知行汽車科技(蘇州)股份有限公司
iMotion Automotive Technology (Suzhou) Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code：1274

2024
ANNUAL REPORT

CONTENTS

Corporate Information

CHINESE NAME OF THE COMPANY

知行汽車科技(蘇州)股份有限公司

ENGLISH NAME OF THE COMPANY

iMotion Automotive Technology (Suzhou) Co., Ltd.

BOARD OF DIRECTORS

Executive Directors

Mr. Song Yang *(Chairman of the Board)*
Mr. Lu Yukun
Mr. Li Shuangjiang

Non-executive Directors

Mr. Li Chengsheng *(resigned on April 11, 2025)*
Mr. Tao Zhixin
Mr. Yang Yuankui *(resigned on April 25, 2025)*

Independent Non-executive Directors

Dr. Zhang Weigong
Mr. Liu Yong
Ms. Xue, Rui Shirley

AUDIT COMMITTEE

Mr. Liu Yong *(Chairman)*
Dr. Zhang Weigong
Ms. Xue, Rui Shirley

REMUNERATION AND APPRAISAL COMMITTEE

Ms. Xue, Rui Shirley *(Chairlady)*
Mr. Lu Yukun
Mr. Liu Yong

NOMINATION COMMITTEE

Dr. Zhang Weigong *(Chairman)*
Mr. Song Yang
Ms. Xue, Rui Shirley

STRATEGY COMMITTEE

Mr. Song Yang *(Chairman)*
Mr. Lu Yukun
Mr. Yang Yuankui

BOARD OF SUPERVISORS

Mr. Luo Hong *(Chairman)*
Mr. Zhu Qinghua
Mr. Wang Bingjie

AUTHORISED REPRESENTATIVES

Mr. Song Yang
Mr. Chung Ming Fai

JOINT COMPANY SECRETARIES

Ms. Liu Fang
Mr. Chung Ming Fai

HEADQUARTERS, REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN PRC

19/F and 20/F
Building G2
88 Jinji Lake Avenue
Suzhou Industrial Park
Suzhou, Jiangsu Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F
Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Corporate Information

LEGAL ADVISERS

PRC Law
Beijing Yingke Law Firm (Suzhou)
265 Suzhou Avenue East
Suzhou Industrial Park
Suzhou, Jiangsu Province
PRC

Hong Kong Law
Jingtian & Gongcheng LLP
Suites 3203-3207, 32nd Floor
Edinburgh Tower
The Landmark
15 Queens Road Central
Central, Hong Kong

AUDITORS

KPMG
Certified Public Accounts and Registered
Public Interest Entity Auditor
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

COMPLIANCE ADVISOR

Quam Capital Limited
5/F and 24/F (Rooms 2401 and 2412)
Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL BANKERS

China Construction Bank Co., Ltd.
Jiangsu Pilot Free Trade Zone Suzhou Branch
1st Floor, Zijin Oriental Business Plaza
No. 228 Qiyue Road
Dushu Lake Science and Education Innovation Zone
Suzhou Industrial Park
Suzhou, Jiangsu Province
PRC

INVESTOR INQUIRIES

Tel: +86 (0512) 6500 1565
Website: www.imotion.ai
E-mail: investor@imotion.ai

WEBSITE

www.imotion.ai

STOCK CODE

01274

Definitions

"AD"	autonomous driving;
"ADAS"	advance driver assistance system(s);
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong;
"Articles of Association"	the articles of association of the Company, as amended from time to time;
"Audit Committee"	the audit committee of the Company;
"BEV"	battery electric vehicles;
"Board" or "Board of Directors"	the board of directors of the Company;
"CG Code"	Corporate Governance Code as Appendix C1 to the Listing Rules;
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this annual report, Hong Kong, Macau and Taiwan;
"Company"	iMotion Automotive Technology (Suzhou) Co., Ltd., a joint stock company incorporated in the PRC with limited liability;
"controlling shareholder(s)"	has the meaning ascribed thereto in the Listing Rules, and unless the context otherwise requires;
"Director(s)"	director(s) of the Company;
"Domestic Share(s)"	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are not listed on the Stock Exchange;
"EUR"	Euros, the lawful currency of the European Union Member States;
"Geely Group"	Geely Automobile Holdings Limited (吉利汽車控股有限公司) and Zhejiang Geely Holding Group Company Limited (浙江吉利控股集團有限公司), being the ultimate holding company of Geely Automobile Holdings Limited, together with their subsidiaries and joint ventures under their control;
"Global Offering"	the Hong Kong Public Offering and the International Offering;
"Group", "we" or "us"	the Company and its subsidiaries;
"H Share(s)"	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which have been listed and traded on the Stock Exchange with effective from December 20, 2023;
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC;
"Hong Kong dollars", "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong;

Definitions

"Hong Kong Offer Shares"	the H Shares offered by us for subscription pursuant to the Hong Kong Public Offering;
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) on the terms and conditions as described in the Prospectus, as further described in the section headed "Structure of the Global Offering" in the Prospectus;
"International Offer Shares"	the 19,904,400 H Shares initially offered by the Company for subscription at the Offer Price pursuant to the International Offering;
"International Offering"	the offer of the International Offer Shares by the international underwriters at the Offer Price outside the United States outside the United States in offshore transactions in accordance with Regulation S and in the United States to qualified institutional buyers only in reliance on Rule 144A or any other available exemption from registration under the U.S. Securities Act, as further described in "Structure of the Global Offering" in the Prospectus;
"Listing"	listing of the shares on the main board of the Stock Exchange;
"Listing Date"	December 20, 2023, the date on which our shares are listed and from which dealings therein are permitted to take place on the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;
"Mobileye"	Mobileye Vision Technologies Ltd., which was incorporated in Israel in 1999 and Mobileye Global Inc., the publicly traded company, which is listed on the NASDAQ (ticker symbol: MBLY). Mobileye is primarily engaged in the development and deployment of ADAS and autonomous driving technologies and solutions;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as Appendix C3 to the Listing Rules;
"Nomination Committee"	the nomination committee of the Company;
"Offer Price"	HK$29.65 per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%);
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares;

Definitions

"PCBA"	printed circuit boards assembly;
"Prospectus"	the prospectus of the Company dated December 12, 2023 issued in connection with the Global Offering and the Listing;
"R&D"	research and development;
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Company;
"Reporting Period"	the period from January 1, 2024 to December 31, 2024;
"RMB"	Renminbi, the lawful currency of the PRC;
"SFC"	the Securities and Futures Commission of Hong Kong;
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Shareholder(s)"	shareholder(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Strategy Committee"	the strategy committee of the Company;
"Supervisor(s)"	supervisor(s) of the Company;
"treasury share(s)"	has the meaning ascribed to it under the Listing Rules;
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
"USD"	United States dollars, the lawful currency of the United States;
"%"	per cent.

Financial Highlights

During the year ended December 31, 2024, the Group has recorded:

- Revenue of RMB1,247.72 million, which was increased by 2.58% compared to the same period in 2023.
- Gross profit of RMB90.83 million, which was decreased by 24.91% compared to the same period in 2023.
- Gross profit margin was 7.28% (2023: 9.94%).
- Loss before tax for the Reporting Period increased by 47.78% to RMB288.34 million (2023: RMB195.11 million).
- Loss attributable to equity holders of the Company for the Reporting Period was increased by 47.78% to RMB288.32 million (2023: RMB195.10 million).
- Basic and diluted loss per share attributable to ordinary equity holders of the parent amounted to RMB1.27 for the Reporting Period (2023: RMB0.95).
- The Board does not recommend the payment of a final dividend for the year ended December 31, 2024 (2023: Nil).

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the audited annual results report of the Group for the year ended December 31, 2024.

Looking back on 2024, China's vehicle market continued to grow steadily, with production and sales exceeding 31 million units, surpassing 30 million units for two consecutive years and ranking the first for 16 consecutive years in terms of production and sales worldwide. Specifically, production and sales of new energy vehicles reached to 12.888 million and 12.866 million units, representing a year-on-year increase of 34.4% and 35.5%, respectively. The proportion of sales of new energy vehicles in total sales of vehicles accounted for 40.9%, representing an increase of 9.3% as compared to 2023. In terms of vehicle types, China's passenger vehicle market recorded an annual production and sales of 27.477 million and 27.563 million units, representing a year-on-year increase of 5.2% and 5.8%, respectively.

In 2024, the Company maintained a consistently high-efficiency level in R&D and mass production delivery capabilities. We received substantial vehicle orders and completed serial production and delivery for our full-stack, self-developed iFC intelligent integrated front-view cameras and iDC driving and parking integrated domain controllers in 2024. By the end of 2024, we had received orders for 32 vehicle models and achieved mass production delivery for 22 vehicle models for our full-stack, self-developed autonomous driving product series. In addition, our autonomous driving solutions based on the Horizon Journey® 3 series chip had been successfully deployed in mass production, while our intelligent driving solutions based on the Horizon Journey® 6 series had also been accredited for mass production and will achieve serial production and delivery in the near future. In terms of technology research and development, we increased investments in technological capabilities, with expanding our workforce from 380 to 575 in 2024, and increasing our R&D personnel from 292 to 474. We also recruited top-tier R&D and delivery talents from the market.

In April 2024, we successfully invited Ms. JIANG Jingfang to join iMotion Technology. Before joining iMotion Technology, Ms. JIANG served as a partner and senior vice president at HoloMatic Technology. Prior to that, Ms. JIANG had worked at Bosch China for 21 years, where she served as director and senior vice president of the ADAS business department in China. In terms of fundamental R&D, by leveraging on our insights in and taking reference with DeepSeek, we have employed the distillation technology to enhance computational power utilization, to further optimize our VLM multimodal model, and strengthen engineering iteration capabilities, thereby extending the commercial lifespan of chips. Benefiting from our long-term commitment to an integrated hardware-software solution strategy, our insights into hardware, underlying software, and middleware have enabled us to deploy large models more quickly and efficiently. Furthermore, multimodal large models have shown promising potential for expansion beyond in-vehicle applications, facilitating our further expansion in the commercial robotics sector.

Adhering to our established corporate strategy, we have enabled high-level functionalities across medium-to-high, medium, and medium-to-low computing power platforms. In 2024, we successfully deployed a BEV model on the TI TDA4 chip, which has relatively low computational power, making us the first autonomous driving solution provider in China and even the world to achieve serial production and delivery of BEV models on low-computing-power chips. This has significantly accelerated the penetration rate of autonomous driving while optimizing cost control for the passenger vehicle industry. In terms of production capacity, we have completed the deployment of Siemens SMT high-speed production lines, achieving fully automated production of IFC intelligent integrated front-view cameras and iDC driving-parking integrated domain controllers. This ensures large-scale, high-quality product deliveries while further reducing production costs. Additionally, we continue to refine our supply chain system, diversifying our chip suppliers to enhance the bargaining power of the Company and ultimately providing customers with industry-leading product series in terms of cost-effectiveness.

Chairman's Statement

In 2024, China's vehicle exports surged by 19.3% year-on-year, reaching a record high of 5.859 million units. Our subsidiary in Germany continues to support the Group's expansion into overseas markets, laying a solid foundation for the Company to direct supply to overseas automakers as a Tier 1 supplier. In May 2024, we were designated by Proton Holdings Bhd in Malaysia, under which we will provide autonomous driving products and solutions for SAGA, a national sedan in Malaysia.

Our new headquarters building is located at Suzhou Industrial Park, covering an area of 26 Mu and with a floor area of approximately 72,000 square meters, was successfully topped off in 2024, and the construction is expected to be fully completed in May 2025. The new headquarters building was designed with industry 4.0 intelligent R&D and manufacturing system as its core. Horizontally, it will be integrated with R&D, process, production and other operation flows and vertically with enterprise, workshop, equipment and other functional modules. Through digitalization, virtualization, internet of things, big data and other technologies, it will build a control system integrating with process planning, plant planning, production and operation that can support excellent plant planning and ongoing operation, so as to realize effective and efficient production and reduce the cost for production and operation. The new headquarters building will significantly improve the capacity of iMotion in leading-edge algorithm and development of hardware, system integration and verification, quick-scale and serial production, and will reduce cost and enhance efficiency.

Looking forward to 2025, we will further facilitate R&D and deployment in advanced technologies, including large models and end-to-end technology, and accelerate the strategic expansion into new businesses and markets, such as integrated cockpit driving and global cross-border service networks. We will provide a new intelligent-driving experience for users by promoting intelligent transformation for automobile companies globally. Finally, on behalf of the Company, I would like to express again my heartfelt gratitude to our Shareholders, investors and business partners for their continuous trust and support, and on behalf of the Board of Directors, I would like to thank all our employees for their dedicated work.

Mr. Song Yang
Chairman of the Board

March 26, 2025

Management Discussion And Analysis

I. MARKET REVIEW

In 2024, China's vehicle market continued to grow steadily. China's vehicle production and sales reached 31.28 million and 31.43 million units, representing a year-on-year increase of 3.7% and 4.5%, respectively. Specifically, production and sales of new energy vehicles reached 12.89 million and 12.87 million units, representing a year-on-year increase of 34.4% and 35.5%, respectively. The proportion of sales of new energy vehicles in total sales of vehicles accounted for 40.9%, representing an increase of 9.3% as compared to 2023. In terms of vehicle types, China's passenger vehicle market recorded annual production and sales of 27.48 million and 27.56 million units, representing a year-on-year increase of 5.2% and 5.8%, respectively, achieving continued growth as compared to a decrease in production and sales of commercial vehicles. In addition, in 2024, China's vehicle exports surged by 19.3% year-on-year, reaching a record high of 5.86 million units.

In 2024, the penetration rate of new models with level 2 and more assisted driving functions was approximately 50%, and is expected to continue growth in 2025 with lower technology costs and wider deployment of vehicle companies. With many vehicle companies offering level 2 and more assisted driving functions to models pricing between RMB50,000 to RMB200,000, China and the world will continue to head forward to popularizing intelligent driving functions, truly achieving equality in intelligent driving.

In terms of market competition, over the past year, China and even global markets remained competitive for third-party providers of autonomous driving solutions. Markets continue to promote R&D of technology, production iteration and experience optimization. Meanwhile, some third-party providers of autonomous driving solutions have quit due to financing challenges, resulting in increased concentration among leading providers. Therefore, many opportunities were emerging such as merges and acquisitions and the integration of supply chains in the intelligent driving industry.

In 2024, four ministries, including the Ministry of Industry and Information Technology (工業和信息化部), jointly issued the Circular on Development of the Pilot Program for the Access and Road Testing of Intelligent Connected Vehicles (《關於開展智能網聯汽車准入和上路通行試點工作的通知》), which accelerated and promoted the pilot program for the access and road traffic of intelligent connected vehicles, facilitating autonomous driving solutions providers to implement their technologies. At the same time, the government increased investment in promoting the construction of vehicles to all infrastructures, such as 5G network, high definition map and intelligent traffic signal systems, thereby further providing systematic support for autonomous driving.

Management Discussion And Analysis

II. BUSINESS REVIEW

The Group is an autonomous driving solution provider in China. Leveraging on a number of advanced system R&D capabilities such as computing platforms, efficient middleware and artificial intelligence algorithms, the Group provides advanced autonomous driving solutions to customers through efficient integration of software and hardware. We have commercialized level 2 to level 2+ autonomous driving solutions (level 2+ is not an official classification under SAE (1) standard), and are developing level 2 to level 4 autonomous driving solutions for automotive manufacturers (OEMs). Our principal activities include (1) provision of autonomous driving solutions and products; (2) provision of autonomous driving-related R&D services; and (3) sales of PCBA products.

In 2024, benefiting from the further improvement of consumers' awareness and acceptance of autonomous driving passenger vehicles, the market for autonomous driving passenger vehicles has further expanded. The Group closely monitors on market dynamics, identifies market demand, strengthens product refinement management and provides a wide range of autonomous driving solutions to satisfy customers' different costs and technological requirements. For the year ended December 31, 2024, we delivered more than 227,000 autonomous driving solutions and products to our customers, representing an increase of 75% as compared to 2023. From 2020 to 2024, we delivered more than 446,000 autonomous driving solutions and products to our customers.

Autonomous driving solutions and products

In 2024, we generated most of our revenue from the sales of our autonomous driving solutions and products to OEMs, which included autonomous driving domain controllers and intelligent front camera products. We develop autonomous driving solutions and products for OEMs by leveraging core vertically integrated competencies in product design and development, algorithm and function development, system integration and manufacturing, etc. Our solutions and products for autonomous driving can be installed on both new energy vehicles ("**NEVs**") and internal combustion engine ("**ICE**") vehicles, and are capable of realizing comprehensive autonomous driving functions.

During the year, we generated revenue of approximately RMB1,192.58 million (2023: RMB1,130.44 million) from the provision of autonomous driving solutions and products, accounting for approximately 95.58% of our total revenue in 2024, of which revenue from the sales of AD domain controllers amounted to approximately RMB1,134.61 million (2023: RMB1,115.04 million), remaining the largest revenue source of the Company. AD domain controllers function as the brain of autonomous driving solutions – fusing and processing data from the vehicle's sensors to make autonomous driving decisions and trigger actuators in the vehicles. In 2024, revenue from the sales of AD domain controllers represented an increase of 1.76% as compared to the corresponding period in 2023, while the sales volume of AD domain controllers in 2024 increased 47.4% compared with that of 2023. In particular, during the year, revenue from iDC 100 and iDC 300, our full-stack, self-developed AD domain controllers, increased significantly from approximately RMB13.96 million in 2023 to approximately RMB93.77 million in 2024, which was mainly attributable to the increase in revenue generated from the iDC 300 by Chery of approximately RMB59.17 million.

During the year, revenue from iFC, our self-developed intelligent front cameras, increased significantly from approximately RMB15.40 million in 2023 to approximately RMB57.97 million in 2024, which was mainly attributable to the increase in the revenue generated from the procurement by Chery, Dongfeng Motor and Geely Auto for their vehicle models.

Management Discussion And Analysis

Autonomous driving-related R&D services

In 2024, we continued to provide autonomous driving-related R&D services to OEMs. Our autonomous driving-related R&D services primarily focused on three aspects: (i) the development of software and hardware for autonomous driving; (ii) the development of algorithms and functions for autonomous driving; and (iii) functional safety consulting and validation. Our autonomous driving-related R&D services primarily focused on two areas: (i) proof-of-concept projects. In these projects, OEMs engaged us to conduct concept validation for new technology. Leveraging our comprehensive R&D capabilities and utilizing advanced technology, we developed and provided prototypes to OEMs within a short time to conduct concept validation, including proof-of-concept projects involving level 3 or level 4 autonomous driving; and (ii) R&D services in relation to the supply of our autonomous driving solutions. After receiving the letter of nomination, we started providing R&D services to our customers, which primarily included R&D of hardware, software, algorithms and autonomous driving functions, as well as implementation, integration, verification and testing services.

During the year, we recorded revenue from the autonomous driving-related R&D services of approximately RMB41.66 million (2023: RMB63.11 million), representing approximately 3.34% of our total revenue in 2024. The decrease was mainly due to many new R&D services contracts were still in progress and have not been completed as of December 31, 2024.

Sale of PCBA products

In 2024, we continued to engage in manufacturing and sales of PCBA products to third parties. Using our two-surface mount technology ("**SMT**") lines, we mount different electronic components on the PCB, such as SoCs, resistors, capacitors, and transmitters to prepare fully usable PCBA based on our customers' specifications.

During the year, we recorded revenue from the sale of PCBA products of approximately RMB13.48 million (2023: RMB22.74 million), accounting for approximately 1.08% of our total revenue in 2024.

Project acquisition

In 2024, we obtained 35 new letters of nomination from well-known OEM customers including Geely Auto, Polestar, Chery and Dongfeng Motor, as well as several new automotive companies. As of December 31, 2024, we had a total of 65 letters of nomination. It is anticipated that we will occupy a larger market share in the future by offering more diverse and cost-effective solutions to OEMs.

Management Discussion And Analysis

R&D progress

In respect of R&D, we have maintained an efficient pace of iteration. The iFC3.0 intelligent front camera and iDC300 AD domain controller powered by the Horizon Journey 3 chip have been delivered in bulk to the leading vehicle companies since the second quarter of 2024. At the same time, the next-generation AD domain controller powered by Horizon Journey 6 has obtained letters of nomination for series production by the leading vehicle companies and will start series production in the near future. Based on this, the Company has rapidly improved its product lines based on domestic chips. At the advanced algorithms level, we completed the deployment of the BEV model on the TI TDA4 chip with relatively low computing power, becoming the first autonomous driving solutions provider in China and even globally to achieve mass production delivery of the BEV model with low computing power chips. At the same time, the team completed the series production deployment of BEV + Transformer on iDC500, providing customers with a better functional experience.

We are actively expanding the scale of our R&D organization. In 2024, we established R&D centers in Beijing, Shanghai, Guangzhou and Wuhan, with the number of R&D personnel increasing from 292 at the beginning of the year to 474 at the end of the year. We actively embraced the opportunities brought by big data and large models to autonomous driving, optimized our organizational structure, and built an R&D architecture system oriented to big data and big models, so as to accelerate the R&D and mass production of advanced algorithms for next-generation autonomous driving.

In respect of intellectual property rights, as of the end of 2024, we had applied for 250 invention patents, of which 234 were related to software and algorithms, accounting for 93.6%. In 2024, we obtained 52 software copyrights and 61 invention patents, of which 57 are related to software and algorithms.

Overseas layout

We further strengthened the capabilities of the subsidiary in Germany to provide localized services and technical support for a number of Chinese vehicle companies in their overseas ventures, helping our customers to carry out local testing and verification work more quickly and efficiently. During the Reporting Period, we assisted a number of Chinese vehicle companies in the GSR (General Safety Regulation) certification, signifying that the products of the Company are fully compliant with the requirements for export to the European Union. At the same time, the subsidiary in Germany also directly served international customers such as Volvo and Polestar and actively expanded its overseas business.

Management Discussion And Analysis

III. FINANCIAL REVIEW

Revenue

Revenue for the year ended December 31, 2024 was RMB1,247.72 million, representing an increase of RMB31.43 million or 2.58% as compared to that for the corresponding period in 2023. Among which, revenue from sales of autonomous driving solutions and products was RMB1,192.58 million, representing an increase of RMB62.14 million or 5.50% as compared to that for the corresponding period in 2023; revenue from rendering of autonomous driving-related R&D services was RMB41.66 million, representing a decrease of RMB21.45 million or 33.99% as compared to that for the corresponding period in 2023; and revenue from sales of PCBA products was RMB13.48 million, representing a decrease of RMB9.26 million or 40.72% as compared to that for the corresponding period in 2023.

A substantial portion of the revenue of the Group was generated from sales of autonomous driving solutions and products, accounting for 95.58% of its revenue for the year ended December 31, 2024 (2023: 92.94%). In addition, revenue generated from rendering of autonomous driving-related R&D services accounted for 3.34% of its revenue for the year ended December 31, 2024 (2023: 5.19%, and revenue from sales of PCBA products accounted for 1.08% of its revenue for the year ended December 31, 2024 (2023: 1.87%). Revenue of the Group was mainly derived from our operations in the PRC.

The following table sets forth a breakdown of the Group's revenue and relevant information for the Reporting Period:

	For the year ended December 31,			
	2024		2023	
	Amount *(RMB' million)*	**Percentage of total revenue**	Amount *(RMB' million)*	Percentage of total revenue
Autonomous driving solutions and products				
– AD domain controller solutions	**1,134.61**	**90.93%**	1,115.04	91.67%
– Intelligent front cameras	**57.97**	**4.65%**	15.40	1.27%
Subtotal	**1,192.58**	**95.58%**	1,130.44	92.94%
Autonomous driving-related R&D services	**41.66**	**3.34%**	63.11	5.19%
Sales of PCBA products	**13.48**	**1.08%**	22.74	1.87%
Total	**1,247.72**	**100.00%**	1,216.29	100.00%

Management Discussion And Analysis

Cost of Sales and Services

Cost of sales and services for the year ended December 31, 2024 was RMB1,156.90 million, representing an increase of RMB61.56 million or 5.62% as compared to that for the corresponding period in 2023. Among which, cost of sales of autonomous driving solutions and products for the year ended December 31, 2024 was RMB1,113.75 million representing an increase of RMB76.41 million or 7.37% as compared to that for the corresponding period in 2023; cost of rendering of autonomous driving-related R&D services was RMB31.78 million, representing a decrease of RMB4.75 million or 13% as compared to that for the corresponding period in 2023; and cost of sales of PCBA products was RMB11.37 million, representing a decrease of RMB10.10 million or 47.05% as compared to that for the corresponding period in 2023.

Gross Profit

Gross profit for the year ended December 31, 2024 was RMB90.83 million, representing a decrease of RMB30.13 million or 24.91% as compared to that for the corresponding period in 2023. Of which, gross profit of sales of autonomous driving solutions and products for the year ended December 31, 2024 was RMB78.83 million, representing a decrease of RMB14.27 million or 15.33% as compared to that for the corresponding period in 2023; gross profit of rendering of autonomous driving-related R&D services was RMB9.89 million, representing a decrease of RMB16.70 million or 62.82% as compared to that for the corresponding period in 2023; and gross profit of sales of PCBA products was RMB2.11 million, representing an increase of RMB0.84 million or 66.95% as compared to that for the corresponding period in 2023. Due to the adjustment in the Company's market pricing strategy, the sales price of the Company's autonomous driving controller product, Supervision™, was optimized, resulting in a decrease in the Company's gross profit for 2024 as compared to that for 2023.

Gross profit margin for the year ended December 31, 2024 was 7.28% (2023: 9.94%).

Other Income

Other income primarily consists of government subsidies for the Group's R&D expenditures and manufacturing bases. For the year ended December 31, 2024, other income amounted to RMB5.91 million, representing a decrease of 23.03% as compared with RMB7.68 million for the year ended December 31, 2023. The decrease was mainly due to the decrease in government subsidies.

Other (Losses)/Gains – Net

Net other (losses)/gains primarily consist of (i) net fair value losses or gains on financial assets at fair value through profit or loss ("**FVTPL**") in relation to losses or gains from our wealth management; (ii) net foreign exchange losses or gains; (iii) net fair value losses or gains on derivative financial instruments; (iv) net gains or losses on disposals of property, plant and equipment and intangible assets; and (v) others. Net other losses for the year ended December 31, 2024 amounted to RMB6.97 million, as compared with net other gains of RMB5.72 million for the year ended December 31, 2023. The change was mainly due to a decrease in investment income from wealth management products and an increase in foreign exchange losses.

Management Discussion And Analysis

Selling Expenses

Selling expenses for the year ended December 31, 2024 amounted to RMB30.39 million, representing a decrease of 5.86% as compared with RMB32.28 million for the year ended December 31, 2023. The decrease was mainly attributable to a decrease in share-based payments to sales and marketing personnel. As a percentage of revenue, the selling expenses decreased from 2.65% for the year ended December 31, 2023 to 2.44% for the year ended December 31, 2024, down by 0.21 percentage point.

Administrative Expenses

Administrative expenses for the year ended December 31, 2024 amounted to RMB57.50 million, representing a decrease of 31.48% as compared with RMB83.92 million for the year ended December 31, 2023. The decrease was mainly due to a decrease in share-based payments to administrative personnel and a decrease in the listing expenses. As a percentage of revenue, the administrative expenses decreased from 6.90% for the year ended December 31, 2023 to 4.61% for the year ended December 31, 2024, down by 2.29 percentage point.

Research and Development Expenses

Research and development expenses for the year ended December 31, 2024 amounted to RMB280.65 million, representing an increase of 29.56% as compared with RMB216.62 million for the year ended December 31, 2023. The increase was mainly due to the increase in talent investments as the Company actively attracted top-notch autonomous driving algorithm talents in the market. The Company is dedicated to developing, deploying upper-layer application model algorithms, and establishing a full-stack self-developed system for the entire lifecycle data closed loop of service products. As a percentage of revenue, the research and development expense increased from 17.81% for the year ended December 31, 2023 to 22.49% for the year ended December 31, 2024, up by 4.68 percentage point.

Finance Income

Finance income primarily consists of interest income on cash at bank. Finance income for the year ended December 31, 2024 amounted to RMB5.11 million, representing an increase of RMB2.00 million as compared with RMB3.11 million for the year ended December 31, 2023.

Finance Costs

Finance costs for the year ended December 31, 2024 amounted to RMB5.25 million, representing an increase of RMB3.90 million as compared with RMB1.35 million for the year ended December 31, 2023. The increase was mainly attributable to increase in the principal amount of bank borrowings in 2024 and the interest thereon.

Loss Before Tax

As a result of the foregoing, loss before tax for the year ended December 31, 2024 amounted to RMB288.34 million, representing an increase of 47.78% as compared with RMB195.11 million for the year ended December 31, 2023.

