Company shall repurchase the Restricted Shares subject to lock-up at the lower of the Grant Price and the market price”, and the Company was required to repurchase and cancel all of the 50,000 restricted A shares granted but subject to lock-up from the participant at the lower of the grant price and the market price.

3. *Reasons for transfers of job of the participants*

Pursuant to item (2) under (II) Changes in the Personal Circumstances of the Participants in Chapter XIII Measures for Changes to the Company and Personal Circumstances of the Participants of the Incentive Scheme, “if the Participant terminates his/her employment with the Company due to transfer of job, dismissal, retirement, death or incapacity, the exercisable portion (with clear vesting of interests) may be exercised within six months from the date of termination of employment (or when the portion can be exercised) if the exercisable time limit and performance assessment conditions have been met in that year, and the entitlement shall lapse after such six months. Any remaining portion in respect of which the performance assessment conditions for the year are not met will not be released and will be repurchased by the Company at the sum of the Grant Price plus interest earned on time deposits calculated in accordance with the latest benchmark deposit rate issued by the People’s Bank of China”.

Given one of the participants under the initial grant terminated the employment relationship with the Company due to the transfer of job, the Company was required to repurchase and cancel the 50,000 restricted A shares granted but subject to lock-up at the sum of the grant price plus the interest earned from bank time deposits.

Based on the above, a total of 180,000 restricted shares granted but subject to lock up (all being the part under the initial grant) were repurchased due to the changes in the circumstances of five participants; Upon the completion of the repurchase and cancellation, the number of remaining restrictive shares under the Incentive Scheme will be 5,220,000 shares.

(2) Repurchase price

Among the five participants in this repurchase, four of the participants who resigned or internally retired held a total of 130,000 restricted shares subject to lock-up, with the repurchase price of RMB7.33/share, while one of them who terminated the employment relationship with the Company due to transfer of job held a total of 50,000 restricted shares subject to lock-up, with the repurchase price at the sum of RMB7.33/share plus the interest earned on time deposits calculated in accordance with the latest benchmark deposit rate issued by the People's Bank of China.

(3) Total amount of funds and the source of funds for the repurchase

The total amount of funds used for the repurchase of restricted shares was RMB1,319,400 (plus interests payable for the time deposits in banks as required), which was financed by the Company's own funds.

(4) Progress of the repurchase and cancellation

The Company opened a specific account for repurchase (B887384535) at the China Securities Depository and Clearing Company Limited Shanghai Branch (the “**CSDC Shanghai Branch**”), and applied to CSDC Shanghai Branch for processing the transfer procedures for the repurchase of the restricted shares held by the above-mentioned five participants. The restricted shares were cancelled on 4 August 2025, and the Company has completed the relevant industrial and commercial registration change procedures in accordance with the requirements of relevant laws and regulations.

For details, please refer to the Company's “Announcement in relation to the Repurchase and Cancellation of Part of the Restricted A Shares Granted but Subject to Lock-up” dated 30 July 2025 and the next day disclosure return dated 4 August 2025.

Save for the above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

6. Significant events after the end of the Reporting Period

Subsequent to the end of the Reporting Period and up to the date of this announcement, there have been no material events affecting the Group.

IV. ANNUAL REPORT AND OTHER INFORMATION

This announcement will be published on the websites of the Company (www.jingchenggf.cn) and the Stock Exchange (www.hkexnews.hk). The entire annual report will be published on the websites of the Company and the Stock Exchange in due course.

By Order of the Board
Beijing Jingcheng Machinery Electric Company Limited
Li Zhongbo
Chairman

Beijing, the PRC
27 March 2026

As at the date of this announcement, the Board comprises Mr. Zhang Jiheng as an executive director, Mr. Li Zhongbo, Mr. Wang Kai, Mr. Zhou Yongjun, Mr. Zhao Xihua, Mr. Man Huiyong and Ms. Li Chunzhi as non-executive directors, and Ms. Chen Junping, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive directors.

** For identification purposes only*