Management Discussion And Analysis

Loss for the Year

As a result of the foregoing, loss for the year ended December 31, 2024 amounted to RMB288.34 million, representing an increase of 47.78% as compared with RMB195.11 million for the year ended December 31, 2023.

Loss for the Year Attributable to the Equity Holders of the Company

For the year ended December 31, 2024, loss for the year attributable to owners of the parent amounted to RMB288.32 million, representing an increase of 47.78% as compared with RMB195.10 million for the year ended December 31, 2023.

IV. LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

For the year ended December 31, 2024, the Group's net cash outflow used in operating activities was RMB404.98 million, as compared with RMB261.79 million of its net cash outflow used in operating activities for the year ended December 31, 2023. The net cash outflow of operating activities increased by RMB143.19 million year-on-year, which was mainly attributable to the rise in research and development labor cost expenditures, and the increased technical development expenses for investing in new high-level computing power research and development technologies.

For the year ended December 31, 2024, the Group's net cash outflow of investing activities was RMB264.82 million, as compared with RMB118.34 million of its net cash outflow used in investing activities for the year ended December 31, 2023. The net cash outflow of investing activities increased by RMB146.48 million year-on-year, which was mainly attributable to the increase in payments for construction projects, intangible assets and financial assets measured at fair value through profit or loss.

For the year ended December 31, 2024, the Group's net cash inflow generated from financing activities was RMB127.16 million, as compared with RMB736.48 million of its net cash inflow generated from financing activities for the year ended December 31, 2023. The cash inflow generated from financing activities was mainly attributable to the placing and bank borrowings in 2024.

Net Current Assets

As at December 31, 2024, the Group's net current assets amounted to RMB673.13 million, as compared to its net current assets of RMB998.43 million as at December 31, 2023.

Management Discussion And Analysis

Inventories

The Group's inventories consist of (i) raw materials; (ii) work in progress; and (iii) finished goods. As at December 31, 2024, the Group's inventories amounted to RMB298.94 million, representing an increase of 16.76% as compared with RMB256.02 million as at December 31, 2023. The increase in the inventories amount was mainly due to the combined effect of increase of finished goods and decrease of raw materials.

As at December 31, 2024, the Group's average inventory turnover days (the average inventory turnover days is based on the average of opening and closing inventory balances divided by the cost of sales and services for that year and multiplied by 360 days) were 87 days (2023: 87 days).

Borrowings

As at December 31, 2024, the Group's borrowings were RMB314.90 million, representing an increase of 39.55% as compared with RMB225.66 million as at December 31, 2023. All the Group's bank loans and other borrowings are denominated in Renminbi.

The following table sets forth the Group's bank loans and other borrowings as at the dates indicated:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Borrowings included in non-current liabilities:		
Secured		
Bank borrowings	**170,173**	24,159
Borrowings included in current liabilities:		
Unsecured		
Bank borrowings	**114,500**	140,967
Other loans	**30,000**	35,414
Bills payable	–	24,933
Interest payables	**225**	184
	144,725	201,498
Total borrowings	**314,898**	225,657

Gearing Ratio

Gearing ratios, which is calculated as as total borrowings divided by total equity of the Group, are 34.87% and 20.08% as at December 31, 2024 and December 31, 2023, respectively.

Management Discussion And Analysis

Pledge of Assets

The Group has pledged its land use rights with carrying amounts of approximately RMB30.52 million to bank as the security for the long-term bank borrowings of RMB170.17 million as at December 31, 2024.

Capital Expenditures and Investment

The Group's capital expenditures comprise primarily expenditures on land use rights, property, plant and equipment, and intangible assets. For the year ended December 31, 2024, the Group's total capital expenditures were RMB218.72 million, representing an increase of 159.39% as compared with RMB84.32 million for the year ended December 31, 2023.

Treasury Policies and Exposure to Fluctuation in Exchange Rates

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The Group's businesses are principally conducted in RMB. The majority of assets is denominated in RMB. The majority of non-RMB assets and liabilities are cash and cash equivalents, trade receivables and trade payables denominated in HKD, USD and EUR. The Group is subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB and net investment in foreign operations.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government. Additionally, the Group enters into forward exchange contracts to mitigate the foreign exchange risk. The Group did not have other significant exposure to foreign exchange risk.

Contingent Liabilities

As at December 31, 2024, the Group did not have any material contingent liabilities.

Staff Cost and Employee Remuneration Policy

As at December 31, 2024, the Group had 575 employees (as at December 31, 2023: 380 employees). Staff cost of the Group decreased by 3.25% from RMB247.78 million for the year ended December 31, 2023 to RMB239.97 million for the year ended December 31, 2024, which was mainly due to the combined effect of increase in research and development labor costs caused, as well as no share-based payments in 2024.

Management Discussion And Analysis

We are committed to establishing a competitive and fair remuneration. In order to effectively motivate our employees, we continually refine our remuneration and incentive policies through market research. We conduct annual performance evaluation for our employees to provide feedback on their performance. Compensation for our staff typically consists of base salary and a performance-based bonus. Certain equity incentive schemes were also established for the benefit of our Directors, supervisors, senior management and core employees as remuneration for their services provided to us and to incentivize and reward the eligible persons who have contributed to the success of our Company. For details of the incentive schemes, please refer to the section headed "Equity Incentive Scheme" in this annual report.

V. SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR SIGNIFICANT INVESTMENTS

As of December 31, 2024, the Group did not have any significant investments. As of December 31, 2024, save as disclosed in the section headed "Use of Proceeds from the Global Offering" in this annual report, the Group did not have other future plans for material investments and capital assets.

VI. MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

VII. FUTURE STRATEGY AND PROSPECTS

The year 2025 will be the first year of universal intelligent driving. In the next few years, the penetration rate of passenger cars with autonomous driving functions will increase significantly in China and even globally, even extending to a large number of economy car models priced below RMB100,000. Therefore, the cost-effectiveness of solutions is particularly important in the selection of suppliers for economy passenger vehicles. We have deployed high cost-effective solutions on different chip platforms with low to medium computing power, medium computing power, and medium to high computing power to meet the diversified needs of different vehicle companies and different vehicle models.

In 2024, China's vehicle exports surged by 19.3% year-on-year, reaching a record high of 5.859 million units. With the products and brand power of local vehicle enterprises have been improved continuously and received high recognition from domestic and overseas end-users, the export of which, therefore, is projected to increase notably. As end customers' awareness is becoming more comprehensive and acceptance of autonomous driving is getting higher, there is a growing demand for autonomous driving; especially for new-energy vehicles, the autonomous driving function is becoming an integral part reflective of its intelligence.

Management Discussion And Analysis

Continue to pioneer the large-scale commercialization of autonomous driving solutions and products

We will continuously optimise and refine our existing product lines, and expand our in-house manufacturing capacity to reinforce our business expansion; and provide more cost-effective solutions and products to our customers through technological advancement and supply chain optimisation.

Increase our R&D investment to solidify our leading position

The Company focuses on delivering large-scale commercial autonomous driving solutions to the market. Through the development and integration of many technologies and systems such as multisensor data perception fusion technology, decision-making and planning technology, control and execution technology, positioning technology, human-computer interaction scheme and simulation system, we endow autonomous driving hardware products and vehicles with intelligent driving capability. At present, we have independently developed core algorithms, middleware and cloud platforms. In the future, we will continue to optimize software, improve technical barriers and cost performance of solutions, and continuously optimize the core competitiveness of our products. In terms of algorithms, we have deployed the underlying R&D of end-to-end and large multimodal models, and optimized the architecture through DeepSeek. The products and services powered by these algorithms will be put into series production in 2025. We will enhance our self-developed middleware to make it more automatic and programmatic, and provide a more user-friendly interface for more third-party developers. In terms of computing platforms, we will develop a new generation of computing frameworks that are compatible with our algorithm iterations in order to achieve a seamless integration of hardware and software. Meanwhile, we will invest in the R&D of integrated cockpit-driving platform and vehicle central computing platform.

Continue to deepen, expand, and diversify our OEM customer base

We will deepen our cooperation with existing customers and strive to expand our products and solutions to more vehicle models. Meanwhile, we will continue to increase the size of our sales and marketing teams to achieve breakthroughs in key potential customers. In addition, we will work with our strategic partners to expand our OEM customer base.

Enhance our value chain integration capabilities

We will continue to cooperate with existing international first-class system-on chips ("**SoC**") suppliers, and actively promote the R&D and commercialization of products and solutions of Horizon Journey system chips based on our strategic cooperation with Horizon Robotics, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 09660). We intend to deepen our cooperation with sensor suppliers to create modular solutions to shorten the development cycle and enhance the adaptability of our solutions. In addition, we plan to strengthen our vertical integration capabilities through mergers and acquisitions of quality companies that can create synergies.

Management Discussion And Analysis

Build an international brand with a global presence

We will adhere to our overseas expansion strategy by serving Chinese OEMs' overseas business on the one hand, and actively developing international customers on the other. In 2025, our products and solutions will follow our customers to North America, Korea, Japan and other countries, and we are therefore actively planning for a global sales and service network. The Company accelerates its integration into the direct supply system of overseas automakers through the establishment of an overseas business division, technical adaptation, ecosystem collaboration, and data compliance capabilities. In addition, we will leverage the resources provided by our strategic overseas shareholders to explore new overseas business opportunities and establish more international strategic alliances. In order to better serve Chinese vehicle companies going overseas and international customers, we are also actively preparing for overseas production and manufacturing bases.

Actively explore more diversified business models

Our current solutions focus primarily on autonomous driving of passenger vehicles. In addition, there are also broad application prospects for autonomous driving solutions in special scenarios such as public transportation, freight logistics, agricultural machinery, industry and warehousing, mines and ports, which can help improve transportation efficiency, reduce injuries and lower costs. Meanwhile, as a leading company in the autonomous driving industry, the Company possesses significant advantages in technology, data, algorithms, hardware, safety, ecosystem, market, and cross-domain applications, and is actively expanding its presence in the field of embodied intelligence.

Biographies of Directors, Supervisors, Senior Management and Company Secretaries

DIRECTORS

Executive Directors

Mr. SONG Yang (宋陽), aged 50, first joined our Group in March 2017 as a Director and was re-designated as an executive Director with effect from the Listing Date. Mr. SONG is primarily responsible for the overall strategic planning and business direction of our Group. Mr. SONG currently also serves as a director and general manager at each subsidiary of our Group.

Mr. SONG is a seasoned veteran in the automotive industry with almost 21 years of experience spanning senior leadership positions with both domestic and localized international market-leading automotive brands. Before joining in our Company, Mr. SONG had successively served as a leading global supplier of automotive parts, a senior engineer of passive safety engineering department at automotive electronics division, a section manager of passive safety engineering department at chassis systems control division, and the department manager of advanced driver assistance engineering department at chassis systems control division in Bosch Automotive Products (Suzhou) Co., Ltd. (博世汽車部件(蘇州)有限公司) ("**Bosch Automotive**", a subsidiary of Robert Bosch GmbH) from July 2004 to July 2014, and the general manager at KSS Automotive Active Safety System (Suzhou) Co., Ltd. (百利得汽車主動安全系統(蘇州)有限公司) ("**KSS Automotive**") from September 2014 to October 2016, which was a subsidiary of Ningbo Joyson Electronic Corp. (寧波均勝電子股份有限公司), a leading mobility safety company listed on the Shanghai Stock Exchange (stock code: 600699).

Mr. SONG obtained his bachelor's degree in mechanical and electrical engineering from Beijing Institute of Machinery Industry (北京機械工業學院) in the PRC in July 1996. He further obtained his master's degree in electronic and information engineering from the University of Science and Technology of China (中國科學技術大學) in the PRC in December 2005.

Mr. LU Yukun (盧玉坤), aged 43, first joined our Group in September 2017 as our chief technology officer and was appointed as a Director in August 2018, and also re-designated as an executive Director with effect from the Listing Date. Mr. LU is primarily responsible for the overall technology strategy and the R&D of the technology infrastructure of our Group. Mr. LU also serves as a supervisor of iMotion Electronics Technology (Suzhou) Co., Ltd. (知辛電子科技(蘇州)有限公司)("**iMotion Electronics**"), a wholly-owned subsidiary of our Company since June 2018.

As a R&D specialist, Mr. LU brings with him more than 18 years of extensive experience in the automotive industry and more specifically in technology development. Prior to joining our Group, Mr. LU worked at Bosch Automotive with his last position as the manager of the R&D division from March 2006 to December 2014, where he was primarily responsible for the R&D of automotive passive safety technology and driving assistance system. He also had successively served as the engineering manager of the R&D division at KSS Automotive from January 2015 to August 2016, as well as the deputy engineering director of innovation and new ventures at Nexteer Automotive (Suzhou) Co., Ltd. (耐世特汽車系統(蘇州)有限公司) from September 2016 to August 2017, where he was primarily responsible for the R&D of autonomous driving technology.

Mr. LU obtained his bachelor's degree in information engineering from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in June 2004. He further obtained a master's degree in signal processing and communications from the University of Edinburgh in the United Kingdom in November 2005.

Biographies of Directors, Supervisors, Senior Management and Company Secretaries

Mr. LI Shuangjiang (李雙江), aged 40, first joined our Group in April 2017 as a director of software development and was then promoted to vice president of the Company in April 2018. He was appointed as a Director in October 2017 and re-designated as an executive Director with effect from the Listing Date. Mr. LI is primarily responsible for the overall management of the development and sales of ADAS products for non-passenger vehicles, as well as engineering technical services and system delivery related to autonomous driving. Mr. LI also serves as the supervisor at iMotion Automotive Technology (Changshu) Co., Ltd. (知行汽車科技(常熟)有限公司) since December 2017, an executive director and general manager at iMotion Automotive Technology (Jiaxing) Co., Ltd. (知行汽車科技(嘉興)有限公司) since January 2024, and a director and manager at iMotion Automotive Technology (Shenzhen) Co., Ltd. (艾摩星汽車科技(深圳)有限公司) since November 2024, all of which are our wholly-owned subsidiaries.

Mr. LI has approximately 15 years of experience in the automobile industry in terms of software development, artificial intelligence technology and machine learning and more than 11 years of experience in autonomous driving industry. Prior to joining our Group, Mr. LI worked at the Bosch Automotive with the last position as the manager of the software division from April 2009 to April 2015, and then served as the manager of the automotive active safety division at KSS Automotive from April 2015 to April 2017, where he was primarily responsible for the R&D of autonomous driving software and intelligent front camera related software.

Mr. LI obtained both his bachelor's degree in hydraulic and hydro-power engineering and his master's degree in system analysis and integration from Huazhong University of Science and Technology (華中科技大學) in the PRC, in June 2006 and March 2009, respectively.

Non-executive Directors

Mr. LI Chengsheng (李程晟), aged 37, first joined our Group in August 2018 as a Director. He was re-designated as a non-executive Director with effect from the Listing Date. Mr. LI is primarily responsible for providing guidance and advice on the corporate and business strategies to our Board.

Mr. LI served as an investment manager of Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) from May 2013 to March 2016, and then joined Shenzhen Guozhong Venture Capital Management Co., Ltd. (深圳國中創業投資管理有限公司) in June 2016 and is latest serving as an executive director (執行總經理), a position in which he was charged with investment management in electronic information and artificial intelligence areas. He served as a supervisor of Suzhou Oriental Semiconductor Company Limited (蘇州東微半導體股份有限公司) from March 2017 to December 2023. Mr. LI currently also serves as a supervisor of Shanghai Slamtec Co., Ltd (上海思嵐科技有限公司); a director of Anhui Vorbafer Electronic Technology Co., Ltd. (安徽沃巴弗電子科技有限公司); a director of Zhejiang Laifual Drive Co., Ltd (浙江來福諧波傳動股份有限公司); a director of Suzhou CalmCar Electronic Technology Co., Ltd. (蘇州天瞳威視電子科技有限公司); a director of Shenzhen Deepcamera Information Technology Co., Ltd. (深圳神目信息技術有限公司); and a director of Guangzhou Perception Vision Medical Technology Co., Ltd. (廣州柏視醫療科技有限公司).

Mr. LI obtained his bachelor's degree in mechatronic engineering from Beijing Institute of Technology (北京理工大學) in the PRC in June 2009. He further obtained master's degree in electrical engineering from New York University in the U.S. in May 2012.

Biographies of Directors, Supervisors, Senior Management and Company Secretaries

Mr. TAO Zhixin (陶志新), aged 55, first joined our Group in November 2022 as a Director. He was re-designated as a non-executive Director with effect from the Listing Date. He is primarily responsible for providing guidance and advice on the corporate and business strategies to our Board.

Mr. TAO has been serving as the vice president of the sales and marketing of HL Klemove Electronics (Suzhou) Co., Ltd. (漢拿科鋭動電子(蘇州)有限公司) since December 2021, in charge of the overall sales and marketing affairs. From June 2019 to May 2021, Mr. TAO worked as the deputy general manager of the intelligent network automotive solutions group at Hubei ECARX Technology Company Limited Shanghai branch (湖北億咖通科技有限公司上海分公司), a branch of full-stack automotive computing platform enterprise listed on the NASDAQ (ticker symbol: ECX). Prior to that, Mr. TAO worked for Delphi (China) Technical Center Co., Ltd. (德爾福(中國)科技研發中心有限公司) (currently Aptiv (China) Technical Center Co., Ltd. (安波福(中國)科技研發有限公司)) from December 2007 to April 2019.

Mr. TAO obtained his bachelor's degree in computer application from Chongqing Institute of Architecture and Civil Engineering (重慶建築工程學院) (currently Chongqing University (重慶大學)) in the PRC in July 1990. He further obtained his master's degree in computer application from Southwest Jiaotong University (西南交通大學) in the PRC in June 1996.

Mr. YANG Yuankui (楊元奎), aged 37, first joined our Group in March 2023 as a Director. He was re-designated as a non-executive Director with effect from the Listing Date. He is primarily responsible for providing guidance and advice on the corporate and business strategies to our Board.

Mr. YANG has been serving as an executive president (執行總監) of investment department II at Chengtong Mixed Reform Private Equity Management Co., Ltd. (誠通混改私募基金管理有限公司) since December 2021, where he is primarily responsible for the equity investment and industry research across automobiles and intelligent manufacturing enterprises. Prior to that, Mr. YANG served as a vice president of growth enterprise financing department in Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司) from January 2019 to November 2021, responsible for the investment and financing services and industry research for automobiles and intelligent manufacturing sectors.

Mr. YANG obtained his bachelor's degree in electrical and electronic engineering from Imperial College London in the United Kingdom in August 2012. He further obtained his master's degree in facility and environment management from University College London in the United Kingdom in November 2013.

Independent Non-executive Directors

Dr. ZHANG Weigong (張為公), aged 65, first joined our Group in November 2022 as an independent Director. He was re-designated as an independent non-executive Director with effect from the Listing Date. He is primarily responsible for providing independent judgment to our Board.

Since the nineties, Dr. ZHANG has been engaged in scientific research in the direction of automotive electronics and measurement and control technology. He is currently a professor and doctoral tutor at Southeast University (東南大學), as well as the head of key laboratory of automotive electronics and intelligent transportation in Suzhou City.

Biographies of Directors, Supervisors, Senior Management and Company Secretaries

Dr. ZHANG obtained his bachelor's degree from the Nanjing Aviation College (currently Nanjing University of Aeronautics and Astronautics (南京航空航天大學)) in January 1982. He further obtained his doctor's degree in precision instruments and machinery from Southeast University in the PRC in October 2001. Dr. ZHANG also earned multiples awards and esteemed recognitions, such as (i) selected as a cultivation target of middle-aged and young academic leader of "Qinglan Project (青藍工程)" in 2004; and (ii) honored Suzhou Science and Technology Cooperation Contribution Award (蘇州市科技合作貢獻獎) in 2008.

Mr. LIU Yong (劉勇), aged 57, first joined our Group in November 2022 as an independent Director. He was re-designated as an independent non-executive Director with effect from the Listing Date. He is primarily responsible for providing independent judgment to our Board.

Mr. LIU has been serving as a partner of Gongzheng Tianye Certified Public Accountants (Special General Partnership) (公證天業會計師事務所(特殊普通合夥)) since September 2013. Mr. LIU was accredited as a certified practicing accountant by the Chinese Institute of Certified Public Accountants in June 1994 and accumulated extensive experience in the accounting profession. Mr. LIU serves as an independent director at Suzhou Jcon Building Technology Co., Ltd. (蘇州旭傑建築科技股份有限公司); an independent director at China-Singapore Suzhou Industrial Park Development Group Co., Ltd. (中新蘇州工業園區開發集團股份有限公司); an independent director at Kuaijishan Shaoxing Rice Wine Co., Ltd. (會稽山紹興酒股份有限公司). Mr. Liu served as an independent director at Meinian Onehealth Healthcare Holdings Co., Ltd. (美年大健康產業控股股份有限公司); an independent director at Imeik Technology Development Co., Ltd. (愛美客技術發展股份有限公司); and an independent director at Shenzhen Sinovatio Technology Co., Ltd. (深圳市中新賽克科技股份有限公司).

Mr. LIU obtained his bachelor's degree in enterprise management from Nanjing University (南京大學) in the PRC in April 1994. He further obtained his master's degree in business administration from China Europe International Business School (中歐國際工商管理學院) in the PRC in September 2008. Mr. LIU is also a Chinese Certified Asset Appraiser and Chinese Certified Real Estate Appraiser.

Ms. XUE, Rui Shirley (薛睿), aged 40, was appointed as an independent non-executive Director with effect from the Listing Date. She is primarily responsible for providing independent judgment to our Board.

Since February 2022, Ms. XUE has been a managing director (董事總經理) at Aurora Capital Partners (朝暉資本), a tech-focused early stage venture investment fund specializing in advanced manufacturing, semiconductor and biotech industries, in charge of early stage equity investment and investor relations matters. Prior to this, Ms. XUE gained extensive experience in both financial management and corporate strategies through holding a series of management positions in TMT enterprises, including the chief financial officer of Soulgate Hong Kong Limited from November 2020 to November 2021 and an assistant general manager in mergers and acquisitions, finance and portfolio management at Tencent Holdings Limited, a technology company listed on the Stock Exchange (stock code: 700), from August 2017 to November 2020. Ms. XUE's early career was with Deutsche Bank AG, where she held key senior roles including the head of China TMT coverage, responsible for advising clients on fund raising and merger and acquisition activities covering TMT sectors in Greater China.

Ms. XUE obtained her bachelor of arts from the University of Pennsylvania in the United States in May 2006. She further obtained her master's degree in business administration from China Europe International Business School in the PRC in June 2022. Ms. XUE is a fellow member of CPA Australia.

Biographies of Directors, Supervisors, Senior Management and Company Secretaries

SUPERVISORS

Mr. LUO Hong (羅紅), aged 39, first joined our Company in May 2017 and was appointed as a Supervisor on August 31, 2018. He was elected as the chairman of the board of Supervisors in November 2022. He is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor. Mr. LUO also served and has been serving various positions within our Group, including (i) the director of hardware development in the Company from May 2017 to August 2019; (ii) the platform project director in the Company from September 2019 to February 2022; (iii) the senior system director in the Company since March 2022; (iv) the deputy general manager of Technology and Engineering Service Division of our Group since July 2023; (v) a director of iMotion Electronics since June 2018; and (vi) a supervisor of iMotion Automotive Technology (Jiaxing) Co., Ltd. (知行汽車科技(嘉興)有限公司) since January 2024.

Mr. LUO is a skilled engineer in electronic hardware development with over 11 years of experiences. Prior to joining our Group, Mr. LUO was a senior hardware engineer at KSS Automotive, a position he held from September 2015 to April 2017. In this role, he led the automotive electronic hardware team, spearheading the development of hardware and technology platforms. From September 2011 to September 2015, Mr. LUO served as a hardware engineer at Bosch Automotive, where he was primarily responsible for the design and production of automotive electronic hardware.

Mr. LUO obtained his bachelor's degree in automation from Chengdu University (成都大學) in the PRC in July 2009.

Mr. ZHU Qinghua (朱慶華), aged 44, first joined our Company in May 2018 and was appointed as a Supervisor on November 17, 2022. He is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor. Mr. ZHU also served and has been serving various positions within our Group, including (i) a Director from June 2020 to November 2022; (ii) the director of sales in the Company from May 2018 to February 2021; (iii) the senior director of sales in the Company from March 2021 to August 2022; (iv) a vice president of the Company responsible for sales since September 2022; and (v) a supervisor of Shanghai Aimoxing Automobile Technology Co., Ltd. (上海艾摩星汽車科技有限公司), a wholly-owned subsidiary of our Company since September 2021.

Prior to joining our Group, from August 2015 to April 2018, Mr. ZHU served as a senior manager of Roechling Automotive Parts (Kunshan) Co., Ltd. (勞士領汽車配件(昆山)有限公司), overseeing the management of business development. Before his sales roles, Mr. ZHU has accumulated practical experience for over 12 years in the development of automotive electronics, which was testified by his previous positions, including being a senior project engineer at Bosch Automotive from May 2008 to July 2015, overseeing the development of automotive electronic parts, being a design engineer at Marelli Power Systems (Shanghai) Co., Ltd. (馬瑞利動力系統(上海)有限公司) (currently Marelli (China) Co., Ltd. (馬瑞利(中國)有限公司)) from September 2006, and being an designer at Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司) from December 2003 to June 2006.

Mr. ZHU obtained his bachelor's degree in thermal and dynamic engineering from Wuhan University of Technology (武漢理工大學) in the PRC in June 2003.

Biographies of Directors, Supervisors, Senior Management and Company Secretaries

Mr. WANG Bingjie (汪冰潔), aged 37, first joined our Company in June 2017 and has been appointed as a Supervisor on November 17, 2022. He is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor.

Mr. WANG also served and has been serving various senior positions within our Group, including (i) a senior hardware engineer in the Company from June 2017 to January 2019; (ii) a director hardware engineer from February 2019 to May 2020 and (iii) the director of hardware in our Company since June 2020. Prior to joining our Group, Mr. WANG had served as a senior hardware engineer at KSS Automotive from May 2015 to June 2017, where he worked on the hardware design, development and management of ADAS. Previously, Mr. WANG worked at ASUS Technology (Suzhou) Co., Ltd. (華碩科技(蘇州)有限公司) from July 2008 to May 2015.

Mr. WANG obtained his bachelor's degree in biomedical engineering from Hefei University of Technology (合肥工業大學) in the PRC in June 2008.

SENIOR MANAGEMENT

Mr. SONG Yang (宋陽), aged 50, was appointed as the chief executive officer of the Group on April 1, 2017. See "DIRECTORS – Executive Directors" of this section for profile of Mr. SONG Yang.

Mr. LU Yukun (盧玉坤), aged 43, was appointed as the chief technology officer of the Group on September 1, 2017. See "DIRECTORS – Executive Directors" of this section for profile of Mr. LU Yukun.

Mr. LI Shuangjiang (李雙江), aged 40, was appointed as the vice president of the Group on April 1, 2018. See "DIRECTORS – Executive Directors" of this section for profile of Mr. LI Shuangjiang.

Ms. LIU Fang (劉芳), aged 42, was appointed as the chief financial officer of our Company on September 1, 2022. She is primarily responsible for overseeing the finance and investment of our Group.

Ms. LIU is a multifaceted finance executive with years of experience in financial management, investment and business operations as well as over 6 years of experience in new energy vehicle related industry. Prior to joining our Group, from November 2017 to August 2022, Ms. LIU served in several senior roles at EKontrol Co., Ltd. (凱博易控車輛科技(蘇州)股份有限公司), a high-tech company focusing on providing premium products and total solutions for new energy commercial vehicle driving systems, including the investment vice president and chief financial officer, where she was primarily responsible for the overall management of financial affairs.

Biographies of Directors, Supervisors, Senior Management and Company Secretaries

Ms. LIU obtained her bachelor's degree in accounting from University of International Business and Economics (對外經濟貿易大學) in the PRC in July 2005. Ms. LIU has also been a PRC certified public accountant in Jiangsu Institute of Certified Public Accountants (江蘇省註冊會計師協會).

Ms. JIANG Jingfang (蔣京芳), aged 57, was appointed as the president of our Company on May 23, 2024. She is primarily responsible for the implementation of the group strategy and the achievement of business objectives of our Group.

Ms. JIANG is a seasoned veteran in the automotive industry with almost 25 years of experience spanning senior leadership positions with both domestic and localized international automotive companies. Before joining in our group, Ms. JIANG had served with the last position as the senior vice president and head of China ADAS Business Unit in Bosch Automotive from June 2000 to May 2021, and the senior vice president at Suzhou Holomatic Intelligent Technology Co., Ltd. (蘇州禾昆智能科技有限公司) from June 2021 to March 2024.

Ms. JIANG obtained her bachelor's degree in precision instrumentation from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 1989. She further obtained her executive master of business administration (EMBA) degree from the Mannheim Tongji University (曼海姆同濟大學) in the PRC in 2017.

COMPANY SECRETARIES

Ms. LIU Fang (劉芳), was appointed on March 9, 2023 as a joint company secretary of our Company. See "Senior Management" of this section for profile of Ms. LIU Fang.

Mr. CHUNG Ming Fai (鍾明輝), was appointed on March 9, 2023 as a joint company secretary of our Company. He has over 20 years of experience in corporate secretary, mergers and acquisitions, financial reporting and auditing. Mr. CHUNG is a senior vice president of SWCS Corporate Services Group (Hong Kong) Limited, and is mainly responsible for managing the company secretarial and compliance work for companies listed on the Stock Exchange.

Mr. CHUNG is currently a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. He obtained his bachelor's degree in commerce from the Australian National University in December 2003.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICE OF THE COMPANY

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company regularly reviews its corporate governance practice to ensure the compliance with the CG Code.

Save as disclosed in this annual report, the Company has complied with all applicable code provisions under the CG Code during the Reporting Period. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code. The major corporate governance principles and practices of the Company are summarised as below.

Corporate Governance Culture

A healthy corporate culture across the Group is integral to attaining its vision and strategy. The Company is committed to ensuring that its affairs are conducted in accordance with good corporate governance practices, which seek to ensure that the overall business risk of the Group is assessed and managed appropriately and sustainable returns can be delivered to its shareholders. The Board is committed to the lawful, ethical and responsible operation of our business to achieve our core corporate mission "Smart Mobility For Everyone" (人人擁有智能出行) and our vision "Most Trustworthy Smart Mobility Partner" (最值得信賴的智能出行合作夥伴). In order to promote honesty-based and win-win cooperation in the operating environment, the Company has designed and adopted strict internal procedures to ensure the compliance of its business operations with the relevant rules and regulations. The CG code published by the Stock Exchange sets out the principles of good corporate governance, and the Group manages its corporate affairs (such as its board composition, audit, internal control and risk management) in accordance with such principles. The Company implemented strict internal procedures with respect to anti-bribery, anti-corruption and anti-fraud which enables the Company to improve long-term sustainable performance. This corporate governance report provides a channel through which Shareholders may evaluate how the Group has applied such principles to its business.

BOARD COMPOSITION

The composition of the Board as at the date of this annual report is as follows:

Executive Directors

Mr. SONG Yang
Mr. LU Yukun
Mr. LI Shuangjiang

Non-executive Directors

Mr. LI Chengsheng
Mr. TAO Zhixin
Mr. YANG Yuankui

Independent Non-executive Directors

Dr. ZHANG Weigong
Mr. LIU Yong
Ms. XUE, Rui Shirley

Corporate Governance Report

The Board considers that the composition of the Board provides a strong independent element with a balance of skills, experience and diversity of perspectives appropriate for the requirements of the business of the Company.

Save as disclosed in the biographies of the Directors as set out in the section headed "BIOGRAPHIES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND COMPANY SECRETARIES" of this annual report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors, Supervisors or senior management.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee.

As regards the code provision under the CG Code requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

BOARD OF DIRECTORS' RESPONSIBILITIES AND DELEGATION OF AUTHORITY

The Board is responsible for the leadership and control of the Company, directing and supervising the affairs of the Company and acting in the best interests of the Company and its Shareholders.

The Board recognizes that corporate governance should be the collective responsibility of Directors which include: (a) to develop and review the Company's policies and practices on corporate governance; (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense to assist them perform their duties to the Company and are encouraged to access and to consult with the Company's senior management independently. The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management of the Company.

Corporate Governance Report

MECHANISMS FOR THE BOARD TO OBTAIN INDEPENDENT VIEWS AND OPINIONS

The Board reviewed and considered that the following key features or mechanisms under Company's governance structure are effective in ensuring that independent views and inputs are provided to the Board:

Composition of the Board: Throughout the Reporting Period, the Board had at all times complied with Rules 3.10 and 3.10A of the Listing Rules. The Company has three independent non-executive Directors, representing more than one-third of the Board. At least one of the independent non-executive Directors possesses appropriate professional qualifications or accounting or related financial management expertise.

Independence assessment: Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent in accordance with the guidelines set out in Rule 3.13 of the Listing Rules.

Board decision-making: A Director who has a material interest in any transaction, contract or arrangement shall not vote (nor shall be counted in the quorum) on any Board resolution approving the same. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, such matter shall be dealt with in a Board meeting rather than by a written resolution.

Communication between the Chairman and the independent non-executive Directors: The Chairman of the Board values communication with the independent non-executive Directors highly and holds meetings with them at least once each year without the presence of other Directors.

Remuneration of independent non-executive Directors: Independent non-executive Directors receive fixed fees for their role as members of the Board and Board committees. No equity-based compensation with performance-related elements is granted to the independent non-executive Directors to avoid potential bias in their decision-making or compromise to their objectivity and independence.

Board evaluation: The Board assesses and reviews the time contributed by each independent non-executive Director and their attendance at Board and Board committee meetings, so as to ensure that every independent non-executive Director has devoted sufficient time to the Board to discharge his responsibilities as a Director of the Company.

Professional advice: To facilitate proper discharge of their duties, all Directors are entitled to seek advice from the company secretary or the in-house legal team as well as from independent professional advisers at the Company's expense.

The Company has established formal and informal channels of communication to ensure that independent views and inputs are available to the Board. Our Articles of Association and the terms of references of various board committee have set out a formal framework to ensure that the independent non-executive Directors remain independent and free to express their views, and their views are systematically considered by the Board. The executive Directors and the chairman also engage regularly and directly with the independent non-executive Directors to receive their independent views and inputs in a relation to a wide variety of matters.

Corporate Governance Report

BOARD MEETING

During the Reporting Period, a total of 11 Board meetings were held. The record of attendance of the Directors at Board meetings is set out below:

Name of Directors	Attendance/ No. of Board meetings held	Attendance rate (%)
Executive Directors		
Mr. SONG Yang	11/11	100
Mr. LU Yukun	11/11	100
Mr. LI Shuangjiang	11/11	100
Non-Executive Directors		
Mr. LI Chengsheng	11/11	100
Mr. TAO Zhixin	11/11	100
Mr. YANG Yuankui	10/11	91
Independent Non-Executive Directors		
Dr. ZHANG Weigong	11/11	100
Mr. LIU Yong	11/11	100
Ms. XUE, Rui Shirley	11/11	100

GENERAL MEETING

During the Reporting Period, two general meetings were held and the attendance record of each Director is set out below:

Name of Directors	Attendance/ No. of general meetings held	Attendance rate (%)
Executive Directors		
Mr. SONG Yang	2/2	100
Mr. LU Yukun	2/2	100
Mr. LI Shuangjiang	2/2	100
Non-Executive Directors		
Mr. LI Chengsheng	2/2	100
Mr. TAO Zhixin	2/2	100
Mr. YANG Yuankui	2/2	100
Independent Non-Executive Directors		
Dr. ZHANG Weigong	2/2	100
Mr. LIU Yong	2/2	100
Ms. XUE, Rui Shirley	2/2	100

Corporate Governance Report

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract or letter of appointment with the Company for a fixed term of three years commencing from the respective appointment date until the date of convening the Shareholders' meeting to elect directors at the expiry of that session.

Directors shall be elected at a general meeting and shall serve a term of three years. Directors shall be elected or replaced at the shareholders' general meetings to hold for a term of three years. Upon maturity of the term of office, a director shall be eligible to offer himself/herself for re-election and re-appointment. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations, departmental rules and the Articles of Association until a new director is elected.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association and the nomination policy of the Company. The Nomination Committee is responsible for reviewing the Board's structure, size and composition, assessing the independence of independent non-executive Directors and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

CONTINUING PROFESSIONAL DEVELOPMENT FOR DIRECTORS

On appointment to the Board, each Director received a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly updated and apprised of the amendments to or updates on the relevant laws, rules, regulations and guidelines, particularly the effects of such new or amended laws, rules, regulations and guidelines on directors specifically, and the Company and the Group generally.

On an ongoing basis, Directors are encouraged to keep up-to-date on all matters relevant to the Group and to attend briefings, seminars and relevant training courses as appropriate. The Directors are requested to provide the Company with their respective training record pursuant to the requirement of the CG Code on continuous professional development.

During the Reporting Period, the training records of the Directors are summarized as follows:

Name of Directors	Nature of continuous professional development programs (Note)
Executive Directors	
Mr. SONG Yang	A&B
Mr. LU Yukun	A&B
Mr. LI Shuangjiang	A&B
Non-Executive Directors	
Mr. LI Chengsheng	A&B
Mr. TAO Zhixin	A&B
Mr. YANG Yuankui	A&B
Independent Non-Executive Directors	
Dr. ZHANG Weigong	A&B
Mr. LIU Yong	A&B
Ms. XUE, Rui Shirley	A&B

Notes:

A. Participating in the training offered by the law firm and related to the Company's business
B. Reading materials on a variety of topics, including corporate governance issues, Directors' duties, Listing Rules and other relevant laws

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The directors acknowledge their responsibilities for preparing the consolidated financial statements of the Company for the year ended December 31, 2024. The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other financial disclosures required by the Listing Rules and other regulatory requirements. The senior management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company in order to put forward such information to the Board for approval.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report of this annual report.

Corporate Governance Report

BOARD DIVERSITY POLICY

Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the Board Diversity Policy, we seek to achieve the diversity of the Board through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background, ethnicity and length of service. We will select potential Board candidates based on merit and his/her potential contribution to our Board while taking into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

We recognize the particular importance of gender diversity on our Board. We will take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Our Board Diversity Policy provides that our Board shall take opportunities when selecting and making recommendations on suitable candidates for Board appointments with the aim of increasing the proportion of female members over time. In particular, taking into account the business needs of our Group and changing circumstances that may affect our business plans, we will actively identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be periodically reviewed by the Nomination Committee in order to develop a pipeline of potential successors to our Board and promote gender diversity. Additionally, female representatives of our investors are also considered as potential candidates for Board appointments. We will also ensure that there is gender diversity when recruiting staff at the mid – to senior – levels so that we have a pipeline of female senior management and potential successors to our Board going forward. We plan to offer well-rounded trainings to female employees whom we consider have the requisite experience, skills and knowledge of our operation and business, on topics including but not limited to business operation, management, accounting and finance, and legal compliance. We are of the view that such strategies will provide our Board with ample opportunities to identify capable female employees to be nominated as Directors in the future, fulfilling our aim to develop a pipeline of female candidates to achieve greater gender diversity in our Board in the long run. We believe that such a merit-based selection process with reference to our diversity policy and the nature of our business will be in the best interests of our Company and our Shareholders as a whole. It is our objective to maintain an appropriate balance of gender diversity with reference to the stakeholders' expectations and international and local recommended best practices.

Our Directors have a balanced mix of knowledge and skills, including in machinery and automotive, engineering, business development, investment management and corporate finance. They obtained degrees in various majors, including electronic and information engineering, signal processing and communications, system analysis and integration, computer application, facility and environment management, as well as business administration. We have three independent non-executive Directors with different industry backgrounds, representing one third of the members of our Board.

The Nomination Committee is responsible for ensuring the diversity of our Board members and will monitor the implementation of the Board Diversity Policy and review the Board Diversity Policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

Gender Diversity

As at December 31, 2024, the Board had one female Director (i.e. Ms. XUE, Rui Shirley), accounting for 11.11% of all the Directors, two female senior management members (i.e. Ms. LIU Fang, the chief financial officer of the Company; and Ms. JIANG Jingfang, the president of the Company), accounting for 40% of the senior management of the Company, and a total of 99 female employees, accounting for 17.22% of all the employees, and the Group considers that the above current circumstances of gender diversity are satisfactory. During the Reporting Period, there were no mitigating factors or circumstances which make achieving gender diversity across the workforce (including the Board, senior management and other employees) more challenging or less relevant.

Similar considerations shall also be in place to assess the candidacy of the senior management team from time to time. The Company is determined to maintain gender diversity and equality in terms of the whole workforce, and to procure the senior management team to achieve gender equality in terms of the gender ratio.

DIRECTOR NOMINATION POLICY

The Company has adopted a director nomination policy (the "**Director Nomination Policy**") which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. During the Reporting Period, there was no change in composition of the Board.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. SONG Yang is currently both the chief executive officer of the Company and the chairman of the Board. Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be segregated and should not be performed by the same individual. The Board believes that vesting the roles of both chief executive officer and chairman of the Board in the same person has the benefit of ensuring consistent leadership and efficient discharge of executive functions within the Group. The Group considers that the balance of power and authority of the present arrangement will not be impaired as the Board comprises eight other experienced and high-calibre individuals including another two executive Directors, three non-executive Directors and three independent non-executive Directors who would be able to offer advice from various perspectives. In addition, for major decisions of the Group, the Board will make consultations with appropriate Board committees and senior management. Therefore, the Directors consider that the present arrangement is beneficial to and in the interest of the Company and the Shareholders as a whole and the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. All independent non-executive Directors have confirmed their independence pursuant to the factors set out in Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all independent non-executive Directors are independent as they were free from any business or other relationship which could affect their ability to discharge their duties independently.

BOARD COMMITTEES

The Board has established four committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy Committee, for overseeing particular aspects of the Company's affairs. All of these four committees are established with defined written terms of reference which are available at the websites of the Stock Exchange and the Company. All Board committees must report to the Board on their decisions or proposals.

Audit Committee

We have established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and to advise the Board. The Audit Committee comprises three independent non-executive Directors, namely Mr. LIU Yong, Dr. ZHANG Weigong and Ms. XUE, Rui Shirley. Mr. LIU Yong, being the chairman of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Four Audit Committee's meetings were held during the Reporting Period to discuss and consider, among others, the following matters: (i) the proposal on the audit plan for the 2023 annual report reported by the Company's auditor; (ii) the proposal on the report of the Company's auditor on the completion of the 2023 audit; (iii) the proposal on the Company's auditor's report for 2023; (iv) the proposal on the financial final accounts for 2023; (v) the proposal on the financial budget for 2024; (vi) the proposal on re-appointment of the auditor; (vii) the proposal on approving the 2024 interim results announcement and publishing the 2024 interim report; and (viii) the proposal on change of the auditor.

Corporate Governance Report

The attendance records of the meetings are as follows:

Name of Members of the Audit Committee	Attendance/ No. of meetings held
Mr. LIU Yong	4/4
Dr. ZHANG Weigong	4/4
Ms. XUE, Rui Shirley	4/4

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management. The Remuneration and Appraisal Committee comprises one executive Director and two independent non-executive Directors, namely Ms. XUE, Rui Shirley, Mr. LIU Yong and Mr. LU Yukun. Ms. XUE, Rui Shirley is the chairlady of the Remuneration and Appraisal Committee.

Three Remuneration and Appraisal Committee's meetings were held during the Reporting Period to discuss and consider, among others, the following matters: (i) the proposal on Director and Supervisor allowances; (ii) the proposal on senior management compensation; (iii) the proposal on the first H Share award and trustee scheme; and (iv) the proposal on granting H Share incentive shares to the senior management of the Company.

The attendance records of the meetings are as follows:

Name of Members of the Remuneration and Appraisal Committee	Attendance/ No. of meetings held
Ms. XUE, Rui Shirley	3/3
Mr. LIU Yong	3/3
Mr. LU Yukun	3/3

Corporate Governance Report

Pursuant to code provision of E.1.5 of the CG Code, details of the annual remuneration of the members of the senior management by band for the Reporting Period is as follows:

	Number of individuals
HKD1,000,001-HKD1,500,000	2
HKD1,500,001-HKD2,000,000	1
HKD2,000,001-HKD2,500,000	1
HKD3,000,001-HKD3,500,000	1

For additional information on the Directors' and Supervisors' remuneration for the year ended December 31, 2024, please refer to Note 35 to the Consolidated Financial Statements in this annual report.

Nomination Committee

We have established the Nomination Committee in compliance with the CG Code. The primary duties of the Nomination Committee are to make recommendations to our Board regarding the appointment of Directors and Board succession. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Dr. ZHANG Weigong, Ms. XUE, Rui Shirley and Mr. SONG Yang. Dr. ZHANG Weigong is the chairman of the Nomination Committee.

For the appointment and nomination of new Directors, the Nomination Committee will consider the candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board and take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the relevant industry and/or other professional areas.

One Nomination Committee's meeting was held during the Reporting Period to discuss and consider the proposal on the appointment of the president.

The attendance records of the meeting are as follows:

Name of Members of the Nomination Committee	Attendance/ No. of meetings held
Dr. ZHANG Weigong	1/1
Ms. XUE, Rui Shirley	1/1
Mr. SONG Yang	1/1

Corporate Governance Report

Strategy Committee

We have established the Strategy Committee consists of Mr. SONG Yang, Mr. YANG Yuankui and Mr. LU Yukun, with Mr. SONG Yang being the chairman of the Strategy Committee. The primary duties of the Strategy Committee are to study and advise on the long term strategy and operation plans of our Group. The Strategy Committee will assist the Board, in conjunction with our management, in addressing our Company's overall mission, vision and strategic direction. Areas of focus will include: providing the Board and management, as applicable, with input and recommendations with respect to key strategic initiatives and major R&D programs and partnerships; and assisting management in establishing a strategic planning process, identifying and addressing organizational challenges and evaluating strategic alternatives.

One Strategy Committee's meeting was held during the Reporting Period to discuss and consider the proposal on issuing H Share convertible bonds under general mandate.

The attendance records of the meeting are as follows:

Name of Members of the Strategy Committee	Attendance/ No. of meetings held
Mr. SONG Yang	1/1
Mr. YANG Yuankui	1/1
Mr. LU Yukun	1/1

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' and Supervisors' securities transactions. After making specific enquiries to all the Directors and Supervisors, each of them has confirmed that they have complied with the Model Code throughout the Reporting Period.

JOINT COMPANY SECRETARIES

Ms. LIU Fang is the chief financial officer of the Company. She was appointed as the joint company secretary of the Company on March 9, 2023. See "Senior Management" of the section headed "BIOGRAPHIES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND COMPANY SECRETARIES" for profile of Ms. LIU.

Mr. CHUNG Ming Fai was appointed as the joint company secretary of the Company on March 9, 2023. See "Senior Management" of the section headed "BIOGRAPHIES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND COMPANY SECRETARIES" for profile of Mr. CHUNG.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Ms. LIU Fang, one of the joint company secretaries, has been designated as the primary contact person of the Company which would work and communicate with Mr. CHUNG Ming Fai on the Company's corporate governance and secretarial and administrative matters.

During the Reporting Period, Ms. LIU Fang and Mr. CHUNG Ming Fai have participated in relevant professional training for no less than 15 hours to comply with Rule 3.29 of the Listing Rules.

Corporate Governance Report

REMUNERATION OF AUDITORS

An analysis of the remuneration paid/payable to the Company's external auditor, KPMG (appointed on December 10, 2024), for audit services and non-audit services for the year ended December 31, 2024 is set out below:

Service Category	**Fees Paid/Payable** *(RMB' million)*
Annual Audit Services	1.58
Non-audit Services	–

Note:

(1) The fees set out in the table has not been accounted for in the consolidated financial statements of the Company in this annual report since the date of the recognition of such expenses fall after the Reporting Period pursuant to the accounting standards.

An analysis of the remuneration paid/payable to the Company's external auditor, PricewaterhouseCoopers (resigned with effect from November 5, 2024), for audit services and non-audit services for the year ended December 31, 2024 is set out below:

Service Category	**Fees Paid/Payable** *(RMB' million)*
Annual Audit Services	1.98
Non-audit Services (including tax compliance services)	0.02

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has established a risk management and internal control system in accordance with the requirements of the CG Code. It acknowledges its responsibility for the risk management and internal control systems and reviewing the adequacy and effectiveness of the Company's risk management and internal control system, continuously monitoring and reviewing the effectiveness of its operation at least once a year. The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, promote effective and efficient operations, provide reasonable assurance of financial reporting reliability and compliance with applicable laws and regulations, and safeguard the Company's assets. The Board of Directors can only make reasonable but not absolute assurances that there will be no material misrepresentation or loss. The Audit Committee is responsible for monitoring the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing, and mitigating risks involved in our business operations.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including financial reporting, internal control and human resources. The Company's risk management and internal control systems have been developed with the following principles, features and processes:

Corporate Governance Report

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. Our compliance team works closely with our finance and business departments to: (a) perform risk assessments and advise risk management strategies; (b) improve business process efficiency and monitor internal control effectiveness; and (c) promote risk awareness throughout our Company. We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operation, and our internal control team will review and monitor the status and effectiveness of those licenses and approvals. Our compliance team works with relevant business departments to obtain requisite governmental approvals or consents for filing with relevant government authorities.

Human Resources Risk Management

We provide regular and specialized training tailored to the needs of our employees in different departments. Through these trainings, we ensure that our staff's skill sets remain up-to-date and enable them to discover and meet our customers' needs. We have in place an employee handbook approved by our management and distributed to all our employees, which contains internal rules and guidelines regarding best commercial practice, work ethics, fraud prevention mechanism, negligence and corruption. We also provide employees with resources for explanation on guidelines contained in the employee handbook.

We also have in place a code of business conduct and ethics, and an anti-bribery and corruption policy approved by our board of directors, providing to our employees the best commercial practice and work ethics as well as our anti-bribery guidance and measures. We make our internal reporting channel open and available to our staff for any wrongdoing or misconduct. Reported incidents and persons will be investigated and appropriate measures will be taken in response to the findings.

DISCLOSURE OF INSIDE INFORMATION

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Group has internal policy and procedures which strictly prohibit unauthorised use of inside information and has communicated to all staff; the Board is aware of its obligations to announce any inside information in accordance with the Listing Rules and conducts the affairs with reference to the "Guidelines on Disclosure of Inside Information" issued by the SFC in June 2012. In addition, only Directors and delegated officers can act as the Group's spokesperson and respond to external enquiries about the Group's affairs.

The Company also maintains an internal audit department that is responsible for reviewing the effectiveness of internal controls and reporting to the Audit Committee on any issues identified. Our internal audit department holds regular meetings with the management to discuss any internal control issues we face and the corresponding measures to implement toward resolving such issues.

Corporate Governance Report

The Company continues to improve risk management policies and procedures, specify the risk management structure and responsibilities. We identify major risks that hinder the achievement of objectives and control them within acceptable levels to ensure the achievement of business objectives, the improvement of operational efficiency, the reliability of financial reports and compliance with national regulations and other compliance requirements. We evaluate and check the effectiveness of our risk management and internal control systems through channels such as the management, business units in the risk management system, audit and inspection teams of the Group, external auditors, and external legal advisor to improve risk response measures.

The Board has reviewed the risk management and internal monitoring. The results of the Company's risk management and internal control during the Reporting Period show that the Company does not have any major risk monitoring errors, nor does it find any major risk monitoring weaknesses. The Company is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Board considers that the risk management and internal control systems of the Group are effective and adequate.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company recognises the importance of the communication with Shareholders. The Company has established a Shareholders' communication policy and the Board shall review it on a regular basis to ensure its effectiveness. The Company communicates with the Shareholders and/or potential investors mainly in the following ways: (i) the holding of annual general meeting and extraordinary general meetings, if any, which may be convened for specific purposes which provide opportunities for the Shareholders to communicate directly to the Board; (ii) the publication of announcements, annual reports, interim reports and/or circulars as required under the Listing Rules and press release providing updated information of the Group; (iii) the availability of latest information of the Group on the Company's website at www.imotion.ai; (iv) the holding of press conference(s) from time to time; and (v) meeting with investors and analysts on a regular basis and participate investor road show and sector conference. Shareholders and investors are welcome to visit the Company's website to raise enquiries through the contact details available on the Company's website.

The Company has reviewed the implementation and effectiveness of the Shareholders' communication policy, including the multiple communication channels for Shareholders in place and the steps taken to handle Shareholders' enquiries (if any), and considered that the Shareholders communication policy has been properly implemented and effective.

Corporate Governance Report

RIGHTS OF SHAREHOLDERS

Convening an extraordinary general meeting

According to Article 53 of the Articles of Association, any Shareholders individually or jointly holding more than 10% of the shares of the Company are entitled to request in writing the Board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, furnish a written reply to such Shareholder(s) stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 days after having received such request.

If the Board agrees to convene an extraordinary general meeting, a notice of convening such extraordinary general meeting shall be issued within 5 days after the Board resolution is passed. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board disagrees to convene such extraordinary general meeting, or fails to provide any reply within 10 days after receiving the request, in which case Shareholder(s) individually or jointly holding more than 10% of the shares of the Company may propose in writing the board of Supervisors to convene the extraordinary general meeting.

If the board of Supervisors agrees to convene such extraordinary general meeting, a notice for convening such meeting shall be given within 5 days after having received such request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant Shareholders in case. If the board of Supervisors fails to serve a notice of such meeting within the prescribed time limit, the board of Supervisors is deemed not to convene and preside over such meeting, in which case, the Shareholders individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the such a meeting on their own.

Putting forth proposals at the general meetings

According to Article 58 of the Articles of Association, the Board, the board of Supervisors, and any Shareholders individually or jointly holding more than 3% of the shares of the Company have the right to propose to the Company at a general meeting.

The Shareholders individually or jointly holding more than 3% of the shares of the Company may submit written provisional proposals to the convener 10 days before the general meeting. The convener shall serve a supplemental notice of the general meeting within 2 days after receipt of the provisional proposals and notify the contents of the said provisional proposals. Save as specified in the Articles of Association, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served.

For details of the procedures for nominating candidates of Directors by shareholders, please refer to the website of the Company.

Corporate Governance Report

Putting forward enquiries to the Board

Specific enquiries or suggestions by Shareholders can be sent in writing to the Board or by e-mail to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries as mentioned above to the following:

Address: 19/F and 20/F, Building G2, 88 Jinji Lake Avenue, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC
(For the attention of the Board)
E-mail: investor@imotion.ai

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law and relevant Listing Rules.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, save as the amendments to the Articles of Association mainly reflected changes in the registered capital of the Company, there were no significant changes of the Articles of Association. The amended constitutional documents of the Company are available on the websites of the Company and the Stock Exchange, respectively.

DIVIDEND POLICY

The Company attaches great importance to the reasonable investment return to its Shareholders, and profit distribution should follow the principles of valuing the reasonable investment return to Shareholders and promoting the long-term development of the Company. The Company's profit distribution policy should maintain continuity and stability, and comply with relevant laws and regulations. The Company can distribute dividends in cash or stock. Subject to our Articles of Association and the PRC Company Law, the declaration and payment of any dividends will be determined by our Board and and will be subject to the approval of the general meeting. A decision to declare or to pay any dividends will depend on a number of factors, including our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant.

Report of The Directors

The Board is pleased to present this annual report together with the audited consolidated financial statements of the Group for the year ended December 31, 2024 (the "**Financial Statements**").

PRINCIPAL ACTIVITIES

The Group is an autonomous driving solution provider in China with a focus on AD domain controllers. Our autonomous driving domain controller (AD domain controller) solutions typically include (i) AD domain controller; (ii) associated sensors, which we procure from third-party suppliers and integrate into our solutions; (iii) integrated software, algorithms and functions; and (iv) relevant services such as sensor implementation, vehicle systems integration, and function testing and validation.

BUSINESS REVIEW

Analysis on Results and Financial Key Performance Indicators

The Group's profits for the year ended December 31, 2024 and the financial position of the Company and the Group as at December 31, 2024 are set out in the Financial Statements on pages 104 to 108 of this annual report.

A review of the Company's business, a discussion and analysis of the Group's performance during the Year, an analysis of using financial key performance indicators and the future development of the Company's business are set out in the sections headed "Financial Highlights", "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. These discussions form part of the Report of the Directors.

Environmental Policies and Performance

We are subject to various environmental laws and regulations including the Environmental Protection Law of the PRC and the Environmental Impact Assessment Law of the PRC, and regulations and the regulations related to governing pollutant discharge, the handling, use, storage, treatment and disposal of hazardous materials, drainage and wastes discharge of stationary pollution sources.

We are dedicated to reducing environmental impact throughout the production process. We implement various environmental protection measures, including installation of activated carbon adsorption devices to appropriately collect and dispose of manufacturing waste. We work with qualified third-party waste disposal service providers for other waste, including waste filters, waste activated carbon, waste oil and waste catalysts, among others.

Apart from complying with local statutory requirements, we are also committed to continuously enhancing our environmental and energy management systems that are certified to international standards ISO 14001: 2015. The effective guidelines and workflow of the said management systems are detailed in the Environmental Management Manual, which is clearly communicated to the employees and effectively implemented in order to improve its environmental practices and energy efficiency. We annually review the abovementioned manual, and will inform our employees at all levels if there is any revision to the manual.

Report of The Directors

For details on the environment and social practices adopted by the Company, please refer to the Environmental, Social and Governance Report contained in this annual report.

Compliance with Laws and Regulations

During the year ended December 31, 2024, as far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects and there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

PRINCIPAL RISKS AND UNCERTAINTIES

The following section includes the most significant factors that we believe may adversely affect our business and operations. Investors should carefully consider the risks and uncertainties described below and all information in this annual report, including our financial statements and the related notes and the section headed "Management Discussion and Analysis" in this annual report before deciding to invest in our H Shares. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

We are of the view that the principal risks we may face in the future include: We are subject to concentration risk of deriving a substantial portion of revenue from our sales to Geely Group and from SuperVision™ based on the base version of AD domain controllers supplied by Mobileye and the loss of, or a significant reduction in, revenue from such customers or products could materially and adversely affect our results of operations.

For the three financial years ended December 31, 2023, Geely Group had always been our largest customer who brought revenue to us was RMB94.5 million, RMB1,277.5 million and RMB1,135.1 million, respectively, which accounted for 53.0%, 96.4% and 93.3% of our total revenue during the same period. During the Reporting Period, Geely Group was still our largest customer. In 2024, our revenue from Geely Group was RMB1,043.9 million, accounting for 83.7% of our total revenue in 2024, among which, the revenue from sales of SuperVision™ to Geely Group amounted to RMB1,017.2 million. As we rely on Mobileye for the supplies of the base version of AD domain controllers and licensed software used in SuperVision™, where we are responsible for vehicle integration, testing and validation as a system integrator, in the event that Mobileye ceases supplies, our revenue generated from SuperVision™, including those from Geely Group, would be entirely lost. Moreover, we cannot guarantee that (i) Mobileye will continue supplying the base version of AD domain controllers used in SuperVision™ and other products to us, (ii) Mobileye will continue to refrain from direct collaboration with Geely Group, (iii) Geely Group and Mobileye will not engage with other Tier-1 suppliers, or (iv) Geely Group will not substitute SuperVision™ with its internally developed autonomous driving solutions. Since a substantial portion of our revenue during the past over years stemmed from SuperVision™ sales to Geely Group, the occurrence of any of these events would result in the loss of a crucial revenue stream, which could have a significant and adverse impact on our financial position and results of operations.

The market for autonomous driving products and customers' needs and preferences are rapidly evolving. We, as well as many of our competitors, are constantly upgrading existing solutions and products and rolling out new solutions and products with higher performance and better quality. To the extent any of our major solutions or products loses its appeal to customers and in turn its market share, whether due to competition from our competitors' solutions and products or our own alternative solutions and products or lower overall demand for autonomous driving solutions and products, among other things, our business and results of operations could be materially and adversely affected.

Report of The Directors

We are an early-stage company with a history of losses; we may continue to incur significant expenses and losses in 2025 and beyond; our historical financial and results of operations may not be indicative of our future performance.

We are an autonomous driving solution provider in China with a focus on AD domain controllers. We focus on developing autonomous driving solutions and products for our customers. We recorded net losses of RMB342.3 million, RMB195.1 million and RMB288.3 million in 2022, 2023 and 2024, respectively.

We may continue to incur significant expenses and losses in 2025 and beyond. Our revenue, costs, expenses and results of operations may vary from period to period in response to a variety of factors beyond our control, including general economic conditions, special events, government regulations or policies affecting our operation and our ability to control costs and expenses. Our potential profitability is dependent upon a variety of factors, including the continued increase in customer needs for our solutions and products, our success in competing against other participants in the markets in which we operate, and macroeconomic and regulatory environment. Our revenue may not grow sufficiently to offset the increase in our costs and expenses as we plan to:

- continue to invest in the research and development of our solutions and products;
- expand our production capabilities to produce our solutions and products;
- expand our design, development, validation and servicing capabilities;
- recruit additional engineers and other talents to support our business expansion; and
- increase our sales and marketing activities and build up our sales and marketing team.

Further, because we have limited historical financial data and operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition and results of operations could be adversely affected.

We rely on third-party suppliers, including, in particular Mobileye in relation to SuperVision™, and because some of the raw materials and key components in our products come from single or limited source of suppliers, we are susceptible to supply shortages, long lead times for components, supply changes, and changes in business relationship, any of which could disrupt our supply chain and could delay deliveries of our products to customers.

Report of The Directors

We rely on certain major suppliers, including, in particular Mobileye in relation to SuperVision™ to provide us with raw materials and some of the components of our products. In light of our limited source of suppliers, we are therefore subject to the risk of shortages and long lead times in the supply of components that come from limited source of suppliers and the risk that our suppliers discontinue or modify components used in its products. We have a global supply chain, and the health epidemics and outbreaks may adversely affect our ability to source components in a timely or cost-effective manner from our third-party suppliers due to, among other things, work stoppages or interruptions. Further, the lead times associated with certain components are lengthy and preclude rapid changes in quantities and delivery schedules. Some of our chip suppliers may apply a non-cancellable non-refundable policy to their products or require us to provide binding forecasts of our procurement. We have in the past experienced and may in the future experience component shortages and price fluctuations of certain key components and materials, and the predictability of the availability and pricing of these components may be limited. Component shortages or pricing fluctuations could be material in the future. In the event of a component shortage, supply interruption or material pricing change from suppliers of these components, we may not be able to develop alternate sources in a timely manner or at all in the case of sole or limited sources. Developing alternate sources of supply for these components may be time-consuming, difficult, and costly and we may not be able to source these components on terms that are acceptable to us, or at all, which may undermine our ability to meet our requirements or to fill customer orders in a timely manner.

There is no guarantee that our OEM customers or OEM end customers will purchase our solutions and products in any certain quantity or at any certain price even after we obtain the letter of nomination, and there may be significant delays between the time we obtain the letter of nomination until we realize revenue from the vehicle model.

We generally do not have contracts with OEM customers that require them to purchase our solutions and products in any certain quantity or at any certain price, and our sales could be less than we forecast if a vehicle model for which we obtain the letter of nomination is unsuccessful, including for reasons unrelated to our solutions and products, if an OEM (or in respect of certain vehicle models, an affiliate of the relevant OEM) decides to discontinue or reduce production of a vehicle model or the use of our solutions and products in a vehicle model, or if we face downward pricing pressure. However, the letters of nomination provide no certainty of finalization of contract and may be terminated by customers. We cannot guarantee that our customers will purchase our solutions and products in large quantities or at all and at a price that will be profitable to us even having entered into a letter of nomination.

Furthermore, our solutions and products are technologically complex, incorporated with many technological innovations, and are typically subject to significant safety testing, and OEMs are generally required to make significant commitments of resources to test and validate our solutions and products before including them in any particular vehicle model. The average industry duration of the development cycles of autonomous driving solutions and products is 12 to 18 months after receiving the OEM's letter of nomination depending on the OEMs and the complexity of the solution and products. These development cycles result in our investment of resources prior to realizing any revenue from a vehicle model. Although during the past years, we were able to fully recover the contract fulfillment costs incurred for terminated projects, there is no guarantee that we will be able to fully recover the contract fulfillment costs in the future in case of any terminated projects.

Report of The Directors

Changes in international relationships and trade policies may adversely impact our business, financial condition, and results of operations.

Although we are primarily a China-based company, some of our suppliers are located in the U.S. and other countries outside of China. In addition, certain of our technologies, such as technologies relating to autonomous driving solutions and applications, could be subject to restrictions by the U.S. government in the future. Therefore, government policies restricting international trade and investment, such as capital controls, economic or trade sanctions, export controls, tariffs or foreign investment filings and approvals, may affect the demand for our products and services, impact the competitive position of our products, or prevent us from being able to sell products in certain countries.

Relationships between countries and regions could affect levels of trade, investment, technological exchange, and other economic activities across borders, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on our and our customers' business, prospects, financial condition, and results of operations. For example, under an executive order of the U.S. government, certain new investments from the U.S. in China and Chinese companies involving sensitive technologies such as certain microelectronics and artificial intelligence are prohibited, and government notification is mandated for certain other technology sectors. In addition, U.S. government may further tighten the export control rule to slow the flow of chips to China, and our business may be adversely affected as a result.

We are exposed to credit risk arising from our revenue concentration on certain customers, including Geely Group. Failure to collect our trade receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

Our cash flows and profitability are subject to the timely settlement of payments by our customers. We usually grant a credit period of 30 to 90 days to our customers and trade receivables are generally settled in accordance with the terms of the respective contracts. We cannot assure you that we will be able to collect all or any of our trade receivables or collect the amount for any unbilled work on time, or at all, after meeting the agreed program payment milestones. Our customers may face unexpected circumstances, including, but not limited to, financial difficulties caused by decreased sales of their vehicles. Our customers may delay or even default in their payment obligation. As a result, we may not be able to receive such customers' payment of uncollected debts in full, or at all, and we may need to make provisions for trade and notes receivables. The occurrence of such events would materially and adversely affect our financial condition and results of operations.

Developments in the political and economic policies, as well as the evolving laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

Due to our extensive operations in the PRC, our business, financial condition, results of operations and prospects are affected by economic, political, and legal developments in the PRC. The overall economic growth is influenced by the governmental regulations and policies in relation to resource allocation, monetary policies, regulations of financial services and institutions, preferential treatment to particular industries or companies and others. Any of the foregoing may affect our business, financial condition, results of operations and prospects. Laws, rules and regulations in relation to economic matters are promulgated from time to time, including those related to such as foreign investment, corporate organization and governance, commerce, taxation, finance, foreign exchange and trade, so as to develop a comprehensive system of commercial law. In addition, the interpretation and implementation of the laws and regulations relating to the autonomous driving industry also evolve from time to time.

Report of The Directors

We operate in a highly competitive market.

We face competition from third-party autonomous driving solution suppliers, and challenges arising from in-house R&D teams of automakers. In recent years, some automakers have continued to invest in independent research and development of autonomous driving, resulting in certain competition with external third-party suppliers. Our certain domestic versions of SuperVision™ based on the autonomous driving domain controller provided by Mobileye, targeting to supply for ZEEKR001 models, have experienced a decline in revenue in 2024 due to the impact brought by the independent research and development of automakers. If some automakers and models adopt in-house autonomous driving solutions in the future, the Company may suffer loss on its revenue and profits.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group believes that it is vital to attract, recruit and retain quality employees. Being people-oriented, our Group ensures all employees are reasonably remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety.

The Group attaches great importance to maintaining good relationships with customers, values all customers' opinions and views, and understands customers' needs through different methods and channels to ensure the provision of quality products and services to customers.

We strive to establish long-term, reliable and mutually beneficial cooperative relationship with our suppliers. We continuously optimizes the supplier management, guarantees the safety and stability of suppliers, integrates sustainable development factors into the whole process of supplier management, and formulates relevant procedures to help the sustainable development of suppliers.

Details of an account of the Company's key relationships with its employees, customers, suppliers and others that have a significant impact on the Company is set out in the Environmental, Social and Governance Report contained in this annual report.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held on Friday, June 20, 2025 ("**AGM**") and the notice thereof will be available to the Shareholders in a manner as required by the Listing Rules and the Articles of Association. In order to determine Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, June 17, 2025 to Friday, June 20, 2025 (both days inclusive). In order to be entitled to attend and vote at the AGM, unregistered holders of shares of the Company should ensure that all the share transfer documents together with the relevant share certificates are lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, June 16, 2025. All Shareholders whose names appear on the register of members of the Company on Friday, June 20, 2025 are entitled to attend and vote at the AGM.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended December 31, 2024. (2023: Nil)

Report of The Directors

PROPERTY, PLANT AND EQUIPMENT

Details of changes in the property, plant and equipment of the Group during the year are set out in Note 14 to the Financial Statements.

SHARE CAPITAL

Details of the Company's share capital are set out in Note 23 to the Financial Statements.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On December 20, 2023, the H Shares of the Company were listed on the Main Board of the Stock Exchange with 22,116,000 Offer Shares under the Global Offering, comprising the Hong Kong Public Offering of 2,211,600 Hong Kong Offer Shares and the International Offering of 19,904,400 International Offer Shares at a nominal value of RMB1.00 per H Share. Offer Shares were issued to and subscribed by Hong Kong and overseas investors through the Global Offering at the Offer Price of HK$29.65 per H Share (excluding brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%).

The net proceeds from the Global Offering, after deduction of the underwriting commission, fees and estimated expenses payable by us in connection with the Global Offering and other expenses, were approximately RMB575.83 million (equivalent to approximately HK$595.23 million). The following table sets forth the Company's use of the proceeds from the Global Offering and the planned timetable as at December 31, 2024:

	Approximate percentage of the total net proceeds	**Net proceeds from the Global Offering** *(RMB' million)*	**Unutilized net proceeds as of January 1, 2024** *(RMB' million)*	**Actual use of proceeds during the Reporting Period** *(RMB' million)*	**Unutilized net proceeds as of December 31, 2024** *(RMB' million)*	**Expected time to utilize the remaining net proceeds in full**
Enhancing research and development of our autonomous driving solutions and products	45.0%	259.12	259.12	215.24	43.88	By the end of the year 2025
Capital expenditure in relation to our R&D headquarters, manufacturing premises and new production lines	35.0%	201.54	201.54	183.11	18.43	By the end of the year 2025
Expanding our sales and service network	10.0%	57.58	57.58	13.56	44.03	By the end of the year 2025
Working capital and general corporate purposes	10.0%	57.58	57.58	57.58	0	Fully utilized
Total *(Note)*	**100.0%**	**575.83**	**575.83**	**469.49**	**106.34**	

Note: Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

Report of The Directors

As at December 31, 2024, the unutilized net proceeds from the Global Offering amounted to approximately RMB106.34 million. The Group will utilize the net proceeds in accordance with the intended purposes and the same portion as stated in the Prospectus. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and will be subject to change based on future development of market conditions and actual business needs. Should there be any change in the intended use of the unutilized net proceeds, the Company will make appropriate announcement(s) in due course.

PLACING OF H SHARES UNDER GENERAL MANADATE DURING THE REPORTING PERIOD

On November 25, 2024, the Company entered into a placing agreement (the "**Placing Agreement**") with Guotai Junan Securities (Hong Kong) Limited (as the placing agent) (the "**Placing Agent**"). Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six placees who are professional, institutional and/or other investors and who were independent of, and not connected with the Company and its connected persons, to purchase up to an aggregate of 4,427,000 new H Shares (the "**Placing Shares**") at the placing price of HK$17.58 per Placing Share, exclusive of applicable brokerage, trading fees, transaction fees and levies.

On December 2, 2024, the Company completed the allotment and issue of the Placing Shares under general mandate to not less than six placees pursuant to the Placing Agreement. The net proceeds from the placing (after deducting all fees, costs and expenses incurred by the Company in connection with the placing including the commission and levies) amount to approximately HK$73.28 million. The net proceeds from the placing are intended to be used by the Group for (i) enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products; (ii) capital expenditure in relation to enhancing the R&D and manufacturing facilities; (iii) expanding the overseas sales and service network; and (iv) working capital and general corporate purposes.

For further details of the placing, please refer to the Company's announcements dated November 25, 2024 and December 2, 2024.

Report of The Directors

The following table sets forth the Company's use of the proceeds from the placing and the planned timetable as at December 31, 2024:

	Approximate percentage of the total net proceeds	Net proceeds from the placing *(HK$' million)*	Actual use of proceeds during the Reporting Period *(HK$' million)*	Unutilized net proceeds as of December 31, 2024 *(HK$' million)*	Expected time to utilize the remaining net proceeds in full
Enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products	40.0%	29.30	21.04	8.26	By the end of January 2025
Capital expenditure in relation to enhancing the R&D and manufacturing facilities	20.0%	14.66	14.66	0	Fully utilized
Expanding the oversea sales and service network	20.0%	14.66	2.30	12.36	By the end of February 2025
Working capital and general corporate purposes	20.0%	14.66	9.35	5.31	By the end of January 2025
Total *(Note)*	**100.0%**	**73.28**	**47.35**	**25.93**	

Note: Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

As at December 31, 2024, the unutilized net proceeds from the placing amounted to approximately HK$25.93 million, and as at the date of this annual report, all of net proceeds has been utilized in accordance with such intended purposes as mentioned above.

RESERVES AND DISTRIBUTABLE RESERVES

Details of the reserves are set out in Note 24 to the Financial Statements. As at December 31, 2024, the Company did not have any distributable reserve.

PRE-EMPTIVE RIGHTS

Under the Articles of Association and the PRC laws, there is no pre-emptive right which requires the Company to offer new shares to its existing shareholders on a pro rata basis.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

Report of The Directors

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares) at any time during the Reporting Period.

As at December 31, 2024, the Company did not hold any treasury shares.

MAJOR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of OEMs that install our autonomous driving solutions and products on their vehicles. Substantially all of our revenue is generated within the PRC. For the years ended December 31, 2023 and 2024, our revenue generated from the five largest customers in each period in aggregate accounted for 96.8% and 98.2% of our total revenue, respectively, and revenue generated from our largest customer in the relevant periods accounted for 93.3% and 83.7% of our total revenue, respectively.

Our suppliers primarily consist of raw materials and components suppliers, including suppliers for automotive-grade chips, mechanical parts, optical components, and electrical parts. For the years ended December 31, 2023 and the 2024, purchases from our five largest suppliers in each period in aggregate accounted for 94.1% and 86.8% of our total purchases, respectively, and purchases from our largest supplier in the relevant periods accounted for 91.3% and 79.3% of our total purchases, respectively.

During the Reporting Period, so far as the Directors are aware, none of the Directors, their close associates or the Shareholders (which to the knowledge of the Directors owned more than 5% of total number of issued shares of the Company) had any interest in the five largest suppliers or customers of the Company during the year.

BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings of the Company and its subsidiaries as at December 31, 2024 are set out in Note 27 to the Financial Statements.

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report were as follows:

Executive Directors
Mr. SONG Yang
Mr. LU Yukun
Mr. LI Shuangjiang

Non-executive Directors
Mr. LI Chengsheng
Mr. TAO Zhixin
Mr. YANG Yuankui

Independent Non-executive Directors
Dr. ZHANG Weigong
Mr. LIU Yong
Ms. XUE, Rui Shirley

Report of The Directors

SUPERVISORS

Mr. LUO Hong
Mr. ZHU Qinghua
Mr. WANG Bingjie

BIOGRAPHIES OF THE DIRECTORS, SUPERVISORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors, Supervisors and the senior management are set out on pages 23 to 29 of this annual report.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS AND SUPERVISORS

Save as disclosed in the section headed "Directors, Supervisors and Senior Management and Company Secretaries" in this annual report, there was no change to any of the information required to be disclosed in relation to any Director and Supervisors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

SERVICE CONTRACTS WITH DIRECTORS AND SUPERVISORS

Each of the Directors and Supervisors has entered into a service contract or letter of appointment with the Company. The principal particulars of these service agreements are: (a) each of the agreements is for a term of three years following their respective appointment date; and (b) each of the agreements is subject to termination in accordance with their respective terms. The service agreements may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, the Company has not entered, and does not propose to enter, into any service contracts with any of the Directors or Supervisors in their respective capacities as Directors or Supervisors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

REMUNERATION OF DIRECTORS AND SUPERVISORS

The compensation and remuneration of the Directors, Supervisors and members of the senior management of the Company are determined by the Shareholders' meetings and the Board as appropriate in the form of salaries and bonuses. The Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to the Company or discharging their duties in relation to the operations of the Company. When reviewing and determining the specific remuneration packages for our Directors, Supervisors and members of the senior management of the Company, the Shareholders' meetings and the Board of Directors take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, the Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of the Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund. Our Company offers executive Directors and senior management members, who are our employees, compensation in the form of wages and salaries, discretionary bonuses, share-based payment, social security costs, housing benefits and employee welfare. The independent non-executive Directors receive compensation based on their responsibilities.

Save as disclosed above, no Director or Supervisor is entitled to receive other special benefits from the Company.

Report of The Directors

REMUNERATION OF THE FIVE HIGHEST PAID INDIVIDUALS

Details of remuneration of the five highest paid individuals of the Company are set out in Note 9 to the Financial Statements.

For the year ended December 31, 2024, no emoluments were paid by the Group to any Director, any Supervisor or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a Director or a Supervisor waived or agreed to waive any remuneration during the year ended December 31, 2024.

PERMITTED INDEMNITY PROVISION

Subject to the relevant statutes, every Director shall be indemnified by the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in or about the execution of his/her office or which may attach thereto. The Company has purchased insurance against the liabilities and costs associated with proceedings which may be against the Directors. The permitted indemnity provision is in force during the course of the financial year ended December 31, 2024 and remained in force as at the date of this annual report.

INTERESTS OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors and Supervisors nor their associates has competing interests in any businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Company.

INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

The Directors and Supervisors have confirmed that other than the business of the Group, none of the Directors and Supervisors had a material interest, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the below sections headed "Equity Incentive Scheme", during the year ended December 31, 2024, there subsisted no arrangement to which the Company or any of its subsidiaries or its parent companies or its fellow subsidiaries was a party and the objectives of or one of the objectives of such arrangement are/is to enable the Directors and Supervisors, their respective spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Report of The Directors

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2024, the interests and short positions of the Directors and Supervisors as well as the chief executives of the Company in the shares, underlying shares and debentures of the Company or associated corporations (within the meaning of Part XV of the SFO) which as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Capacity/Nature of interest	Class of Shares	Number of Shares[1]	Approximate percentage of shareholding in the total number of issued Shares of our Company[2]	Approximate percentage of shareholding in the relevant class of Shares[3]
Mr. LI Shuangjiang	Beneficial owner	Domestic Shares	9,492,781 (L)	4.11%	7.61%
		H Shares	4,745,679 (L)	2.06%	4.48%
Mr. LU Yukun[4]	Interest in controlled corporation	Domestic Shares	16,476,416 (L)	7.14%	13.21%
		H Shares	4,119,104 (L)	1.79%	3.88%
Mr. LUO Hong	Beneficial owner	Domestic Shares	1,460,730 (L)	0.63%	1.17%
		H Shares	1,460,730 (L)	0.63%	1.38%
Mr. SONG Yang[5]	Beneficial owner; Interest in controlled corporation	Domestic Shares	65,185,616 (L)	28.25%	52.26%
		H Shares	16,296,404 (L)	7.06%	15.37%

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. The calculation is based on the total number of 230,757,340 Shares in issue as of December 31, 2024.

3. The calculation is based on the total number of 124,726,655 Domestic Shares and 106,030,685 H Shares in issue as of December 31, 2024, respectively.

4. As at December 31, 2024, Suzhou Lanchi Management Consulting Partnership (L.P.) ("**Lanchi Platform**") was owned as to 37.1% by Mr. LU Yukun as its limited partner. Therefore, Mr. LU Yukun is deemed to be interested in Shares held by Lanchi Platform under the SFO.

5. Mr. SONG Yang is the general partner of each of Lanchi Platform, Suzhou Zichi Management Consulting Partnership (L.P.) ("**Zichi Platform**"), Suzhou Hongchi Management Consulting Partnership (L.P.) (蘇州紅馳管理諮詢合夥企業(有限合夥)) ("**Suzhou Hongchi**") and Suzhou Luchi Management Consulting Partnership (L.P.) (蘇州綠馳管理諮詢合夥企業(有限合夥)) ("**Suzhou Luchi**"). Therefore, Mr. SONG Yang will be deemed to be interested in the Shares held by Lanchi Platform, Zichi Platform, Suzhou Hongchi and Suzhou Luchi under the SFO.

Report of The Directors

Save as disclosed above, as at December 31, 2024, to the knowledge of the Board, none of the Directors, the Supervisors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives were deemed or taken to have under the provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at December 31, 2024, the following entities/persons (other than the Directors, Supervisors or chief executives of the Company) had interests and short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or are directly and indirectly interested in 5% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholder	Capacity/Nature of interest	Class of Shares	Number of Shares[1]	Approximate percentage of shareholding in the total number of Shares[2]	Approximate percentage of shareholding in the relevant class of Shares[3]
Mixed Reform Fund[4]	Beneficial owner	Domestic Shares	18,413,960 (L)	7.98%	14.76%
China Chengtong[4]	Interest in controlled corporation	Domestic Shares	18,413,960 (L)	7.98%	14.76%
Lanchi Platform	Beneficial owner	Domestic Shares	16,476,416 (L)	7.14%	13.21%
SME Fund[5]	Beneficial owner	Domestic Shares	13,397,704 (L)	5.81%	10.74%
GZVCM[5]	Interest in controlled corporation	Domestic Shares	13,397,704 (L)	5.81%	10.74%
Mr. SHI Anping[5]	Interest in controlled corporation	Domestic Shares	13,397,704 (L)	5.81%	10.74%
HL Klemove Suzhou[6]	Beneficial owner	H Shares	15,316,080 (L)	6.64%	14.44%
HKL[6]	Interest in controlled corporation	H Shares	15,316,080 (L)	6.64%	14.44%
HL Mando[6]	Interest in controlled corporation	H Shares	15,316,080 (L)	6.64%	14.44%
Zizhi Yihao[7]	Beneficial owner	H Shares	12,335,640 (L)	5.35%	11.63%
Zizhi Discovery[7]	Interest in controlled corporation	H Shares	12,335,640 (L)	5.35%	11.63%
Zizhi Investment[7]	Interest in controlled corporation	H Shares	12,335,640 (L)	5.35%	11.63%
Mr. HUANG Mingming[7]	Interest in controlled corporation	H Shares	12,335,640 (L)	5.35%	11.63%
Beijing CHJ[8]	Beneficial owner	H Shares	7,081,780 (L)	3.07%	6.68%
Beijing Co Wheels[8]	Interest in controlled corporation	H Shares	7,081,780 (L)	3.07%	6.68%
Leading Ideal HK[8]	Interest in controlled corporation	H Shares	7,081,780 (L)	3.07%	6.68%
Li Auto Inc.[8]	Interest in controlled corporation	H Shares	7,081,780 (L)	3.07%	6.68%
Amp Lee Ltd.[8]	Interest in controlled corporations	H Shares	7,081,780 (L)	3.07%	6.68%
Cyric Point[8]	Interest in controlled corporation	H Shares	7,081,780 (L)	3.07%	6.68%
Vistra Trust[8]	Trustee	H Shares	7,081,780 (L)	3.07%	6.68%
Mr. LI Xiang[8]	Interest in controlled corporation/ founder and beneficiary of a trust	H Shares	7,081,780 (L)	3.07%	6.68%

Report of The Directors

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. The calculation is based on the total number of 230,757,340 Shares in issue as of December 31, 2024.

3. The calculation is based on the total number of 124,726,655 Domestic Shares and 106,030,685 H Shares in issue as of December 31, 2024, respectively.

4. China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司) ("**Mixed Reform Fund**") is a state-owned fund approved by the State Council of the People's Republic of China. Mixed Reform Fund is held as to 34.23% by China Chengtong Holdings Group Co., Ltd. (中國誠通控股集團有限公司) ("**China Chengtong**"). Therefore, China Chengtong is deemed to be interested in the Shares held by Mixed Reform Fund under the SFO.

5. Shenzhen Guozhong SME Development Private Equity Investment Fund Partnership (L.P.) (深圳國中中小企業發展私募股權投資基金合夥企業(有限合夥) ("**SME Fund**") is managed by its general partner, Shenzhen Guozhong Venture Capital Management Co., Ltd. (深圳國中創業投資管理有限公司) ("**GZVCM**"), which is in turn controlled by Mr. SHI Anping (施安平), an independent third party. Therefore, each of GZVCM and Mr. SHI Anping is deemed to be interested in the Shares held by SME Fund under the SFO.

6. HL Klemove Electronics (Suzhou) Co., Ltd. (漢拿科鋭動電子(蘇州)有限公司) ("**HL Klemove Suzhou**") is wholly owned by HL Klemove Corp. ("**HKL**"), which is an affiliate of HL Mando Corporation ("**HL Mando**"), a company listed on the Korea Exchange (ticker symbol: 204320). Therefore, each of HKL and HL Mando is deemed to be interested in the Shares held by HL Klemove Suzhou under the SFO.

7. Jiaxing Zizhi No. 1 Equity Investment Partnership (L.P.) (嘉興自知一號股權投資合夥企業(有限合夥)) ("**Zizhi Yihao**") is managed by its general partner Jiaxing Zizhi Discovery Equity Investment Management Partnership (L.P.) (嘉興自知探索股權投資管理合夥企業(有限合夥)) ("**Zizhi Discovery**"). Zizhi Discovery is managed by its general partner Jiaxing Zizhi Equity Investment Management Co., Ltd. (嘉興自知股權投資管理有限公司) ("**Zizhi Investment**"), which is held as to 94.44% by Mr. HUANG Mingming (黃明明), an independent third party. Therefore, each of Zizhi Discovery, Zizhi Investment and Mr. HUANG Mingming is deemed to be interested in the Shares held by Zizhi Yihao under the SFO.

8. Beijing CHJ Information Technology Co., Ltd. (北京車和家信息技術有限公司) ("**Beijing CHJ**") is a consolidated affiliated entity of Li Auto Inc., a NEV automaker company dual listed on the Stock Exchange (stock code: 2015) and NASDAQ (ticker symbol: LI), controlled through contractual arrangements through its indirectly wholly-owned subsidiary Beijing Co Wheels Technology Co., Ltd. (北京羅克維爾斯科技有限公司) ("**Beijing Co Wheels**"). Beijing Co Wheels is directly wholly owned by Leading Ideal HK Limited ("**Leading Ideal HK**"). Li Auto Inc. is controlled through weighted voting rights as to 68.87% of the voting rights with respect to shareholder resolutions relating to matters other than reserved matters by Amp Lee Ltd. Amp Lee Ltd. is wholly owned by Cyric Point Enterprises Limited. ("**Cyric Point**") The entire interest in Cyric Point is held by a trust that was established by Mr. Li Xiang (as the settlor) for the benefit of Mr. LI Xiang and his family. The trustee is Vistra Trust (Singapore) Pte. Limited ("**Vistra Trust**"). There, each of Beijing Co Wheels, Leading Ideal HK, Li Auto Inc., Amp Lee Ltd., Cyric Point, Vistra Trust and Mr. Li Xiang is deemed to be interested in the Shares held by Beijing CHJ under the SFO.

Save as disclosed above, as at December 31, 2024, no person, other than the Directors, Supervisors or chief executives of the Company whose interests are set out in the section headed "Directors', Supervisors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had registered an interest or a short position in the Shares or underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Report of The Directors

MANAGEMENT CONTRACTS

For the year ended December 31, 2024, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed.

EQUITY INCENTIVE SCHEME

Employee Incentive Scheme

The Group adopted an employee incentive scheme (the "**Employee Incentive Scheme**") on April 25, 2019, which was further revised on December 24, 2021. Two employee incentive platforms, namely Lanchi Platform and Zichi Platform, were established by Mr. Song Yang to implement the Employee Incentive Scheme. The following is a summary of the principal terms of the Employee Incentive Scheme:

Purpose

The Employee Incentive Scheme was adopted for the purpose of establishing and improving long-term incentive mechanism of our Company, attracting and retaining high-end talents, fully mobilizing the enthusiasm of our Directors, senior management and other core employees.

Eligibility of participants

The participants include the core managerial and technical personnel of our Company or any of our subsidiaries, or other core employees who shall be deemed by the general meeting to have material influence on the operating performance and future development of our Company.

Shares available for issue

As all the incentive awards in the form of the existing Shares under the Employee Incentive Scheme had been granted and vested, the Shares available for issue under the Employee Incentive Scheme is nil as at the date of the annual report.

Total number of the underlying shares of the incentive awards

Participants shall be interested in a total of 24,248,960 Shares through holding the limited partnerships in the employee incentive platforms, the underlying Shares of which represents 10.51% of the share capital of our Company in issue as at December 31, 2024.

All incentive awards under the Employee Incentive Scheme had been granted and vested before the Listing Date.

Maximum entitlement of each participant

There is no limit on the entitlement of each participant under the Employee Incentive Scheme.

Vesting period

The Shares underlying the incentive awards granted shall be vested immediately and transferred to the participants subject to the registration of changes with relevant industrial and commercial authorities.

Acceptance and payment

Save as the purchase price below, the Employee Incentive Scheme does not provide any acceptance payment.

Basis of Purchase price

The purchase price of the incentive awards is determined on comprehensive consideration of factors, including the participants' contribution to our Company and their respective professional and technical competence.

Remaining life

The Employee Incentive Scheme commenced on April 25, 2019, and shall continue to be in effect unless terminated upon the approval by the Shareholders.

H Share Award Scheme

The Group adopted the first H Share award and trust scheme (the "**H Share Award Scheme**") approved by the Shareholders on the annual general meeting held on June 20, 2024 ("**2024 AGM**"). The following is a summary of the principal terms of the H Share Award Scheme:

Purpose

The purposes of the H Share Award Scheme are: (a) to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own the equity interests in the Company; (b) to deepen the reform on the Company's remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders and the operational and executive management; and (c) to recognize the contributions of the leadership of the Company (including the Directors) and to encourage, motivate and retain the leadership of the Company whose contributions are beneficial to the continual operation, development and long-term growth of the Group, and to provide additional incentive for the leadership of the Company by aligning the interests of the leadership of the Company to those of the Shareholders and the Group as a whole.

Eligibility of participants

Eligible Participants who may participate in the H Share Award Scheme include any PRC or non-PRC employee of any members of the Group, who is a Director, senior management, key operating team member, employee or a consultant of the Group. However, no individual who is resident in a place where the grant, acceptance or vesting of an award pursuant to the H Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board and/or the delegatee, in compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, not in the Scheme and such individual shall therefore be excluded therefrom.

Shares available for issue

There were no Shares available for issue under the H Share Award Scheme as at the date of the annual report.

Total number of the underlying shares of the awards

The scheme limit shall be 10% of the total issued Shares at the date of obtaining approval of the H Share Award Scheme from the Shareholders at the 2024 AGM (i.e. 226,330,340 Shares). The underlying Shares under such scheme limit represents 9.80% of the share capital of our Company in issue as at December 31, 2024.

Maximum entitlement of each participant

There is no limit on the entitlement of each participant under the H Share Award Scheme.

Vesting period

Unless otherwise specified in the award letter approved by the Board and/or the delegatee, and subject to the vesting conditions set out in the H Share Award Scheme rules, all awards under the scheme shall be vested in three tranches (i.e., 30%, 30% and 40%, each being a "**Vesting Period**"). The specific commencement and duration of each Vesting Period and the actual vesting amount of the award granted to a selected participant for the respective Vesting Periods shall be specified in the award letter approved by the Board and/or the delegatee. The Vesting Periods of the awards granted under the H Share Award Scheme or the awards to be satisfied by the application of any returned Shares shall be determined by the Board and/or the delegatee in its sole and absolute discretion.

Acceptance and payment

Save as the purchase price below, the H Share Award Scheme does not provide any acceptance payment.

Basis of the grant price

The Board and/or the delegatee may from time to time determine the grant price (if applicable) with respect to award Shares, and may from time to time vary the aforesaid conditions set forth in the award letter with reference to the change of market conditions and for the purpose of better achieving the purposes of the H Award Share Scheme, provided that the notice of changed grant price shall be served on the relevant selected participant.

Remaining life

Subject to any early termination of the H Share Award Scheme pursuant to the scheme rules, the H Share Award Scheme shall be valid and effective for ten years commencing from June 20, 2024. As at the date of the annual report, the remaining life of the H Share Award Scheme is around nine years and 3 months.

Report of The Directors

Movements of the awards granted and outstanding under the H Share Award Scheme

Details of the movement of the awards granted under the H Share Award Scheme during the Reporting Period are set out below:

				Number of Awards					
Category of grantees	Grant date	Vesting period[1]	Grant price per award	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled/ forfeited during the Reporting Period	Lapsed during the Reporting Period	Unvested as at December 31, 2024	Closing price immediately before the grant date
The five highest paid individuals (in aggregate)[2]	July 18, 2024	July 18, 2024 – July 17, 2027	HKD5.36	1,360,000	0	0	0	1,360,000	HKD31.35
Other employees of the Group (in aggregate)	July 18, 2024	July 18, 2024 – July 17, 2027	HKD5.36	794,000	0	0	0	794,000	HKD31.35

Notes:

(1) Vesting Period and Conditions

The vesting periods of the awards granted under the H Share Award Scheme are as follows:

	Vesting Periods	Proportion of Vesting
First Vesting Period	July 18, 2024 – July 17, 2025	30%
Second Vesting Period	July 18, 2025 – July 17, 2026	30%
Third Vesting Period	July 18, 2026 – July 17, 2027	40%

Vesting of the awards granted under the H Share Award Scheme is subject to conditions of the performance indicators of the Company and the individual performance indicators of the grantee as set out in the award letter.

(2) Such individuals who were granted do not include the Directors, Supervisors and the Chief Executive of the Company.

(3) The fair value of the awards granted on July 18, 2024 was HKD31.35 per share, which was calculated based on the market price of the Company's H Shares at the grant date. Details of the accounting standard and policy adopted are set out in Note 25 to the consolidated financial statements.

Report of The Directors

ISSUED DEBENTURES

As at December 31, 2024, neither the Company nor any of its subsidiaries issued any debentures.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, no equity-linked agreement that will or may result in the Company issuing Shares or require the Company to enter into an agreement that will or may result in the Company issuing Shares was entered into by the Company during the year ended December 31, 2024 or subsisted at the end of the year.

CONTRACT OF SIGNIFICANCE

No contract of significance has been entered into between the Company, or any of its subsidiaries and the controlling shareholder or any of its subsidiaries during the year ended December 31, 2024.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in Note 2 to the Financial Statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, not less than 25% of the Company's total issued shares were in the hands of the public as at the date of this annual report, which complied with the public float requirements under the Listing Rules.

MATERIAL LITIGATION

For the year ended December 31, 2024 and as at the date of this annual report, the Company was neither involved in any material litigation or arbitration, nor may be brought up or accused of any pending material litigation or claims.

CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

For the year ended December 31, 2024 and up to the date of this annual report, the controlling shareholders of the Company, namely Mr. SONG Yang, Lanchi Platform, Zichi Platform, Suzhou Hongchi and Suzhou Luchi have no interests in any business which competes with or is likely to compete with the businesses of the Group.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

On July 2, 2024, the Company (as the lender) entered into the loan agreement A with Mr. Song Yang and loan agreement B with Mr. Li Shuangjiang, pursuant to which the Company agreed to grant the loan in the amount of RMB11,000,000 to Mr. Song Yang and RMB2,700,000 to Mr. Li Shuangjiang, respectively, in accordance with the terms and conditions of the loan agreements ("**Loan Agreements**").

Report of The Directors

Under the Loan Agreements with each of Mr. Song Yang and Mr. Li Shuangjiang, the term of the Loan is a fixed term of 3 years from the date of drawdown of the Loan. The interest rate on the Loan is 3.45% per annum. The principal loan amount together with accrued interest shall be repaid in full after the expiry of the term of the Loan. As agreed by both parties, the borrowers may early repay the principal loan amount together with accrued interest. If the borrowers fails to repay the Loan on time, all expenses incurred by the Company through litigation or other means to realize the creditor's rights (including but not limited to litigation fees, arbitration fees, property preservation fees, travel expenses, execution fees, evaluation fees, auction fees, notarization fees, delivery fees, announcement fees, lawyer fees, etc.) shall be borne by the borrowers.

Mr. Song Yang is the chairman and executive Director, the chief executive officer and the controlling shareholder of the Company and Mr. Li Shuangjiang is an executive Director of the Company. Hence, Mr. Song Yang and Mr. Li Shuangjiang are connected person of the Company under Rule 14A.07 of the Listing Rules and the transaction contemplated under the Loan Agreements constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio in respect of the transaction contemplated under the loan agreement A exceeds 0.1% but less than 5%, the loan agreement A is therefore subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules. Since the highest applicable percentage ratio in respect of the transaction contemplated under the loan agreement B exceeds 0.1% but less than 5%, and the total value under the loan Agreement B is less than HK$3,000,000, the loan agreement B is exempt from the reporting, announcement requirements, the circular and independent shareholders' approval requirements pursuant to Rule 14A.76(1) of the Listing Rules.

For more details of the transaction, please refer to the Company's announcements dated July 2, 2024 and July 14, 2024.

Save as disclosed above, the Group did not enter into any connected transactions and continuing connected transactions which required reporting, annual review, announcements and/or independent shareholders' approval under Chapter 14A of the Listing Rules for the year ended December 31, 2024.

Details of the related party transactions entered into by our Group are set out in Note 34 to the Financial Statements and they were connected transactions exempt from the connected transaction requirements under Chapter 14A of the Listing Rules.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and the audited consolidated financial statements and annual results of the Group for the year ended December 31, 2024, and is of the view that the Group's consolidated financial statements for the year ended December 31, 2024 are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

Report of The Directors

AUDITORS

During the Reporting Period, PricewaterhouseCoopers resigned as the auditor of the Company with effective from November 5, 2024 and KMPG was appointed as the auditor of the Company to fill the casual vacancy with effect from December 10, 2024. The Group's consolidated financial statements for the year ended December 31, 2024 have been audited by KPMG.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

H Share Full Circulation

The Company submitted an application to the China Securities Regulatory Commission (the "**CSRC**") in respect of the conversion of 100,066,170 of its Domestic Shares into H shares (the "**Conversion**"), and the Company received a filing notice (the "**Filing Notice**") issued by the CSRC regarding the Company's proposed implementation of the H share full circulation on January 10, 2025. On January 23, 2025, the Stock Exchange granted approval for the listing of and permission to deal in 100,066,170 H Shares. On February 6, 2025 the conversion of 100,066,170 Domestic Shares into H Shares had been completed, and listing of such Shares on the Stock Exchange commenced on February 7, 2025. For more related details, please refer to the Company's announcements dated October 25, 2024, January 10, 2025, January 23, 2025 and February 6, 2025.

Placing of H Shares under General Manadate in 2025

On February 8, 2025, the Company entered into a placing agreement (the "**2025 Placing Agreement**") with the Placing Agent. Pursuant to the 2025 Placing Agreement, the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six placees who are professional, institutional and/or other investors and who were independent of, and not connected with the Company and its connected persons, to purchase up to an aggregate of 11,190,200 new H Shares at the placing price of HK$20.88 per H Share, exclusive of applicable brokerage, trading fees, transaction fees and levies (the "**2025 Placing**").

On February 17, 2025, the Company completed the allotment and issue of the 11,190,200 new H Shares under general mandate to not less than six placees pursuant to the 2025 Placing Agreement. The net proceeds from the placing (after deducting all fees, costs and expenses incurred by the Company in connection with the placing including the commission and levies) amount to approximately HK$228.37 million. The net proceeds from the placing are intended to be used by the Group for (i) enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products, (ii) capital expenditure in relation to enhancing the R&D and manufacturing facilities, (iii) expanding the overseas sales and service network, and (iv) working capital and general corporate purposes.

For further details of the 2025 Placing, please refer to the Company's announcements dated February 9, 2025 and February 17, 2025.

By order of the Board
iMotion Automotive Technology (Suzhou) Co., Ltd.
Mr. SONG Yang
Chairman of the Board

Hong Kong, March 26, 2025

Environmental, Social and Governance Report

ABOUT THIS REPORT

This is the second Environmental, Social and Governance (ESG) report issued by iMotion Automotive Technology (Suzhou) Co., Ltd. Focus on the disclosure of the company and its subsidiaries in ESG management initiatives, highlight practices and results.

Time Scope

This report is an annual report covering the period from January 1, 2024 to December 31, 2024, with some content beyond the above scope.

Reporting Boundary

This report is based on iMotion Automotive Technology (Suzhou) Co., Ltd., covering all subsidiaries of the company.

Basis and Principles of Preparation

This report has been prepared with reference to the United Nations Sustainable Development Goals (SDGs), the GRI Sustainability Reporting Standard (GRI Standard) of the Global Sustainability Standards Board (GSSB), and the Environmental, Social and Governance Reporting Code in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The principles of materiality, quantitative, balance and consistency are taken into account for information disclosure.

Source of Information

The information and materials in this report are mainly derived from the Company's internal official documents, internal statistics, and public information. Unless otherwise stated, the currency amounts involved in this report are measured in RMB.

Representation

For ease of explanation, the terms "iMotion ", "the Company" and "we" in the report represent iMotion Automotive Technology (Suzhou) Co., Ltd.

Access to the Report

This report is published in electronic form and can be viewed and downloaded at:

- iMotion's official website: www.imotion.ai
- Website of the Hong Kong Stock Exchange: www.hkex.com.hk

Contact Us

If you have any questions or feedback about this report and its contents, please contact us through the following methods:

- E-mail: investor@imotion.ai
- Address: 19th Floor and 20th Floor, Building G2, No. 88 Jinji Lake Avenue, Suzhou Industrial Park, Suzhou, Jiangsu Province, China (Attn: Board of Directors)

Environmental, Social and Governance Report

BOARD STATEMENT

The Company follows the relevant requirements of the Environmental, Social and Governance Reporting Code to strengthen the supervision and participation of the Board of Directors in ESG-related matters of the Company. The Board of Directors, as the highest decision-making body for ESG affairs of the Company, is responsible for considering the Company's ESG objectives, strategies, and management policies, as well as reviewing annual ESG materiality issues and ESG reports. The Board of Directors organizes relevant meetings regularly to review the progress of ESG work and continuously promote the integration of ESG into the Company's business operations. Management is responsible for formulating the Company's ESG strategies, policies, and reports, assessing the importance of the Company's ESG issues, identifying the actual and potential impacts of managing ESG and climate-related risks and opportunities on the Company's business development and strategic planning in the short, medium, and long term, and formulating corresponding plans.

This report has provided a comprehensive disclosure of the progress and effectiveness of iMotion's ESG efforts in 2024, and the contents of the report have been reviewed and approved by the Board.

1. GOVERNANCE

1.1 Corporate Governance and Risk Management

The Company has effectively fulfilled its obligations as a listed company, complying with the requirements of *the Company Law of the People's Republic of China*, *the Securities Law of the People's Republic of China* and other relevant laws and regulations. It continuously optimizes its corporate governance structure, improves its risk management structure and internal control system. It establishes a risk management mechanism, wins the trust of its investors, partners and the public and provides protection for the Company's steady and healthy development.

We have emphasized the diversity and independence of our Board, which consists of members with a wide range of professional experience backgrounds, such as electrical engineering, computer science, management, law, etc., in order to guarantee efficiency and scientific decision-making. By the end of December 2024, iMotion has 9 directors, including 3 executive directors, 6 non-executive directors and 1 female director.

Environmental, Social and Governance Report

1.2 Business Ethics and Anti-corruption

The Company has complied with the requirements of *the Anti-Monopoly Law of the People's Republic of China*, *the Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations, and has constantly optimized its business ethics management system. At the same time, we have also established *the iMotion Integrity and Self-Discipline Management Regulation, the iMotion Employee Acceptance of Gifts Registration Management Measures, the iMotion Anti-money Laundering Management Regulation,* and *the iMotion Compliance Incident Management Regulation*. The scope of anti-bribery, anti-corruption, and anti-fraud has been clearly delineated, along with the specific responsibilities of each department. Additionally, the company has established procedures for managing money laundering risks and developed emergency response plans to address compliance-related incidents. We standardize employees' business ethical behavior. During the reporting period, the Company formally became a member of the "Trust and Integrity Enterprise Alliance" and the "Anti-fraud Alliance". We improved the effectiveness and implementation of anti-corruption measures and integrity promotion by sharing case resources and engaging in strategic discussions with alliance members. In 2024, the company did not have any corruption lawsuits.

We have constantly improved our complaint and reporting management system and set up reporting channels such as reporting mailboxes, reporting hotlines and official website. We disclose information on reporting channels on the company's official website, staff meetings, system documents, and supplier integrity agreements, encourage employees to report any illegal or non-compliant behavior, and take appropriate measures in response to the results of investigations. We follow the working procedures of special auditing and investigation to enhance the efficiency of handling and investigating the information of whistleblowers and require that all information of whistleblowers should be kept strictly confidential.

We have carried out special anti-fraud audits related to business ethics, anti-corruption, human rights, health and safety, the environment and other factors related to the social and environment to help the company itself, its partners, suppliers and others to identify anti-corruption hazards and reduce legal risks. We require all suppliers to sign *Integrity and Self-Discipline Agreements*, We establish clear guidelines for ethical collaboration, reporting mechanisms, and penalties for violations. Additionally, we perform targeted audits of procurement activities to mitigate corruption risks promptly. In 2024, 100% of suppliers have signed *Integrity and Self-Discipline Agreement.*

We attach importance to the construction and publicity of the culture of integrity, enhancing the integrity and compliance awareness of all staff through training, and create a working atmosphere of integrity and fairness. The Company has conducted anti-corruption training for many times in the form of all-employee emails, staff meetings, online thematic training, and middle and senior management meetings, with the themes of explanation of the compliance system and channels for integrity reporting. The Company's employee handbook has integrated internal system documents on best business management, professional ethics and anti-corruption, requiring employees to study them on their own initiative in order to further enhance their anti-corruption awareness. In 2024, 3 directors participated in the anti-corruption training, with an average training duration of 1 hour; 500 employees participated in the anti-corruption training, with an average duration of 1 hour.

Environmental, Social and Governance Report

1.3 ESG Management

1.3.1 ESG Governance Structure

The Company continuously promotes the integration of ESG into strategic planning and business operations, establishes an ESG management system, clarifies the responsibilities of each level, and continuously improves the level of ESG management.

- **Decision-making level**: The Board of Directors is responsible for the supervision and decision-making of the company's ESG matters, monitoring the company's ESG-related objectives, strategies and management, as well as the annual ESG reporting.

- **Management level**: The management level is responsible for formulating the company's ESG strategy, policies and reports; identifying ESG and climate-related risks; determining ESG materiality issues; clearly representing and identifying the responsibilities of each head of department in ESG matters; formulating ESG professional training programs; and facilitating the implementation of ESG-related work plans and providing resource support.

- **Operation level**: Each department is responsible for cooperating with the implementation of the company's ESG work plan and arrangements and promoting the realization of ESG objectives; reporting ESG-related information and work progress on a regular basis.

iMotion Conducted an ESG All-Staff Learning and Sharing Session

Environmental, Social and Governance Report

1.3.2 Communication with Stakeholders

The Company emphasizes and improves the stakeholder communication mechanism, fully understands the expectations and requirements of stakeholders, and actively responds to them through a variety of channels and methods.

Stakeholders	Expectations and Demands	Communication and Response
Government/ Regulatory Authorities	• Compliance operation • Business ethics • Corporate governance • Responding to climate change	• Government visits • Annual financial report • Regular reporting and communication
Shareholders/ Investors	• Compliance operation • Business ethics • Corporate governance • Intellectual Property Protection	• Shareholders' meeting • Investor Presentation • Annual financial report
Customers	• Product quality and safety • Smart travel • Client service • R&D and technological innovation • Information security and privacy protection	• Apps • Official website and e-mail • Customer research
Employees	• Protection of Employee Rights • Diversity, equality, and inclusion • Occupational Health and Safety • Employee Training and Development	• Employee Interviews • Staff training • Social media (WeChat, DingTalk, Feishu, etc.) • E-mail
Community public	• Public welfare and charity • Material recycling	• Disclosure of information • Volunteerism • Company official website and e-mail
Suppliers/ Partners	• Sustainable supply chains • R&D and technological innovation • Business ethics	• Supplier Evaluation • SRM system
Environment	• Waste management • Water management • Energy management • Material recycling • Responding to climate change	• Disclosure of information • Regulatory and Compliance

Environmental, Social and Governance Report

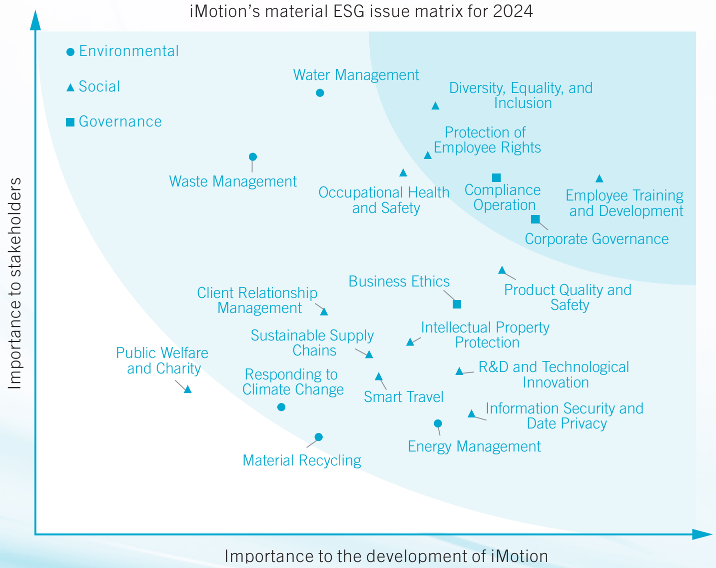
1.3.3 Determination of Material Issues

The Company has determined a list of iMotion's ESG material issues for 2024 based on a comprehensive consideration of national policy development, industry development trend, peer benchmarking analysis and the Company's own business development and strategic layout. Through soliciting suggestions from internal and external stakeholders such as government/regulatory organizations, shareholders/investors, customers, employees, the public in the community, suppliers/partners, etc., we have ranked the material issues in terms of "importance to the development of iMotion" and "importance to stakeholders". The ESG materiality matrix for 2024 was formed by ranking the material issues, and the Board of Directors reviewed and confirmed the ESG materiality matrix.

Materiality Analysis Process

- **Issue identification:** By analyzing domestic and foreign ESG-related standards and the requirements of national regulatory policies, the Company conducted industry benchmarking analysis, and selected 20 material issues based on the Company's own actual situation and business layout.
- **Issue survey:** We conducted questionnaire surveys for internal and external stakeholders such as government/regulatory authorities, shareholders/ investors, consumers, employees, community public, suppliers/partners, and collected a total of 370 valid questionnaires.
- **Ranking of issues:** Based on the results of the questionnaire survey, from the two dimensions of "importance to the development of iMotion" and "importance to stakeholders", the issues were prioritized and a matrix of material issues of iMotion was formed.
- **Issue review:** The internal management and external experts of the Company review the issue selection results, and finally determine highly important issues, and make key disclosures in the report.

iMotion's material ESG issue matrix for 2024



Environmental, Social and Governance Report

2. ENVIRONMENT

2.1 Waste Management

The Company complies with *the Air Pollution Prevention and Control Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other relevant laws and regulations, strengthens its waste management, and strives to achieve waste reduction, resource utilization and harmlessness. In 2024, the Company has passed the certification of the ISO 14001 environmental management system. There have been no major environmental violations.

iMotion 2025 Environmental Goals:

- Achieve 100% compliant exhaust gas emissions
- Improve the waste classification, recycling and circular utilization system, improve resource utilization efficiency, and continuously reduce the amount of waste generated
- Promote water-saving technological transformation and equipment upgrading, improve the efficiency of water resource utilization, and continuously reduce water resource consumption

2.1.1 Gas Emissions

iMotion has formulated *the Waste Gas Emission and Management Measures*, with reference to *the Comprehensive Emission Standards for Air Pollutants, Ambient Air Quality Standards, Volatile Organic Compounds (VOCs) Emission Control Standards for Industrial Enterprises, Volatile Organic Compounds (VOCs) Unorganized Emission Control Standards, Emission Standards for Odorous Pollutants* and other standards, to ensure that the waste gas emissions meet the standards. The company's exhaust gas emissions are mainly VOCs, tin and its compounds and particulate matters produced in the production process, etc. In 2024, the company's exhaust gas emissions was 0.14 tonnes, exhaust gas emission intensity was 0.24kg per person.

To reduce the generation of exhaust gases, the company selects equipment and processes that minimize the emission of pollutants when purchasing new equipment and carrying out technological modifications. We make daily inspection, regular maintenance, and periodic cleaning of exhaust gas treatment equipment to ensure the normal functioning of the equipment. We strictly implement the equipment maintenance system to ensure that the equipment runs well, and regularly commission external environmental monitoring departments to monitor the exhaust gas and air pollutants. In response to the occurrence of accidents or other sudden events that cause the exhaust gas emissions unable to meet the standards, the company has set up a perfect emergency response procedure to minimize the impact of air pollution by activating the emergency plan.

2.1.2 Hazardous Waste

The company strictly abides by *the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* and other laws and regulations, formulates *the Hazardous Waste Control Procedures* to standardize the management of waste generated during the company's laboratory testing services. The company entrusts a third party with professional qualifications to handle hazardous waste and ensures that each handling is recorded in a register, such as retaining the hazardous waste transfer joint sheet. For the staff directly engaged in the generation, collection, storage, and transportation of hazardous waste, we regularly carry out professional training, such as the emergency response plan for hazardous waste accidents drills, to improve the staff's ability to deal with emergencies and awareness of environmental protection, and to ensure that the waste is handled in a safe and harmless manner.

The company's hazardous waste is mainly generated in the process of operation and laboratory testing services, including waste activated carbon, waste rags, waste board edges, waste organic solvents, waste chemical packaging containers, and defective products, etc. In 2024, the company's total discharge of hazardous waste was 1 ton, and the intensity of hazardous waste discharge was 0.0017 tonnes per person.

2.1.3 Non-hazardous Waste

For non-hazardous waste, iMotion recycles and disposes of non-hazardous waste according to the requirements of the company's internal management system. We recycle general wastes and sell to waste stations and keep track of the records. The non-recyclable general waste is handed over to a third party for disposal, such as the Department of Sanitation. In addition, the company carries out garbage classification publicity for employees, standardizes the classification and disposal of domestic garbage, and advocates the reuse of part of non-hazardous solid waste to reduce non-hazardous waste. In 2024, the company's total discharge of non-hazardous waste was 2.53 tonnes, and the intensity of non-hazardous waste discharge was 0.0044 tonnes per person.

2.2 Energy Management

iMotion strictly abides by *the Energy Conservation Law of the People's Republic of China*, *the Water Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations. In conjunction with the company's production and operation conditions, we formulate *the Environmental Protection, Energy Conservation and Emission Reduction Plan and Targets*, *the Specification of Energy Conservation and Control Measures*, continuously strengthen the energy management and reduce energy and material consumption, with the aim of maximizing the efficiency of energy use.

- ***Materials Management***

  We mainly use biodegradable materials such as paper packaging materials and metals, as well as non-biodegradable materials such as plastic packaging materials and containers. In order to reduce environmental pollution and emissions, we prioritize recyclable and environmentally friendly packaging materials. Under the guidance of this concept, we actively adopt plastic recycling boxes for product packaging. These recycling boxes have good durability, which can be reused many times and are easy to dismantle and recycle. We have implemented effective utilization and management of these recycling boxes. In addition, to ensure that the products are not damaged by impact during transportation, we use recyclable EPE foam boxes inside the package. This not only reduces the cost of packaging materials, but also promotes the effective recycling and utilization of packaging materials.

- ***Water Management***

  Our company is mainly involved in production and domestic water use. We have taken various measures to reduce water consumption and improve water use efficiency through upgrading equipment, strengthening management, and advocating awareness-raising, etc. In 2024, we analyzed water use in our production facilities and gradually eliminated equipment with high water consumption. Through regular inspection and maintenance of water pipes, valves, and faucets, we installed motion sensing faucets to eliminate water leakage. We actively advocate employees to save water, carry out 5S management training for employees, and post water conservation banners above the faucet to raise employees' awareness of water conservation.

- ***Green Office***

  We continue to regulate the reasonable use of water, electricity and air conditioning in the office area, set regular power-off times for air conditioning and lighting, replace all lamps with LED lamps, strictly prohibit the private connection of lines in the office area, do not turn on the lighting in the case of normal light, and turn off the power in a timely manner in unmanned areas of operation to save energy.

  We advocate paperless office, installing OutLook, DingTalk, and WMS for every computer and promoting the electronic use of documents. In addition, we require printers to use separate single and double-sided paper, print in black and white by default, and promote reasonable layout before printing to reduce the number of pages. We have set up waste separation and recycling facilities within the company to separate and reuse recyclable resources such as papers, plastics, and metals. At the same time, employees are encouraged to reduce the use of disposable items, such as disposable paper cups and plastic bags, and promote the use of reusable office supplies.

Indicators	Units	2024
Total energy consumption[1]	tonnes of standard coal	318.88
Energy consumption intensity	tonnes of standard coal/person	0.55
Electricity consumption	kWh	2,594,600
Electricity consumption intensity	kWh/person	4,512.35
Total water consumption	tonnes	586
Water consumption intensity	tonnes/person	1.02
Packaging material consumption	tonnes	3.78
Packaging material consumption intensity	tonnes/person	0.0066

Note: Total energy consumption: the Company's total energy consumption is mainly the energy consumption generated from the use of purchased electricity, and the energy consumption coefficients refer to *the General Rules for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020).*

2.3 Responding to Climate Change

Taking the national "carbon peaking and carbon neutrality" strategy as the lead, the company refers to the framework recommendation of the Task Force on Climate-related Financial Disclosure (TCFD), and continuously promotes the identification of climate change risks and opportunities, fosters the formulation of climate change risk response strategies, so as to help realize carbon emission reduction.

Environmental, Social and Governance Report

- ***Climate Governance***

The Company continues to promote climate-related governance, and the Board of Directors is responsible for supervision and decisions-making of ESG and climate related work, as well as the consideration of the Company's climate-related objectives. The management level emphasizes ESG and climate change related risk management and actively promotes actions to address climate change.

- ***Climate Risk Identification and Response***

The Company identifies and analyzes climate risks and opportunities based on industry developments and actual business operations and formulates corresponding countermeasures.

Type of risk	Risks and opportunities	Response measures
Physical risk	• Increased risk of factory inundation due to extreme precipitation, typhoons, floods and other events, resulting in increased risk of damage to products, leading to economic losses and increased flood prevention and control costs • Damage to the operational safety of factory equipment and facilities, affecting the stability of factory production, leading to possible business interruption and other issues related to breach of contract, compensation, and legal liability • Reduced sales due to natural disasters and other events, such as end-of-supply chain transportation, as well as increased employee health and safety risks, affecting product production schedules • Increased risk of heat waves, droughts and fires increased maintenance costs of air-conditioning facilities, increasing energy consumption, decreasing product lifespans, and increasing the cost of equipment replacement	• In response to possible extreme weather and natural disasters, the company has formulated extreme weather safety management regulations and contingency plans to ensure employee safety • Increased resilience to natural disasters through the use of safer and stronger equipment and facilities • Pay close attention to extreme weather conditions around the world, and activate emergency plans in a timely manner • Timely inspection and maintenance of equipment and update the use of information to prevent unnecessary energy consumption caused by high-pressure use of equipment

Environmental, Social and Governance Report

Type of risk	Risks and opportunities	Response measures
Transition risk	• Changes in relevant climate policies, effects supply chain stability and the difficulty of managing carbon emissions management. • Increase in company operating costs • Market and customers will demand more green and low carbon products	• Continuously pay attention to the development trend of environmental protection and low-carbon laws and regulations, formulate countermeasures in a timely manner • Formulation of the *Specification of Energy Conservation Control Measures* to strengthen energy management and reduce energy and material consumption • Promote green R&D and operations, and increase R&D investment in green and low-carbon products

- ***Climate Action***

We are committed to realizing our carbon emission reduction targets by saving energy consumption, and we have adopted a variety of measures to this end. We continue to improve our energy saving and emission reduction management system to strengthen energy management and reduce energy consumption. We enhance energy efficiency by phasing out energy-intensive equipment. We continue to standardize the economic use of energy in office and production areas, actively implement paperless green office, and advocate employees to use low-carbon and environmentally friendly commuting methods to help achieve carbon emission reduction.

- ***Indicators and Targets***

The company continues to promote the integration of green and low-carbon concepts into its business operations, aiming to help the country achieve carbon peaking and carbon neutrality targets through carbon reduction actions.

Indicators	Units	2024
Greenhouse gas emissions[1]	tCO_2e	1,392.26
Greenhouse gas emissions intensity	tCO_2e/person	2.42

Note: The Company's greenhouse gas emissions are mainly indirect (Scope 2) greenhouse gas emissions generated from the use of purchased electricity, and the standards for calculating greenhouse gas emissions refer to the "Greenhouse Gas Protocol".

Environmental, Social and Governance Report

3. SOCIAL

3.1 Products & Services

3.1.1 Product Quality and Safety

The company adheres to the quality management policy of "scientific and technological innovation, pursuit of excellence, safety first, lean management", builds QMS structure, continuously improves the product quality management system, and guarantees the product quality management of input, process, output, evaluation, etc. In 2024, the company has been awarded the quality management system certificates of IATF16949: 2016, ISO14001: 2015, ISO26262: 2018, ASPICE L2, ISO13485: 2016 quality management system certification.

We attach great importance to product quality control and continue to improve our quality inspection and control capabilities. Through targeted testing methods and diversified testing equipment, we inspect product dimensions, appearance defects, electronic materials, and other key indicators. We require that we carry out tracking and recording of changes to products or processes during mass production, and regularly carry out process audits and product audits to ensure that our products meet quality requirements. In addition, we also conduct regular process audits and product audits to verify whether the products meet the established quality requirements, to ensure that the products delivered to customers meet high standards. We have built a sound production environment management system to further ensure product quality improvement. Our workshop strictly implements the 6S management concept to ensure a clean production environment. Personnel, materials, and other production aids entering and leaving the workshop must be strictly cleaned in the air shower room before entering the workshop to ensure dust-free entry and exit. The company establishes electrostatic discharge (ESD) protection procedures through tools such as electrostatic bracelets and electrostatic shoes, anti-static boxes, etc., and conducts regular electrostatic protection area (EPA) audits to realize ESD control. The production information management system (MES) is utilized to retrospectively achieve product quality control in each module of receiving, planning, quality, production, inventory, and shipping. In addition, in order to further enhance the staff's quality management awareness and professional skills, we have carefully organized thematic training and sharing sessions on iMotion quality tools and the IATF 16949 standard. These trainings not only set up a platform for employees to learn and exchange ideas, but also inspire them to actively practice high quality standards in their daily work, and jointly promote the continuous improvement of the company's product and service quality. In 2024, there was no product recalls for safety and health reasons.

The company pays particular attention to the safety of its autonomous driving solutions on the road. To this end, our team of engineers continues to optimize and innovate, striving to improve the system safety to the highest level. We have established close partnerships with major original equipment manufacturers (OEMs) to explore the infinite possibilities of automated driving technology through in-depth communication and resource sharing, so as to push the vehicles equipped with our automated driving solutions in the direction of greater intelligence and safety, and to bring users a high-quality driving experience.

Environmental, Social and Governance Report

Case: EOX Autopilot Controller Factory Quality Assurance Measures

For the main product, EOX automatic driving controller, the company carries out IT automation enhancement of production line. The inertial guide chip calibration station is fully optimized to achieve accurate traceability of calibration data and products; closed-loop verification management is carried out on the data written into the product to ensure the success of parameter writing; all-round control of the inertial guide chip calibration parameter is carried out in the factory inspection, and the real-vehicle attitude calibration is increased to ensure that the algorithm calling range is satisfied; the EOL test station is used to verify the parameter file again to improve the testing capability. A series of measures not only improve the stability of product quality, but also enhance the customer experience of EOX self-driving controller.

3.1.2 Customer Service Experience

We actively safeguard the rights and interests of our customers and are committed to continuously improving customer satisfaction through excellent customer service.

- *Response to Customer Complaints*

  We constantly improve *the Customer Complaint Handling Control Procedure*, standardize the process of customer complaint handling, and require our staff to feedback to the corresponding departments and handle the information in a timely manner after receiving customer complaints and grievances. In addition, to ensure timely handling of customer complaints, we have established a professional customer quality team to provide after-sales service. We have a team of customer quality engineers to respond quickly to client quality problems. An after-sales market on-site investigation team will carry out on-site fault reproduction, data collection and preliminary analysis. Customer production factories will be configured with line services to respond quickly to quality problems at the production site. An after-sales failure analysis laboratory will quickly analyze the causes. For crisis complaints, serious complaints, general complaints, the company has formulated appropriate measures to deal with requirements of customers or the company's internal processing of customer complaints, and complete the customer processing report to be retained, in order to improve the customer complaint service.

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- *Customer Privacy and Data Security*

  The data information collected by the company is managed by the company's internal operation and unified management and does not involve the behavior of collecting customers' private information. In accordance with relevant national laws and norms, iMotion has formulated internal management systems such as *Data Security Management System*, *Data Entrustment Processing Agreement*, *Data Provision Agreement*, *Data Co-processing Agreement*, *Important Data Protection System*, *Data Classification and Grading Management Provisions* to improve the data management system, standardize data processing activities, and reduce the risk of unauthorized access, breach and misuse of data. The Company has clarified the security management requirements for data production, data program, data use, data transmission and data destruction to reduce data security risks, improve data asset protection and safeguard data security. The Company attaches importance to the protection of personal privacy and formulates regulations such as *Personal Information Protection System Measures*, *Personal Information Compliance Audit Measures* to standardize the procedures for handling personal information. Regular training and education activities are conducted to raise the awareness of personal information protection among all employees. In 2024, the Company did not occur any incidents of violating customers' privacy.

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In order to safeguard network security, the company has formulated *the Data Security Protection Measures*, *Information Security Management Regulations*, *Information System Emergency Management*, etc. The company has continuously improved its information security management system and obtained ISO/IEC 27001: 2022 certification. Network and data security protection is strengthened by enabling the Firefox enterprise anti-virus software on all terminal devices, enabling firewalls at the network layer, managing Internet behavior. The company use SSL VPN, implement network data security practice plans, regular backup, and recovery tests to ensure network safety. The company promptly disposes of security risks such as system vulnerabilities, computer viruses, network attacks, network intrusion, etc. In the event of incidents jeopardizing network security such as data tampering, data loss, and digital breach, the company immediately activates the emergency response plan, and adopts corresponding remedial measures according to the different grades of network data security incidents.

3.1.3 R&D and Technological Innovation

- *Innovation Management*

We continue to improve the innovation management system, formulate *R&D Project Management System, R&D Input Accounting Management, R&D Expense Auxiliary Accounting Measures* and other management measures, standardize the company's project R&D management process, give full play to the potential of the staff, and complete the company's research and development of new products and technologies scientifically, reasonably and efficiently to enhance the company's core competitiveness and scientific and technological innovation ability.

The company established the R&D organizational structure, formulated *the Management Charter of R&D Organization*, and deployed a new generation of R&D system driven by big data and big models. In order to further enhance the R&D strength, we have set up a high-quality R&D team to cultivate backup R&D strength. In order to stimulate the enthusiasm and creativity of the R&D team, we have implemented *the Organization, Implementation and Incentive and Reward System for the Transformation of Scientific and Technological Achievements, Management Measures for Innovation and Entrepreneurship Platforms*, and *Employee Reward Mechanism for Knowledge Technology*, which provide additional incentives and rewards for those who have achieved scientific and technological innovations and achievements, and effectively promote the rapid construction and development of the company's open innovation and entrepreneurship platforms.

In 2024, iMotion has been approved as a member unit of the National Technical Standards Innovation Base (Automotive) Automotive Functional Safety Standardization Promotion Center, and has received honors such as 2024 Specialized, Refined, Unique, and Innovative 'Little Giant', 2024 China AIEV Industry Intelligent Driving Innovation Enterprise TOP10, 2024 Benchmark Product Award, 2024 Annual Autonomous Driving Industry Chain Outstanding Enterprise, 2024 Award for Outstanding Achievement in Mass Production.

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Case: Preparing for End-to-End, iMotion's Big Model R&D System Sees Early Results

In November 2024, iMotion, as co-first author, proposed *Strong Vision Transformers Could Be Excellent Teachers (ScaleKD), which* uses a pre-trained ViT (Vision Transformer) model as the teacher and a CNN network as the student for learning. The specific method to advance the research of knowledge distillation among heterogeneous neural networks is included in NeurIPS 2024 (the 38th Conference on Neural Information Processing conference). This is one of the initial results of Knowledge Technology's ability to build a big model system, helping iMotion achieve the landing of an end-to-end large model system on the vehicle in 2025.

Case: Investing in talents through industry-academia integration, sharing resources to build the future together

In October 2024, the signing ceremony was held for the Suzhou Vocational University iMotion Intelligent Automobile Industrial Academy (hereinafter referred to as the Industrial Academy), which was established in cooperation between Suzhou Vocational University (hereinafter referred to as SVU) and iMotion. The Industrial Academy is not only able to reserve applied talents for the industry to follow the technology trend at the school stage and reduce the talent cultivation cycle of the enterprises, but also cultivate technical and skillful talents that are in line with the demand of the industry. In addition, the Academy has joined hands with Tsinghua University's Suzhou Automotive Research Institute and other head academic institutions and industrial companies to cultivate automotive intelligence technology-based and application-oriented talents. The establishment of the Industrial College is a practical step for iMotion to fulfill its corporate social responsibility.

The Suzhou Vocational University iMotion Intelligent Automobile Industrial Academy Signing Ceremony

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- *Innovative Products*

  iMotion actively participates in the preparation of industry standards and helps promote the development of the industry. In 2024, we participated in the discussion of the draft of *Technical Requirements and Test Methods for Automatic Emergency Braking System for Light Vehicles*, *General Technical Specification for Combined Driving Assistance System for Intelligent Connected Vehicles*, and the preparation of standards such as *Methods for Analyzing Theoretical Processes of Safety-Related Systems for Road Vehicles*, *Specification for Risk Assessment of Network Security of Telematics*, *Technical Requirements and Test Methods for Automotive Ethernet Chips* and *Data Security Specifications for Intelligent Connected Vehicles*.

  We continue to invest in the research and development of vehicle controllers. iMotion has already participated as a tier-1 supplier and assisted many Chinese automotive companies in obtaining regulatory certification for their models in the European GSR series. Our own products have passed ISO21434, ISO27001 and many other related certifications, in line with domestic and international mandatory regulations on vehicle information security requirements of the management process. In addition, our products have the process control capabilities to identify, analyze and control information security risks throughout the vehicle lifecycle. As a result, our products can provide customers with efficient, low-cost and high-quality services.

  Relying on our core vertical integration capabilities in product design and development, algorithm and function development, system integration and manufacturing, iMotion develops autonomous driving solutions and products for Original Equipment Manufacturers (OEMs). These autonomous driving solutions and products can be widely applied to both new energy vehicles (NEVs) and conventional fuel vehicles (ICEs) to realize full autonomous driving functions.

Case: Dual Vehicles Get UN R155 Certification, iMotion Gets High Praise

In November 2024, two models equipped with iMotion's iDC 300 domain controller successfully obtained UN R155 (European Union Vehicle Information Security Regulation) certificates. The automotive customer also sent Thank You letters to iMotion for the quality and performance of its domain controller products. Moreover, they highly affirm iMotion's support for the compliance certification process. This achievement signifies that iMotion has made further progress in EU GSR (European Union General Safety Regulation) compliance capability and system construction, effectively supporting customers' overseas projects, and laying an important foundation for the construction of domestic cutting-edge regulatory compliance.

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Case: iMotion was Selected as a Typical Case of Intelligent Networked Vehicle Functional Safety

At the 31st Annual Conference and Exhibition of the Chinese Society of Automotive Engineers, iMotion's innovative solution of "*Quantifying the Functional Safety Thresholds of AEB System Based on Simulation Methods*" was successfully selected as a "*Typical Case of Functional Safety Application for Intelligent Connected Vehicles in 2024*". AEB (Autonomous Emergency Braking), as a basic intelligent assisted driving function, can identify potential collision threats within the speed range of 5-130km/h after activation, and issue warnings or take different degrees of braking as appropriate to avoid accidents or reduce accidental damage, and improve automobile safety. However, as an active safety function using braking as a means, false triggering of the AEB function can cause great safety risks.

iMotion builds AEB function false trigger scenarios through simulation, qualitatively and quantitatively analyzes the AEB speed drop under different scenarios of the corresponding system, identifies the severity, exposure, and uncontrollability of hazards. It evaluates the ASIL level in combination with ISO26262 and GB/T 34590 and classifies the "maximum speed drop" under different levels. Through the quantitative analysis of simulation methods, we assess the functional safety levels that corresponding products need to meet in different functional scenarios, which provides a strong basis for the functional safety design of the product. Moreover, it saves a lot of testing costs and time for the pre-development of the system, and contributes to making the AEB function safer and more reliable.

- *Smart Travel*

  Smart Travel is our company's core business. We actively cooperate and exchange with other companies to share experiences and discuss together to promote the optimization and development of smart travel solutions. On this basis, our company successfully signed a strategic cooperation with Tencent Cloud to jointly develop leading smart travel solutions based on the Tencent Cloud TI platform and iMotion's highly efficient AI algorithm development and management platform. In 2024, we mainly launched iFC3.0, iDC300, iDC510 and other products in the field of smart travel, aiming to provide users with a more convenient, safe, and efficient travel experience.

- *Intellectual Property Protection*

  The company follows *the Patent Law of the People's Republic of China* and other relevant laws and regulations, formulates and implements internal systems such as *Enterprise Intellectual Property Management Measures*, *Intellectual Property Management Manual*, *Intellectual Property Maintenance Control Procedures*, etc. We clearly defines the scope of intellectual property rights, standardizes the relevant registration and use norms, and deals with intellectual property complaints and disputes on the platform in strict accordance with the management measures, so as to adequately protect intellectual property rights holders and consumers' rights and interests. In 2024, iMotion was promoted from a growing enterprise with strong intellectual property rights in Suzhou to an advantageous enterprise with strong intellectual property rights in Suzhou. It successfully undertook the Suzhou High Value Patent Cultivation Project and declared the High Value Patent Cultivation Program for Key Intelligent Driving Technologies. In addition, the main brand trademark "iMotion" and logo of iMotion have entered the stage of confirmation of rights in 9 categories and 42 classes, which greatly reduces the risk of use. In 2024, iMotion owns 104 patents for invention, 7 patents for utility model and 10 patents for design.

In order to further carry out intellectual property risk control and protect intellectual property rights, the Company has incorporated intellectual property rights into the Company's risk management system and constructed an intellectual property risk management control program to timely retrieve, track, evaluate and monitor from the aspects of rights protection, procurement, R&D process, production operation and sales process, so as to avoid or reduce the risk of intellectual property infringement in a timely manner. In addition, the Company has formulated and publicized intellectual property dispute handling control procedures to detect and monitor intellectual property infringement in a timely manner, and to protect intellectual property rights through administrative and judicial means when appropriate. If the Company is accused of intellectual property rights infringement, the Company will immediately set up an intellectual property rights dispute handling team to analyze the specifics of the infringement. If the infringement is established, the company will actively take settlement measures to minimize the loss of both parties and not to expand the impact.

3.2 Employee Growth

3.2.1 Compliant Employment

The Company insists on equal and standardized employment, strictly abides by *the Labor Law of the People's Republic of China*, formulates *the Employee Employment Management Policy System, Employee Handbook* and other institutional documents, resolutely prohibits the hiring of child labor and forced labor and other behaviors, and guarantees the legal and compliant employment of employees. In cases of child labor or forced labor, the company will hold the responsible individuals accountable and implement disciplinary actions in line with applicable laws, regulations, and internal policies. We are dedicated to fostering a respectful, inclusive, and supportive culture and work environment, ensuring equal employment opportunities for all candidates. Discrimination against employees based on race, color, gender, appearance, sexual orientation, age, physical or mental disabilities, marital status, family responsibilities, pregnancy, beliefs, origin, or social status is strictly prohibited throughout the recruitment process. Discriminatory behavior must be handled in accordance with the provisions of *the Employee Handbook*.

We recruit domestic and foreign high-end talents through various channels such as government agencies, headhunters, internal recommendations, and independent recruitment. Each year, we conduct a talent inventory to identify key individuals for our internal talent pool, while also utilizing professional recruitment tools to establish a digital reserve for external candidates. At the end of December 2024, the total number of employees of the company reached 575, of which 17% were women. More than 10% of the company's management was female.

The company continuously improves the employee compensation management system to provide competitive compensation for employees. In terms of performance management, we continue to optimize our performance policies and processes to provide support tools for employees to achieve the attainment of their individual performance goals. We are dedicated to enriching the employee welfare program. We pay five insurance policies and one pension in full for our employees, and provide benefits such as supplemental medical care, fully paid sick leave, bereavement leave, parental leave, additional annual leave, high-temperature subsidies, year-end bonus and intellectual property incentives, etc., to boost employee well-being. We focus on the daily care of our employees by organizing holiday-themed activities such as Women's Day, Children's Day, Dragon Boat Festival, and Mid-Autumn Festival, and distributing holiday gifts to our employees. We attach importance to safeguarding the work-life balance of our employees by setting up gyms, organizing sports (basketball, badminton, table tennis, etc.) activities, hobby groups (skating, pets, motorcycles, etc.), and employee tours.

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The company insists on democratic management and encourages employees to speak freely. We set up employee communication channels such as face-to-face interviews, SMS, phone calls, WeChat, DingTalk, Feishu, emails, etc., and carry out employee interviews from time to time to collect employees' suggestions on the management of the company. In 2024, the company's employee satisfaction survey was 81.20%.

Indicators		Unit	2024
Total number of employees		persons	575
by Gender	Male	persons	476
	Female	persons	99
Number of employees by type of employment	Full time	persons	575
	Part time	persons	0
by Age	Aged 30 or below	persons	211
	Aged 31-40	persons	319
	Aged 41-50	persons	44
	Aged above 50	persons	1
by Level	Senior management	persons	27
	Middle management	persons	27
	Junior employees	persons	521
by Region	Mainland China	persons	557
	Hong Kong, Macao, Taiwan and overseas regions	persons	18
Number of minority employees		persons	17
Number of new employees		persons	115
Employee turnover rate		%	15
by Gender	Male	%	13
	Female	%	2
by Age	Aged 30 or below	%	6
	Aged 31-40	%	7
	Aged 41-50	%	2
	Aged above 50	%	0
by Region	Mainland China	%	14.5
	Hong Kong, Macao, Taiwan and overseas regions	%	0.5

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3.2.2 Occupational Health and Safety

The Company fully protects the employees' occupational health and safety, and strictly abides by *the Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and *the Law of the People's Republic of China on Work Safety* and other relevant laws and regulations. The Company organizes physical examinations for employees, dispensing anti-static shoes and clothing, summer and winter work clothes, etc. All employees are required to take pre-employment physical examinations and are reimbursed for the related expenses. The Company carries out safety training and factory fire drills to enhance employees' safety awareness and skills.In 2024, the company had no work-related deaths or injuries.

Indicators	Units	2024
Deaths due to work injury in the last three years	persons	0
Lost days due to work injury	days	0

3.2.3 Staff training and development

We constantly optimize the promotion channels and career development channels for employees, providing fair career development opportunities for different types of employees. The Company provides two kinds of career promotion channels for employees: management route and technical route, and employees can choose the suitable career development route according to their personal development needs.

We set up a perfect training system and make annual training plans for all employees according to business needs. For key positions and critical employees, we conduct a talent inventory of the entire company every year, implement succession plans for key positions and develop training programs for key talents. For new employees, we set up a specialized training program for new employees. For fresh graduates, we implement a dedicated development program, which allows employees to learn on the job and continuously improve their personal abilities through training. In addition, we provide incentives for qualified employees to upgrade their academic qualifications, and subsidize tuition fees for part-time masters and doctoral degree holders from some high-quality colleges and universities, in order to motivate employees to improve their self-esteem.

Indicators		Units	2024
Total employees trained		attendances	3,801
Total training hours of employees		hours	4,279
Percentage of employees trained to total employees		%	100
Percentage of employees trained by gender	Male	%	83
	Female	%	17
Percentage of employees trained by employee category	Senior management	%	5
	Middle management	%	5
	Junior employees	%	90
Average training hours by gender	Male	hours	7.46
	Female	hours	7.35
Average training hours by employee category	Senior management	hours	11.11
	Middle management	hours	11.11
	Junior employees	hours	7.06

3.3 Responsible Supply Chain

We continuously optimize our supplier management system and formulate *the Supplier Management Standard Procedures* to ensure the reliability and continuity of our supply chain. We have incorporated the concept of sustainable development throughout every stage of our supply chain management to support our suppliers in their pursuit of sustainability.

Indicators		Units	2024
Total number of suppliers		entities	72
Number of suppliers by region	Mainland China	entities	28
	Hong Kong, Macao and Taiwan	entities	7
	Overseas	entities	37

In terms of supplier screening and onboarding process, iMotion adopts a rigorous supplier screening process, which comprehensively considers multiple dimensions such as their qualification level, brand influence, historical performance, supply guarantee ability and cost competitiveness, in order to select high-quality suppliers. Before signing the contract, the company requires suppliers to conduct self-assessment based on the *Candidate Supplier Self-Assessment Report*. Upon receiving the evaluation results, an audit team is dispatched to the supplier's site for an on-site assessment and certification, conducting an in-depth investigation of the supplier and its products, including verification of business licenses and product-related permits and certificates. Suppliers will only be approved as partners after thorough verification of all requirements. The Company has signed a series of contracts with suppliers, including *Purchasing Framework Agreements, Confidentiality Agreements, Price Agreements, Quality Agreements*, etc., to strengthen the management of procurement risks.

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Supplier Classification and Entry Requirement:

Supplier Classification	Onboarding Requirement
Material supplier	Critical material manufacturers are required to pass the IATF16949 quality management system if their products are involved in automotive-specification programs, and non-critical material manufacturers are required to pass at least the ISO9001 quality management system.
Software supplier	Preference is given to suppliers with CMMI or A-SPICE qualifications for automotive projects.
MRO supplier	Business license, invoicing information and relevant certificates need to be collected.
ODM supplier	An IATF 16949 quality management system is required.
Agent	Meet the well-known domestic and foreign agents, and obtain the original agent certificate or proof.
Supplier for information security, functional security	Passed internal information security/functional security related reviews

We have set up strict standards for the quality of products and level of service provided by our suppliers, formulated and implemented *the Supplier Quality Management Code*, and meticulously reviewed and evaluated all aspects of our suppliers' commodities, manufacturers, warehousing and transportation during the procurement process. The rate of Serious Quality Abnormal Reports (SCAR) on products, the supplier's response measures to SCAR events, the pass rate of product batches, the supplier's Defective Parts Per Month (DPPM) rate, and whether the environmentally friendly materials supplied by the supplier satisfy the environmental standards of the customer or regulations are evaluated. The results of these reviews will be included as one of the factors to be considered in the supplier's periodic evaluation.

iMotion has built a comprehensive supplier evaluation mechanism, based on *the Supplier Performance Evaluation Form*, which centers on the five core areas of product quality assurance, delivery time guarantee, price change, service satisfaction, environmental protection and occupational health and safety, and provides suppliers with a comprehensive evaluation. Based on the evaluation scores, we provide suppliers with recommendations for improvement and implement elimination and replacement procedures for underperforming suppliers. We incorporate environmental protection and social responsibility into our supplier evaluation criteria, and sign a *Supplier Social Responsibility Commitment* with our suppliers to ensure that they follow proper employment and environmental regulations, and create a workplace environment that emphasizes health and safety and environmental protection.

3.4 Community Development and Contribution

The Company prioritizes corporate social responsibility and actively promotes employee involvement in community service initiatives to enhance their awareness and enthusiasm for public welfare. Employees are encouraged to utilize their free time to engage in volunteer activities, such as assisting widows and orphans or tutoring left-behind children, contributing to the community through meaningful actions.

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APPENDIX

Appendix 1 Key Performance Table

Aspects	Level	Key performance indicators	Indicator unit	2024
Environmental	Exhaust gas	Exhaust emissions	tonnes	0.14
		Intensity of exhaust emissions	kg/person	0.24
		Particulate matter	tonnes	0.0760
		SnO_2	tonnes	0.0637
	Hazardous waste	Total discharge of hazardous waste	tonnes	1
		Intensity of hazardous waste discharge	tonnes/person	0.0017
		Waste activated carbon	tonnes	0.13
		Waste rag	tonnes	0.12
		Waste board edge	tonnes	0.54
		Waste organic solvent	tonnes	0.1
		Waste chemical packaging containers	tonnes	0.11
	Non-hazardous waste	Total discharge of non-hazardous waste	tonnes	2.53
		Intensity of non-hazardous waste discharge	tonnes/person	0.0044
		Total waste plastics (PET, etc.)	tonnes	0.1
		Total waste metal	tonnes	0.001
		Total waste packaging	tonnes	1.78
		Cardboard box	tonnes	0.65
		Plastic packaging	tonnes	0.002
	Water management	Total water consumption	tonnes	586
		Intensity of water consumption	tonnes/person	1.02
	Use of resources	Total energy consumption	tonnes of standard coal	318.88
		Intensity of energy consumption	tonnes of standard coal/person	0.55
		Electricity consumption	kWh	2,594,600
		Electricity consumption intensity	kWh/person	4,512.35
	Greenhouse gas[1]	Greenhouse gas emissions	tCO_2e	1,392.26
		Greenhouse gas emission intensity	tCO_2e/person	2.42
	Packaging material	Packaging material consumption	tonnes	3.78
		Intensity of packaging materials consumption	tonnes/person	0.0066

Note: In 2024, the Company's greenhouse gas emissions are mainly indirect (Scope 2) greenhouse gas emissions generated from the use of purchased electricity. The greenhouse gas emission factor for purchased electricity was referenced from the *"2022 China Average Power Grid CO_2 Emission Factor"*.

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Aspects	Level	Key performance indicators	Indicator unit	2024
Social	Employment-related	Total number of employees	persons	575
	by Gender	Male	persons	476
		Female	persons	99
	by Type	Full time	persons	575
		Part time	persons	0
	by Age	Aged 30 or below	persons	211
		Aged 31-40	persons	319
		Aged 41-50	persons	44
		Aged above 50	persons	1
	by Level	Senior management	persons	27
		Middle management	persons	27
		Junior employee	persons	521
	by Region	Employees in Mainland China	persons	557
		Hong Kong, Macau, Taiwan and Overseas regions	persons	18
	Other Employee Data	Number of minority employees	persons	17
		Number of new employees	persons	115
	Employee turnover rate	Employee turnover rate	%	15
	by Gender	Male	%	13
		Female	%	2
	by Age	Aged 30 or below	%	6
		Aged 31-40	%	7
		Aged 41-50	%	2
		Aged above 50	%	0
	by Region	Employees in Mainland China	%	14.5
		Hong Kong, Macau, Taiwan and Overseas regions	%	0.5
	Staff Development and Training	Total employees trained	attendances	3,801
		Total training hours of employees	hours	4,279
		Percentage of employees trained	%	100
	Percentage of employees trained, by gender	Male	%	83
		Female	%	17
	Percentage of employees trained by employee category	Senior management	%	5
		Middle management	%	5
		Junior employee	%	90
	Average training hours by gender	Male	hours	7.46
		Female	hours	7.35
	Average training hours by employee category	Senior management	hours	11.11
		Middle management	hours	11.11
		Junior employee	hours	7.06
	Employee Health and Safety	Employee medical check-up rate	%	100
		Deaths due to work in last three years	persons	0
		Number of working days lost due to work-related injuries Lost days due to work injury	days	0
	Employee Compensation and Benefits	Social insurance coverage	%	100
		Employee Satisfaction rate	%	81.20

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Aspects	Level	Key performance indicators	Indicator unit	2024
	Product Responsibility	Product and service complaints received	cases	5
		Customer complaint response rate	%	100
		Number of products recalled for safety and health reasons	pieces	0
		Percentage of product recalls	%	0
		Number of intellectual property rights	pieces	121
	Supply Chain Management	Total number of suppliers	entities	72
		Number of suppliers in mainland China	entities	28
		Number of suppliers from Hong Kong, Macao and Taiwan	entities	7
		Number of suppliers from overseas	entities	37
Governance	Anti-corruption	Number of corruption lawsuits	cases	0
		Number of directors attending anti-corruption training	persons	3
		Number of employees participating in anti-corruption training	persons	500
		The average number of hours directors attended anti-corruption training	hours	1
		The average number of hours employees attended anti-corruption training	hours	1

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Appendix 2 Index of the Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guide

Subject Areas	Description		Section Remarks
A. Environmental			
Aspect A1: Emissions	General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.1Waste Management 2.1.1Gas Emissions 2.1.2Hazardous Waste 2.1.3Non-hazardous Waste
	A1.1	The types of emissions and respective emissions data.	2.1.1Gas Emissions 2.1.2Hazardous Waste 2.1.3Non-hazardous Waste
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	2.3Responding to Climate Change
	A1.3	Total hazardous waste produced and, where appropriate, intensity.	2.1.2Hazardous Waste
	A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	2.1.3Non-Hazardous Waste
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	2.1Waste Management 2.1.1Gas Emissions
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.1Waste Management 2.1.2Hazardous Waste 2.1.3Non-hazardous Waste
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	2.2Energy Management
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	2.2Energy Management
	A2.2	Water consumption in total and intensity.	2.2Energy Management
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.2Energy Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.2Energy Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	2.2Energy Management

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Subject Areas	Description		Section Remarks
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	2.1Waste Management 2.2Energy Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.1Waste Management 2.2Energy Management
Aspect A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	2.3Responding to Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	2.3Responding to Climate Change
B. Social			
Aspect B1: Employment	General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.2.1 Compliant Employment
	B1.1	Total workforce by gender, employment type, age group and geographical region.	3.2.1 Compliant Employment
	B1.2	Employee turnover rate by gender, age group and geographical region.	3.2.1 Compliant Employment
Aspect B2: Health and Safety	General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.2.2 Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.2.2 Occupational Health and Safety
	B2.2	Lost days due to work injury.	3.2.2 Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.2.2 Occupational Health and Safety

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Subject Areas	Description		Section Remarks
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.2.3 Staff training and development
	B3.1	The percentage of employees trained by gender and employee category.	3.2.3 Staff training and development
	B3.2	The average training hours completed per employee by gender and employee category.	3.2.3 Staff training and development
Aspect B4: Labor Standards	General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.2.1 Compliant Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.2.1 Compliant Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	3.2.1 Compliant Employment
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.3 Responsible Supply Chain
	B5.1	Number of suppliers by geographical region.	3.3 Responsible Supply Chain
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.3 Responsible Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.3 Responsible Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.3 Responsible Supply Chain

Environmental, Social and Governance Report

Subject Areas	Description		Section Remarks
Aspect B6: Product Responsibility	General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress.	3.1.1 Product Quality and Safety 3.1.2 Customer Service Experience
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.1.1 Product Quality and Safety
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.1.2 Customer Service Experience Appendix 1 Key Performance Table
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.1.3 R&D and Technological Innovation
	B6.4	Description of quality assurance process and recall procedures.	3.1.1 Product Quality and Safety
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.1.2 Customer Service Experience
Aspect B7: Anti-corruption	General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.2 Business Ethics and Anti-corruption
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.2 Business Ethics and Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.2 Business Ethics and Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	1.2 Business Ethics and Anti-corruption
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	3.4 Community Development and Contribution
	B8.1	Focus areas of contribution.	3.4 Community Development and Contribution
	B8.2	Resources contributed to the focus area.	3.4 Community Development and Contribution

Independent Auditor's Report

Independent auditor's report to the shareholders of iMotion Automotive Technology (Suzhou) Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of iMotion Automotive Technology (Suzhou) Co., Ltd ("the Company") and its subsidiaries ("the Group") set out on pages 104 to 186, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants (("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Revenue Recognition

Refer to Note 5 to the consolidated financial statements and the accounting policies in Note 2.23.

The Key Audit Matter	How the matter was addressed in our audit
The Group's revenue principally comprises sales of integrated autonomous driving solutions and products, and provision of research and development services relating to autonomous driving (referred as autonomous driving products, solutions and services). Revenue of autonomous driving products, solutions and services are recognised at a point in time when control of the underlying products or deliverables have been transferred to the customers. We identified the recognition of revenue of autonomous driving products, solutions and services as a key audit matter because there are many varieties of contract terms and revenue is one of the key performance indicators of the Group and there is inherent risk that revenue could be recognised in the incorrect period or could be subject to manipulation.	Our audit procedures to assess the recognition of revenue included the following: • obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls in relation to revenue recognition of autonomous driving products, solutions and services; • inspecting sales contracts with customers, on a sample basis, to identify performance obligations and terms and conditions relating to the transfer of control of the goods or services and assessing whether the related revenue was recognised with reference to the requirements of prevailing accounting standards; • inspecting, on a sample basis, sales contracts, goods acceptance notes, service settlement report and invoices ("underlying documentation") for revenue transactions recorded before and after the financial year-end date, to assess whether the related revenue had been recognised in the appropriate financial period; • inspecting, on a sample basis, underlying documentation of revenue transactions recorded during the year to assess whether the revenue was recognised in accordance with the Group's revenue recognition accounting policies; • obtaining confirmations, on a sample basis, from customers to confirm the sales transactions during the year and debtor balances as at the financial year end. For unreturned confirmations, performing alternative procedures by comparing the details of the transactions with underlying documentation; and • inspecting sales journals during the financial year that met certain risk-based criteria and comparing details of these journals with the relevant underlying documents.

Independent Auditor's Report

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yue Tat Wai.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Revenue	*5*	**1,247,721**	1,216,287
Cost of sales		**(1,156,895)**	(1,095,334)
Gross profit		**90,826**	120,953
Selling expenses		**(30,393)**	(32,277)
Administrative expenses		**(57,497)**	(83,918)
Research and development expenses		**(280,651)**	(216,624)
(Net impairment losses)/reversal of impairment losses on financial assets	*3.1(b)*	**(9,418)**	1,601
Other income	*6*	**5,908**	7,676
Other (losses)/gains - net	*7*	**(6,969)**	5,718
Operating loss		**(288,194)**	(196,871)
Finance income	*8*	**5,109**	3,109
Finance costs	*8*	**(5,254)**	(1,346)
Finance (costs)/income – net	*8*	**(145)**	1,763
Loss before income tax	*8*	**(288,339)**	(195,108)
Income tax expense	*10*	**–**	–
Loss for the year		**(288,339)**	(195,108)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**17**	8
Loss and total comprehensive loss for the year attributable to the equity holders of the Company		**(288,322)**	(195,100)
Loss per share attributable to the equity holders of the Company (in RMB)			
Basic and diluted loss per share	*11*	**(1.27)**	(0.95)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	*14*	**308,486**	94,244
Right-of-use assets	*13*	**33,991**	34,484
Intangible assets	*15*	**38,004**	11,236
Financial assets at fair value through profit or loss	*21*	**4,778**	3,517
Other non-current assets	*16*	**26,409**	20,705
		411,668	164,186
Current assets			
Inventories	*17*	**298,943**	256,017
Other current assets	*20*	**93,400**	77,122
Trade receivables	*18*	**222,121**	219,093
Financial assets at fair value through other comprehensive income	*19*	**95,768**	7,098
Financial assets at fair value through profit or loss	*21*	**223,908**	228,277
Restricted cash	*22*	**34,000**	306
Cash and cash equivalents	*22*	**181,114**	720,453
		1,149,254	1,508,366
Total assets		**1,560,922**	1,672,552
Equity			
Share capital	*23*	**230,757**	226,330
Reserves	*24*	**1,181,008**	1,117,780
Accumulated losses		**(508,741)**	(220,402)
Total equity		**903,024**	1,123,708

Consolidated Statement of Financial Position

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
Liabilities			
Non-current liabilities			
Other payables and accruals	32	–	2,155
Borrowings	27	**170,173**	24,159
Lease liabilities	13	**548**	630
Contract liabilities	5	–	1,450
Provisions	28	**7,983**	6,968
Deferred income	29	**3,066**	3,548
		181,770	38,910
Current liabilities			
Trade and notes payables	31	**114,918**	185,528
Other payables and accruals	32	**186,555**	105,440
Contract liabilities	5	**22,289**	10,647
Borrowings	27	**144,725**	201,498
Lease liabilities	13	**2,949**	1,797
Derivative financial instruments	30	–	293
Provisions	28	**4,692**	4,731
		476,128	509,934
Total liabilities		**657,898**	548,844
Total equity and liabilities		**1,560,922**	1,672,552
Net current assets		**673,126**	998,432

The above consolidated financial position should be read in conjunction with the accompanying notes.

Approved and authorised for issue by the board of directors on 26 March 2025.

Director *General Manager of Finance*

Consolidated Statement of Changes in Equity

	Note	Share capital *RMB'000*	Reserves *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
As at 1 January 2024		**226,330**	**1,117,780**	**(220,402)**	**1,123,708**
Loss for the year		**–**	**–**	**(288,339)**	**(288,339)**
Other comprehensive loss		**–**	**17**	**–**	**17**
Provision of safety fund surplus reserve	*24*	**–**	**267**	**(267)**	**–**
Utilisation of safety fund surplus reserve	*24*	**–**	**(267)**	**267**	**–**
		226,330	**1,117,797**	**(508,741)**	**835,386**
Transactions with the equity holders of the Company					
Placing of new shares	*23, 24*	**4,427**	**63,211**	**–**	**67,638**
		4,427	**63,211**	**–**	**67,638**
As at 31 December 2024		**230,757**	**1,181,008**	**(508,741)**	**903,024**

	Note	Share capital *RMB'000*	Reserves *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
As at 1 January 2023		10,211	681,550	(25,294)	666,467
Loss for the year		–	–	(195,108)	(195,108)
Other comprehensive loss		–	8	–	8
Provision of safety fund surplus reserve	*24*	–	362	(362)	–
Utilisation of safety fund surplus reserve	*24*	–	(362)	362	–
		–	8	(195,108)	(195,100)
Transactions with the equity holders of the Company					
Issuance of ordinary shares upon global offering	*23, 24*	22,116	539,236	–	561,352
Capitalization Issue	*23, 24*	194,003	(194,003)	–	–
Share-based payment	*25*	–	90,989	–	90,989
		216,119	436,222	–	652,341
As at 31 December 2023		226,330	1,117,780	(220,402)	1,123,708

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Net cash used in operations	*33*	**(410,092)**	(264,899)
Interest received from cash at banks	*8*	**5,109**	3,109
Net cash used in operating activities		**(404,983)**	(261,790)
Cash flows from investing activities			
Payments for property, plant and equipment		**(180,340)**	(74,493)
Payments for intangible assets		**(38,376)**	(9,829)
Government grants received in relation to acquisition of non-current assets		**–**	2,976
Proceeds from sale of property, plant and equipment		**2**	100
Proceeds from disposals of financial assets at fair value through profit or loss		**1,190,954**	1,790,922
Payments for financial assets at fair value through profit or loss		**(1,223,358)**	(1,828,011)
Loans to directors		**(13,700)**	–
Net cash used in investing activities		**(264,818)**	(118,335)
Cash flows from financing activities			
Proceeds from contributions from equity holders	*23, 24*	**67,638**	–
Proceeds from issuance of H shares upon global offering	*23*	**–**	596,716
Payments of lease liabilities	*33(d)*	**(4,226)**	(3,860)
Repayments of borrowings	*33(d)*	**(308,458)**	(48,857)
Proceeds from borrowings	*33(d)*	**397,473**	225,474
Interest paid for borrowings	*33(d)*	**(7,248)**	(1,141)
Payments for listing expenses		**(18,020)**	(31,849)
Net cash generated from financing activities		**127,159**	736,483
Net (decrease)/increase in cash and cash equivalents		**(542,642)**	356,358
Cash and cash equivalents at the beginning of the year		**720,453**	365,745
Exchange losses/(gains) on cash and cash equivalents		**3,303**	(1,650)
Cash and cash equivalents at the end of the year	*22*	**181,114**	720,453

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

iMotion Automotive Technology (Suzhou) Co., Ltd. was incorporated in Suzhou on December 27, 2016 as a limited liability company. The address of its registered office is G2-1901 1902 2002, No. 88 Jinji Lake Avenue, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC.

Upon approval by the shareholders' general meeting held in November 2022, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "iMotion Automotive Technology (Suzhou) Co., Ltd. (知行汽車科技(蘇州)有限公司)" to "iMotion Automotive Technology (Suzhou) Co., Ltd. (知行汽車科技(蘇州)股份有限公司)" on 29 December 2022.

In December 2023, the Company successfully completed its initial public offering. The Company's H shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 20 December 2023.

The Company and its subsidiaries (together, "the Group") are principally engaged in the development, manufacture and sale of autonomous driving solutions and products.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are set out below.

2.1 Basis of preparation

(i) Compliance with IFRS

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments that are measured at fair value.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(iii) New or amended standards adopted by the Group

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

Standards and amendments	Effective for accounting periods beginning on or after
IFRS 16 (Amendment) 'Lease Liability in a Sale and Leaseback'	1 January 2024
IAS 1 (Amendment) 'Non-current Liabilities with Covenants'	1 January 2024
IAS 1 (Amendment) 'Classification of Liabilities as Current or Non-current'	1 January 2024
IAS7 (Amendment) and IFRS 7 (Amendment) and IAS 7 (Amendment) 'Supplier Finance Arrangements'	1 January 2024

(iv) New or amended standards not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Standards and amendments	Effective for accounting periods beginning on or after
IAS 21 (Amendment) 'Lack of Exchangeability'	1 January 2025
IFRS 9 (Amendment) and IFRS 7 (Amendment) 'Classification and Measurement of Financial Instruments'	1 January 2026
Volume 11 'Annual Improvements to IFRS Accounting Standards'	1 January 2026
IFRS 18 'Presentation and Disclosure in Financial Statements'	1 January 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027
IFRS 10 (Amendment) and IAS 28 (Amendment) 'Sale or contribution of Assets between an Investor and its Associate or Joint Venture'	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards. According to the preliminary assessment made by the Group, no significant impact on the financial performance and positions of the Group is expected when they become effective.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive loss of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and the companies in PRC is RMB. The functional currency of the company in Germany is Euro. The consolidated financial statements are presented in RMB which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other gains/(losses).

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the report period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Machineries and molds	5 – 10 years
Vehicles	5 years
Furniture	5 years
Equipments	3 – 5 years
Leasehold improvements	Over the shorter of their expected useful lives and the lease terms

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses) – net" in the consolidated statement of comprehensive loss.

Construction in progress represents unfinished construction and equipment under construction or pending for installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Intangible assets

(a) Purchased software

Acquired software is recognised at historical cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The Group's software is amortised on a straight-line basis over their estimated useful lives of 3 and 10 years.

(b) Research and development ("R&D")

Research and development cost comprise all costs that are directly attributable to research and development activities (relating to the design and testing of new or improved autonomous driving products) or that can be allocated on a reasonable basis to such activities. Research and development costs are recognised as intangible assets when the following criteria are met:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible assets;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Directly attributable costs which are eligible to be capitalised as part of the research and development project may include employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are charged to expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.8 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses) – net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other gains/(losses) – net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses)– net" and impairment expenses are presented as separate line item in the consolidated statement of comprehensive loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "other gains/(losses) – net" in the period in which it arises.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(c) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "other gains/ (losses) – net" in the consolidated statement of comprehensive loss as applicable.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and measured at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(d) Impairment (Continued)

Measurement of ECLs (Continued)

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

(d) Impairment (Continued)

Significant increases in credit risk (Continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.11 Trade receivables

Trade receivables are amounts due from customers for vehicles or products sold in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), it is classified as current asset. If not, it is presented as non-current asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 18 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

2.12 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivative financial instruments are recognised in profit or loss.

2.13 Inventories

Raw materials, semi-finished goods, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.16 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated financial position when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.18 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.18 Borrowing costs (Continued)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.19 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company, its subsidiaries and associate operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.19 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

2.20 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated financial position.

(b) Pension obligations

In accordance with the rules and regulations in the PRC, the employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceiling. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group's contributions to these plans are expensed as incurred.

(c) Housing funds, medical insurances and other social insurances

The employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.20 Employee benefits (Continued)

(d) Bonus plan

The expected cost of bonuses is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(e) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.21 Share-based payment

The fair value of awarded shares granted to employees under the ESOP less amount paid by employees is recognised as an employee benefits expense over the relevant service period, being the vesting period of the shares, and the credit is recognised in equity in the share-based payment reserves. The fair value of the shares is measured at the grant date. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions; (e.g. the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognised over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognised over the remainder of the original vesting period. Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effective at the date of the forfeiture.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Share-based payment (Continued)

The grant of share-based payments by the shareholders to the employees of the subsidiaries are treated as a capital contribution to subsidiaries in the separate financial statements of the Company. The fair value of employee services received, determined by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries undertakings, with a corresponding adjustment to equity in the separate financial statements of the Company.

2.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Where the grants related to an expense item, it is recognised as income on a systematic basis over the period that the costs, which it is intended to compensate, are expensed. Where the grants related to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset on straight-line basis.

2.23 Revenue recognition

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

When allocating the transaction price to each performance obligation identified in the contract, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocate the transaction price in proportion to those stand-alone selling prices.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.23 Revenue recognition (Continued)

In determining whether revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified goods or service before it is transferred to the customer, the indicators of which including but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative, and applies judgment when assessing the indicators depending on each different circumstances.

The Group mainly provides autonomous driving related R&D services to OEMs to develop software, hardware, algorithm and function for autonomous driving solution for vehicle models in such OEMs' pipelines, and when such R&D is successfully validated, the OEMs would engage the Group for the production and sales of such autonomous driving solutions. Other than the above core business in relation to the autonomous driving solutions, the Group also engaged in manufacture and sale of printed circuit board assembly (PCBA) products to certain customers by using surface-mount technology ("SMT").

The following is a description of the accounting policy for the principal revenue streams of the Group:

(a) Sales of autonomous driving solutions and products and PCBA parts

Revenue generated from sales of autonomous driving solutions and products primarily includes its main products autonomous driving (AD) domain controllers and intelligent front cameras to OEMs, which is recognised at the point in time when it satisfies a performance obligation by transferring control over a product to a customer, generally upon the acceptance of the products. For PCBA parts with revenue recognised at a point in time, the Group recognises revenue upon transfer of control, which generally occurs upon shipment to the customers and transfer of title and risk of loss under standard commercial terms (typically DAP or EXW). The revenue is measured based on consideration, less value-added tax, specified in a contract with a customer, as well as adjusted for any variable consideration (i.e., price concessions or annual price adjustments) based on contract terms and historical patterns.

In addition, the Group makes payments to certain customers when they first enter into a contract with the Group to purchase autonomous driving solutions and products. Such upfront payments are capitalised and amortised as a reduction of revenue over the expected transfer of goods or services to which the upfront payments relate.

(b) Provision of autonomous driving related R&D services

The Group provides autonomous driving services to OEMs, including (i) software and hardware development in autonomous driving segment; (ii) autonomous driving algorithm and function development; and (iii) functional safety consulting and validation service. The Group recognises revenue at a point in time when performance obligations are satisfied, that is when the agreed deliverables are accepted by customers. The Group does not have any enforceable right to payment before the agreed deliverables are accepted by customers.

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(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.23 Revenue recognition (Continued)

(b) Provision of autonomous driving related R&D services (Continued)

Contract fulfillment costs represents costs that relate directly to a contract for autonomous driving related R&D services provided by the Group, primarily including direct labor, direct materials and allocations of costs incurred in providing the promised services directly to the customers. When performance obligations are satisfied, that is when the agreed deliverables are accepted by the customers, the Group recognises revenue and the accumulated fulfilment costs were transferred to cost of sales. The contract fulfillment costs are amortised to cost of sales on a project basis according to the terms specified in the underlying contracts, which is consistent with the transfer of relevant services. The Group recognised an impairment loss in profit or loss to the extent that the carrying amount of contract fulfillment costs recognised exceeds the remaining amount of consideration that the Group expected to receive in exchange for such services.

2.24 Provisions

Provisions for product warranties and onerous contracts, etc. are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provisions due to the passage of time is recognised as interest expense.

2.25 Leases

The Group leases buildings and land use right as lessee. Rental contracts are typically made for fixed periods of 3 to 5 years and 30 years respectively.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.25 Leases (Continued)

Lease terms are negotiated on an individual basis and contain various different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group use that rate as a starting point to determine the incremental borrowing rate.

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(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.25 Leases (Continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each reporting period.

Right-of-use assets are measured at cost comprising the following (if applicable):

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

2.26 Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury stock.

(b) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's risk management is predominantly controlled by the treasury department under policies approved by the Board of Directors of the Company (the "Board"). The Group's treasury department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The Group's businesses are principally conducted in RMB. The majority of assets is denominated in RMB. The majority of non-RMB assets and liabilities are cash and cash equivalents, trade receivables and trade payables denominated in HKD, USD and EUR. The Group is subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB and net investment in foreign operations.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government. Additionally, the Group enters into forward exchange contracts to mitigate the foreign exchange risk. The Group did not have other significant exposure to foreign exchange risk.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective dates of consolidated statements of financial position are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Assets		
HKD	**148,667**	514,761
USD	**123,291**	52,919
EUR	**680**	112
	272,638	567,792
Liabilities		
USD	**59,678**	148,902
EUR	**–**	6
	59,678	148,908

The Group is primarily exposed to changes in RMB/HKD and RMB/USD exchange rates.

As at 31 December 2024, if the HKD strengthened/weakened by 10% against the RMB, with all other variables held constant, loss before income tax for the year then ended would have been approximately RMB14,866,700 lower/higher (2023: RMB51,476,100) as a result of foreign exchange losses on translation of HKD denominated financial assets.

As at 31 December 2024, if the USD strengthened/weakened by 10% against the RMB, with all other variables held constant, loss before income tax for the year then ended would have been approximately RMB6,361,300 lower/higher (2023: RMB9,598,300 higher/lower) as a result of foreign exchange losses on translation of USD denominated financial assets and liabilities.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

Except for cash and cash equivalents, restricted cash (Note 22), the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 27. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the reporting period.

As at 31 December 2024, if the Group's interest rates on borrowings obtained at variable rates had been higher/lower by 0.5%, loss before income tax for the year then ended would have been approximately RMB851,000 higher/lower (2023: RMB121,000 higher/lower).

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the financial position as at fair value through profit or loss (FVPL) (Note 21). Loss before income tax for the year would decrease/increase as a result of gains/losses on securities classified as at FVPL. As at 31 December 2024, if the prices of investments rise/fall by 10% while holding all other variables constant, loss before income tax for the year then ended would be approximately RMB478,000 lower/higher (2023: RMB352,000 lower/higher).

To manage its price risk arising from investments in securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, wealth management products as well as trade receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

Risk management

To manage this risk, cash and cash equivalents, wealth management products and financial assets measured as FVOCI are mainly placed with state-owned or reputable financial institutions in Mainland China which are all high-credit-quality financial institutions.

To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. Trade receivables have been grouped based on shared credit risk characteristics and aging to measure the expected credit losses. Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For other financial assets carried at amortised cost (excluding input Value Added Tax ("VAT") to be deducted, contract fulfilment costs and prepayments), management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents and restricted cash;
- trade receivables;
- other receivables.

Notes to the Consolidated Financial Statements
(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Cash and cash equivalents and restricted cash

To manage risk arising from cash and cash equivalents, the Group only transacts with state-owned or reputable financial institutions in Mainland China. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, while the identified impairment loss was immaterial.

(ii) Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customers, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The Group's trade receivables mainly consist of amounts due from customers for goods sold or services rendered as described in Note 18.

As at 31 December 2024, the Group had certain concentrations of credit risk as 55.21% (2023: 82.84%) of the Group's trade receivables due from one of its largest customer, Geely Group.

(iii) Other receivables

Other receivables mainly include refundable deposits, payments on behalf of employees and others.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Other receivables (Continued)

The movement of loss allowance for trade receivables, other receivables during the years ended 31 December 2024 and 2023 is as follows:

	Trade receivables *RMB'000*	Other receivables *RMB'000*	Total *RMB'000*
As at 1 January 2024	**(3,720)**	**(70)**	**(3,790)**
Increase in loss allowance recognised in profit or loss during the year	**(1,519)**	**(380)**	**(1,899)**
As at 31 December 2024	**(5,239)**	**(450)**	**(5,689)**
As at 1 January 2023	(5,370)	(21)	(5,391)
Decrease/(Increase) in loss allowance recognised in profit or loss during the year	1,650	(49)	1,601
As at 31 December 2023	(3,720)	(70)	(3,790)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
As at 31 December 2024					
Borrowings (including interest payables)	**144,725**	**16,658**	**61,037**	**123,057**	**345,477**
Trade and notes payables (Note 31)	**114,918**	**–**	**–**	**–**	**114,918**
Other payables and accruals (excluding payroll and welfare payables and other tax payables) (Note 32)	**146,996**	**–**	**–**	**–**	**146,996**
Lease liabilities	**2,949**	**556**	**–**	**–**	**3,505**
	409,588	**17,214**	**61,037**	**123,057**	**610,896**
As at 31 December 2023					
Borrowings (including interest payables)	206,761	724	25,443	–	232,928
Trade and notes payables (Note 31)	185,528	–	–	–	185,528
Other payables and accruals (excluding payroll and welfare payables and other tax payables) (Note 32)	74,595	2,155	–	–	76,750
Lease liabilities	1,860	637	–	–	2,497
	468,744	3,516	25,443	–	497,703

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amounts of dividends paid to equity holders, return capital to equity holders, issue new shares or repurchase the Company's shares. In the opinion of the management of the Company, the Group's capital risk is low. As a result, capital risk is not significant for the Group and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

As at 31 December 2024 and 2023, the debt equity ratio were as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Net cash (Note 33)	**(91,405)**	(724,163)
Total equity	**903,024**	1,123,708
Net debt equity ratio	**N/A**	N/A

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted investment with preferred rights securities.

Notes to the Consolidated Financial Statements
(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2024 and 2023:

	Level 1 *RMB'000*	**Level 2** *RMB'000*	**Level 3** *RMB'000*	**Total** *RMB'000*
As at 31 December 2024				
Assets:				
Financial assets at FVPL (Note 21)	**–**	**103,345**	**125,341**	**228,686**
Financial assets at FVOCI (Note 19)	**–**	**–**	**95,768**	**95,768**
Total financial assets	**–**	**103,345**	**221,109**	**324,454**

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
As at 31 December 2023				
Assets:				
Financial assets at FVPL (Note 21)	–	79,658	152,136	231,794
Financial assets at FVOCI (Note 19)	–	–	7,098	7,098
Total financial assets	–	79,658	159,234	238,892
Liability:				
Derivative financial instruments (Note 30)	–	–	293	293

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of each reporting period.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Valuation techniques used to determine level 2 and level 3 fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- For unlisted investment with preferred rights securities, its fair value is determined with reference to the recent transaction price of the investment as at 31 December 2024.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no changes in valuation techniques during the year ended 31 December 2024.

The fair value of trade receivables, other receivables, restricted cash and cash and cash equivalents were carried at cost or amortised cost not materially different from their fair value.

The fair value of trade and notes payables, other payables and accruals (excluding payroll and welfare payables and other tax payables) and borrowings were carried at cost or amortised cost not materially different from their fair value.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 31 December 2024 and 2023:

	Financial assets at FVOCI *RMB'000*	Financial assets at FVPL *RMB'000*	Total *RMB'000*
As at 1 January 2024	**7,098**	**152,136**	**159,234**
Acquisitions	**138,858**	**302,158**	**441,016**
Disposals	**(50,188)**	**(327,403)**	**(377,591)**
Fair value changes	**–**	**(1,550)**	**(1,550)**
As at 31 December 2024	**95,768**	**125,341**	**221,109**
As at 1 January 2023	–	185,408	185,408
Acquisitions	22,006	1,748,336	1,770,342
Disposals	(14,908)	(1,790,922)	(1,805,830)
Fair value changes	–	9,314	9,314
As at 31 December 2023	7,098	152,136	159,234

More details about the financial assets at FVPL as at 31 December 2024 have been presented in Note 21.

(d) There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(e) Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

As at 31 December 2024

Description	Fair value *RMB'000*	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Investment in private funds	**110,556**	Net asset value	N/A	The higher the net asset value, the higher the fair value
Wealth management products ("WMPs")	**10,008**	Expected rate of return	2.4%	The higher the expected rate of return, the higher the fair value
Bank acceptance notes	**95,768**	Discount rates	1.65%	The higher the discount rate, the lower the fair value
Unlisted investment with preferred rights	**4,778**	Recent transaction price	N/A	The higher the recent transaction price, the higher the fair value

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(e) Valuation inputs and relationships to fair value (Continued)

As at 31 December 2023

Description	Fair value *RMB'000*	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Investment in private funds	118,544	Net asset value	N/A	The higher the net asset value, the higher the fair value
Wealth management products ("WMPs")	30,075	Expected rate of return	2.67%	The higher the expected rate of return, the higher the fair value
Bank acceptance notes	7,098	Discount rates	2.95%	The higher the discount rate, the lower the fair value
Unlisted investment with preferred rights	3,517	Risk free interest rate and volatility	Risk free interest rate: 2.4% Volatility: 49.3%	The higher the risk free interest rate and volatility, the lower the fair value
Foreign exchange options contracts	(293)	Risk free interest rate and fixing rate	Risk free interest rate: 1.6% Fixing rate: 7.08	The higher the risk free interest rate and fixing rate, the higher the fair value

As at 31 December 2024, if expected rate of return higher/lower by 1%, fair value of WMPs would have been approximately RMB100,000 higher/lower (2023: RMB300,000 higher/lower).

Most of these WMPs are sponsored and managed by state-owned or reputable national banks and financial institutes in the PRC. These WMPs are short-term investments which are denominated in RMB. The expected rate of return of the WMPs are updated by banks periodically on a quarterly or more frequent basis. Management uses the expected rate of return for approximation for cash flow assessment in evaluating the fair values of the WMPs.

If discount rates higher/lower by 0.5%, the fair values of bank acceptance would have been approximately RMB479,000 lower/higher (2023: RMB35,000 higher/lower).

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(f) Valuation processes

External valuation experts will be involved when necessary.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Fair value of financial assets at FVPL

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 3.3.

(b) Write-down of inventories

The Group's management reviews the condition of inventories, as stated in Note 17 to the consolidated financial statements, at each reporting date, and makes allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for use in production. The Group carries out the inventory review on a product-by-product basis and makes allowances by reference to the latest market prices and current market conditions.

(c) Income taxes and deferred income tax

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilised. The recognition of deferred income tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses. No deferred income tax asset has been recognised in respect of such tax losses due to the unpredictability of future taxable income and details of unrecognised tax losses have been set out in Note 10.

Notes to the Consolidated Financial Statements

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5 REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

During the year ended 31 December 2024, the Group is mainly engaged in the production, research and development and sales of autonomous driving solutions and products in the PRC. The executive directors of the Company (i.e., the CODM) review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

Geographical information

The majority of the Group's business and operations are conducted in Mainland China and currently, the Group's principal market, majority of revenue, operating loss and non-current assets are derived from/located in the PRC. Accordingly, no geographical segment information is presented.

(b) Revenue during the reporting period

Revenue represents the invoiced value of goods sold and rendering of services, which is net of rebate and discounts.

Revenue mainly comprises sales of autonomous driving solutions and other products and rendering of services. An analysis of the Group's revenue by category for the years ended 31 December 2024 and 2023 is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Autonomous driving solutions and products	**1,192,578**	1,130,440
Autonomous driving-related R&D services	**41,661**	63,112
Sales of PCBA products	**13,482**	22,735
	1,247,721	1,216,287

All the Group's revenue is recognised at a point in time.

For the year ended 31 December 2024, Geely Group was the Group's largest customer and the Group's revenue from Geely Group was RMB1,043.90 million (2023: RMB1,135.1 million), representing approximately 83.66% (2023: 93.3%) of the Group's total revenue during the same year.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

5 REVENUE AND SEGMENT INFORMATION (Continued)

(c) Assets and liabilities related to contracts with customers

The Group recognised the following assets and liabilities related to the contracts with customers:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Non-current assets recognised for upfront payments to customers (Note 16)	**3,500**	5,250
Current assets recognised for upfront payments to customers (Note 20)	**1,750**	1,750
Total assets recognised for upfront payments to customers (i)	**5,250**	7,000
Non-current assets recognised for costs incurred to fulfill contracts (Note 16)	**1,825**	529
Current assets recognised for costs incurred to fulfill contracts (Note 20)	**40,400**	44,659
Total assets recognised for costs incurred to fulfill contracts (ii)	**42,225**	45,188
Non-current liabilities – rendering of services (iii)	**–**	1,450
Current liabilities – rendering of services (iv)	**22,288**	10,337
Current liabilities – sales of products	**1**	310
Total contract liabilities	**22,289**	12,097

(i) Assets recognised for upfront payments to customers

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Assets recognised for upfront payments to customers	**7,000**	14,583
Decrease of upfront payments by customers	**–**	(4,000)
Amortisation recognised as a reduction of revenue during the year	**(1,750)**	(3,583)
	5,250	7,000

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(Expressed in RMB unless otherwise indicated)

5 REVENUE AND SEGMENT INFORMATION (Continued)

(c) Assets and liabilities related to contracts with customers (Continued)

(ii) Assets recognised from costs to fulfill contracts

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Assets recognised from costs incurred to fulfill contracts	**44,474**	47,653
Less: provisions for impairment of contract fulfillment costs	**(2,249)**	(2,465)
	42,225	45,188

Contract fulfillment costs represented costs that relate directly to a contract for autonomous driving related R&D services provided by the Group primarily including direct labour, direct materials and allocations of costs incurred in providing the promised services directly to the customers. The provision for impairment of contract fulfillment costs as recognised was RMB593,000 (2023: RMB617,000) for the year ended 31 December 2024.

(iii) Significant changes in contract liabilities

Contract liabilities of the Group arise from deposits from sales of services made by the customers while the control of services are yet to be passed. Such liabilities increase as a result of contracts entered into with customers under the sales arrangement before the completion of the underlying services.

(iv) Revenue recognised in relation to contract liabilities

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liability balance at the beginning of the year	**8,174**	24,088

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

6 OTHER INCOME

	Year ended 31 December 2024 RMB'000	2023 RMB'000
Government grants	**5,908**	7,676

During the year ended 31 December 2024, the government grants mainly include government subsidies for the Group's research and development expenditures as well as construction for advanced manufacturing industry base. There are no unfulfilled conditions or other contingencies attaching to the grants recognised.

7 OTHER (LOSSES)/GAINS – NET

	Year ended 31 December 2024 RMB'000	2023 RMB'000
Net fair value (losses)/gains on financial assets at FVPL (Note 21)	**(1,511)**	9,296
Net (losses)/gains on disposals of property, plant and equipment and intangible assets	**(21)**	87
Net fair value gains/(losses) on derivative financial instruments (Note 30)	**169**	(293)
Net foreign exchange losses	**(5,635)**	(3,493)
Others	**29**	121
	(6,969)	5,718

8 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	2024 RMB'000	2023 RMB'000
(a) Finance income and costs:		
Finance income:		
Interest income on cash at banks	**5,109**	3,109
Finance cost:		
Interest on bank loans and other borrowings	**7,350**	1,238
Interest on lease liabilities	**131**	169
Total interest expense	**7,481**	1,407
Less: interest expense capitalised into properties under development*	**(2,227)**	(61)
	5,254	1,346

* During the year ended 31 December 2024, the interest rate applicable to the Group's capitalisation of borrowings costs in construction in progress was 2.40% – 3.00% (2023: 3.00%).

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8 PROFIT BEFORE TAXATION (continued)

	Note	**2024** **RMB'000**	2023 RMB'000
(b) other items:			
Cost of inventories		**1,131,190**	1,047,685
Depreciation:			
– property, plant and equipment	*14*	**11,715**	9,909
– right-of-use assets	*13*	**5,659**	3,469
Research and development expenses (i)		**280,651**	216,624
Amortisation of intangible assets	*15*	**7,606**	4,228

(i) During the year ended 31 December 2024, staff costs and depreciation expenses in research and development expenses are RMB190,040,000 (2023: RMB127,497,000), which are also included in the total amounts disclosed separately above.

9 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
Wages, salaries and bonuses	**202,166**	139,321
Share-based payment expenses (Note 25)	**–**	85,105
Pension obligations, housing funds, medical insurances and other social insurances (a)	**35,758**	21,645
Other employee benefits (b)	**2,044**	1,711
	239,968	247,782

(a) Pension obligations, housing funds, medical insurances and other social insurances

Full time employees of the Group in the PRC are members of a state-managed retirement benefit schemes operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs, subject to certain ceiling, as determined by local government authority to the pension obligations, housing funds, medical insurances and other social insurances to fund the benefits. The Group's liabilities in respect of benefits schemes are limited to the contribution payable in each year.

No forfeited contributions were utilised during the year ended 31 December 2024 to offset the Group's contribution to the abovementioned retirement benefit schemes.

(b) Other employee benefits

Other employee benefits mainly include meal, traveling, transportation allowances and other allowances.

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9 EMPLOYEE BENEFIT EXPENSES (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2024 include 2 (2023: 2) directors, whose emoluments are disclosed in the Note 35. The emoluments payable to the remaining 3 (2023: 3) highest paid individuals in 2024 are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Wages and salaries	**5,588**	1,972
Bonuses	**405**	233
Pension obligations, housing funds, medical insurances and other social insurances	**189**	196
Other employee benefits	**11**	10
Share-based payment expenses	**–**	28,478
	6,193	30,889

The remaining highest paid individuals fell within the following bands:

	Year ended 31 December	
	2024	2023
Emolument bands		
HKD1,000,000-HKD1,500,000	**1**	–
HKD1,500,001-HKD2,000,000	**1**	–
HKD3,000,001-HKD3,500,000	**1**	–
HKD9,000,001-HKD9,500,000	**–**	2
HKD15,000,001-HKD15,500,000	**–**	1

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10 INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current income tax expense	**–**	–
Deferred income tax expense	**–**	–
Income tax expense	**–**	–

The Group's principal applicable taxes and tax rates are as follows:

The Company was entitled to a preferential corporate income tax rate of 15% during the years ended 31 December 2024 and 2023. The Company obtained its High and New Technology Enterprises ("HNTE") qualification in year 2019, and hence it is entitled to a preferential tax rate of 15% for a three-year period commencing 2019. This qualification is subject to a requirement that the Company should reapply for HNTE qualification every three years. The Company re-applied for HNTE qualification and the application was approved for another three-year period commencing 2022.

In accordance with the Public Notice Jointly Issued by the Ministry of Finance ("MOF") and State Taxation Administration ("STA") on Further Implementing the Preferential CIT Policies for Small and Micro Enterprises ("SMEs") (MOF&STA Public Notice [2022] No.13), from 1 January 2022 to 31 December 2024, the annual taxable income that is more than RMB1 million but no more than RMB3 million shall be recognised at 25% of income and be subject to the corporate income tax at a tax rate of 20%.

In accordance with the Public Notice Jointly Issued by the MOF and STA Regarding the Further Supporting of Preferential Tax Policies for SMEs and Individual Businesses (STA Public Notice [2023] No.6), for SMEs, the policy that their annual taxable income shall be reduced by 75% and subject to CIT at the rate of 20% was extended to 31 December 2027.

Except for iMotion Electronics Technology (Suzhou) Co., Ltd., and iMotion Automotive Technology (Jiaxing) Co., Ltd., the Company's subsidiaries qualified as small low-profit enterprises and enjoyed the above preferential income tax policy.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% from 2018 onwards (subsequently raised to 200% from 2021 onwards) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the "Super Deduction").

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10 INCOME TAX EXPENSE (Continued)

A reconciliation of the expected income tax calculated at the applicable corporate income tax rate and loss before income tax, with the actual corporate income tax is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss before income tax	**(288,339)**	(195,108)
Notional tax on loss before taxation calculated at the rates applicable to the jurisdictions concerned	**(71,408)**	(48,778)
Tax effects of:		
Preferential tax rate	**27,097**	20,428
Expenses not deductible for taxation purposes	**280**	259
Super Deduction in respect of R&D expenditures	**(38,819)**	(23,098)
Utilisation of previously unrecognised tax losses	**(578)**	(2,337)
Tax losses for which no deferred income tax assets was recognised	**82,414**	38,956
Other Temporary differences for which no deferred income tax assets were recognised	**1,014**	14,570
Income tax expense	**–**	–

As at 31 December 2024, the Group had unused tax losses of approximately RMB1,068,850,000 (2023: RMB534,932,000) that can be carried forward against future taxable income, respectively. No deferred income tax asset has been recognised in respect of such tax losses due to the unpredictability of future taxable income.

The Group principally conducted its business in Mainland China, where the accumulated tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extension for expiries of unused tax losses of HNTE issued in August 2018, the expiry period of the accumulated unexpired tax losses of the Company, which is qualified as HNTE, from 2018 had been extended from 5 years to 10 years. The Company re-applied for HNTE status in 2022 and the approval was obtained in October 2022.

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10 INCOME TAX EXPENSE (Continued)

Deductible losses that are not recognised for deferred income tax assets will expire as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Expiry year		–
2024	**–**	1,330
2025	**167**	167
2026	**654**	2,466
2027	**4,566**	4,566
2028	**27,731**	27,731
2029	**62,738**	45,639
2030	**54,205**	54,205
2031	**66,757**	66,757
2032	**74,318**	74,318
2033	**257,753**	257,753
2034	**519,961**	–
	1,068,850	534,932

11 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share for the years ended 31 December 2024 and 2023 are calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2024	2023
Loss attributable to the equity holders of the Company (RMB'000)	**(288,339)**	(195,108)
Weighted average number of ordinary shares outstanding (thousand shares) (Note)	**226,330**	204,881
Basic loss per share (expressed in RMB per share)	**(1.27)**	(0.95)

Note:

The weighted average number of ordinary shares for the year ended 31 December 2024 was not adjusted for the effect of the placing of new shares (as defined in Note 23) completed on December 2024.

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11 LOSS PER SHARE (Continued)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive instruments. For the year ended 31 December 2024 and 2023, diluted loss per share was the same as basic loss per share as there were no potentially dilutive ordinary shares outstanding during the years.

12 SUBSIDIARIES

(a) Subsidiaries of the Company

As at the date of this report, the Company has direct or indirect interests in the following subsidiaries:

Name of entity	Date of incorporation	Place of incorporation and business and kind of legal entity	Registered share capital *In thousand*	As at 31 December 2024	As at 31 December 2023	Principal activities
Directly held:						
iMotion Automotive Technology (Changshu) Co., Ltd. 知行汽車科技(常熟)有限公司(i)	04 December 2017	Suzhou, China, limited liability company	RMB3,500	**100%**	100%	Autonomous driving testing
iMotion Electronics Technology (Suzhou) Co., Ltd. 知辛電子科技(蘇州)有限公司(i)	19 June 2018	Suzhou, China, limited liability company	RMB40,000	**100%**	100%	Manufacturing and assembly of products
Shanghai Aimoxing Automobile Technology Co., Ltd. 上海艾摩星汽車科技有限公司(i)	15 September 2021	Shanghai, China. limited liability company	RMB4,000	**100%**	100%	Research and development
iMotion Automotive Technology (Tianjin) Co., Ltd. 知行汽車科技(天津)有限公司(i)(ii)	20 March 2022	Tianjin, China, limited liability company	RMB15,000	**N/A**	100%	Research and development
iMotion Automotive GmbH	17 October 2023	Germany, limited liability company	EUR100	**100%**	100%	Research and development
iMotion Automotive Technology (Hongkong) Co., Ltd. 知行汽車科技(香港)有限公司(i)	06 December 2023	Hong Kong ("HK"), limited liability company	HKD100	**100%**	100%	Research and development
iMotion Automotive Technology (Jiaxing) Co., Ltd. 知行汽車科技(嘉興)有限公司(i)(ii)	15 January 2024	Jiaxing, China, limited liability company	RMB250,000	**100%**	N/A	Manufacturing and assembly of products
Guangzhou Aimoxing Automobile Technology Co., Ltd. 廣州艾摩星汽車科技有限公司(i)	13 September 2024	Guangzhou, China, limited liability company	RMB1,400	**100%**	N/A	Research and development
Wuhan Aimoxing Automobile Technology Co., Ltd. 武漢艾摩星汽車科技有限公司(i)	13 September 2024	Wuhan, China, limited liability company	RMB600	**100%**	N/A	Research and development
Beijing Aimoxing Automobile Technology Co., Ltd. 北京艾摩星汽車科技有限公司(i)	16 October 2024	Beijing, China, limited liability company	RMB2,800	**100%**	N/A	Research and development
Shenzhen Aimoxing Automobile Technology Co., Ltd. 深圳艾摩星汽車科技有限公司(i)	20 November 2024	Shenzhen, China, limited liability company	RMB1,000	**100%**	N/A	Research and development

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

12 SUBSIDIARIES (Continued)

(a) Subsidiaries of the Company (Continued)

(i) The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(ii) In August 2024, iMotion Automotive Technology (Tianjin) Co., Ltd. was dissolved.

13 LEASES

(a) Amounts recognised in the consolidated financial position of the Group

The consolidated financial position show the following amounts relating to leases:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Right-of-use assets		
Land use rights (i)	**30,524**	31,659
Leased buildings (ii)	**3,467**	2,825
	33,991	34,484
Lease liabilities		
Current	**2,949**	1,797
Non-current	**548**	630
	3,497	2,427

(i) In December 2021, the Group acquired land use right to construct headquarter building for manufacturing and research and development in Suzhou, Jiangsu Province, the PRC.

(ii) Additions to leased buildings during the year ended 31 December 2024 were approximately RMB5,165,000 (2023: RMB1,205,000).

Notes to the Consolidated Financial Statements

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13 LEASES (Continued)

(b) Amounts recognised in consolidated statement of comprehensive loss of the Group

The consolidated statement of comprehensive loss show the following amounts relating to leases:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Depreciation charge of right-of-use assets		
Land use rights	**1,135**	473
Leased buildings	**4,524**	2,996
	5,659	3,469
Interest expenses (included in finance cost) (Note 8)	**131**	169
Expenses relating to short-term leases (included in cost of sales, administrative expenses and research and development expenses)	**467**	384
	598	553
	6,257	4,022

The total cash outflows for leases of buildings in 2024 were approximately RMB4,693,000 (2023: RMB4,244,000).

(c) The Group's leasing activities and how these are accounted for

In addition to land use right, the Group leases certain buildings. Rental contracts are typically made for fixed periods of 1.2 years to 5 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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(Expressed in RMB unless otherwise indicated)

14 PROPERTY, PLANT AND EQUIPMENT

	Machinery and molds *RMB'000*	Vehicles *RMB'000*	Electronic equipment and others *RMB'000*	Furniture *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
As at 1 January 2023							
Cost	21,445	2,648	14,847	2,978	9,109	189	51,216
Accumulated depreciation	(6,803)	(1,483)	(6,039)	(1,399)	(4,788)	–	(20,512)
Net book amount	14,642	1,165	8,808	1,579	4,321	189	30,704
Year ended 31 December 2023							
Opening net book amount	14,642	1,165	8,808	1,579	4,321	189	30,704
Exchange differences	–	(1)	(*)	(*)	–	–	(1)
Additions	5,605	1,395	4,737	52	127	61,537	73,453
Transfers	1,116	–	–	–	–	(1,116)	–
Disposals	–	–	(3)	–	–	–	(3)
Depreciation charge (Note 8(b))	(2,997)	(509)	(3,827)	(425)	(2,151)	–	(9,909)
Closing net book amount	18,366	2,050	9,715	1,206	2,297	60,610	94,244
As at 31 December 2023							
Cost	28,166	3,719	19,534	3,030	9,236	60,610	124,295
Accumulated depreciation	(9,800)	(1,669)	(9,819)	(1,824)	(6,939)	–	(30,051)
Net book amount	18,366	2,050	9,715	1,206	2,297	60,610	94,244
Year ended 31 December 2024							
Opening net book amount	**18,366**	**2,050**	**9,715**	**1,206**	**2,297**	**60,610**	**94,244**
Exchange differences	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Additions	**7,621**	**2,250**	**11,151**	**87**	**643**	**204,321**	**226,073**
Transfers	**12,262**	**–**	**1,046**	**–**	**–**	**(13,401)**	**(93)**
Disposals	**–**	**(4)**	**(18)**	**(1)**	**–**	**–**	**(23)**
Depreciation charge (Note 8(b))	**(4,255)**	**(670)**	**(4,538)**	**(316)**	**(1,936)**	**–**	**(11,715)**
Closing net book amount	**33,994**	**3,626**	**17,356**	**976**	**1,004**	**251,530**	**308,486**
As at 31 December 2024							
Cost	**47,913**	**5,880**	**31,740**	**3,110**	**8,866**	**251,530**	**349,039**
Accumulated depreciation	**(13,919)**	**(2,254)**	**(14,384)**	**(2,134)**	**(7,862)**	**–**	**(40,553)**
Net book amount	**33,994**	**3,626**	**17,356**	**976**	**1,004**	**251,530**	**308,486**

* The balance represents an amount less than RMB1,000.

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14 PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Depreciation of property, plant and equipment charged to profit or loss is analysed as follows:

	Year ended 31 December 2024 *RMB'000*	2023 *RMB'000*
Research and development expenses	**6,586**	5,471
Cost of sales	**4,246**	3,687
Administrative expenses	**862**	730
Selling expenses	**21**	21
	11,715	9,909

15 INTANGIBLE ASSETS

	Automotive technology license (a) *RMB'000*	Software *RMB'000*	Total *RMB'000*
As at 1 January 2023			
Cost	–	12,538	12,538
Accumulated amortisation	–	(7,679)	(7,679)
Net book amount	–	4,859	4,859
Year ended 31 December 2023			
Opening net book amount	–	4,859	4,859
Additions	–	10,605	10,605
Amortisation charge (Note 8(b))	–	(4,228)	(4,228)
Closing net book amount	–	11,236	11,236
As at 31 December 2023			
Cost	–	23,143	23,143
Accumulated amortisation	–	(11,907)	(11,907)
Net book amount	–	11,236	11,236
Year ended 31 December 2024			
Opening net book amount	**–**	**11,236**	**11,236**
Additions	**31,132**	**3,149**	**34,281**
transfer	**–**	**93**	**93**
Amortisation charge (Note 8(b))	**(4,151)**	**(3,455)**	**(7,606)**
Closing net book amount	**26,981**	**11,023**	**38,004**
As at 31 December 2024			
Cost	**31,132**	**26,385**	**57,517**
Accumulated amortisation	**(4,151)**	**(15,362)**	**(19,513)**
Net book amount	**26,981**	**11,023**	**38,004**

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15 INTANGIBLE ASSETS (Continued)

(a) Acquisition of the automotive technology license (the "License"):

The Group accounted for the acquisition of the License as an addition to intangible asset with a total cost of approximately RMB31,132,000. The cash consideration of RMB31,132,000 was fully paid in 2024.

(b) Amortisation of intangible assets has been charged to profit or loss for the years ended 31 December 2024 and 2023 as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Research and development expenses	**5,516**	3,261
Administrative expenses	**703**	608
Cost of sales	**1,387**	359
	7,606	4,228

16 OTHER NON-CURRENT ASSETS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Contract fulfillment costs (a)	**1,825**	529
Less: provisions for impairment of contract fulfillment costs (Note 20)	**–**	–
	1,825	529
Prepayment for property, plant and equipment	**7,148**	14,926
Capitalised upfront fee (b)	**5,250**	7,000
Less: Non-current capitalised upfront fee to be amortised within one year (Note 20)	**(1,750)**	(1,750)
	3,500	5,250
Loans to directors (c)	**13,936**	–
	26,409	20,705

(a) The amortisation of contract fulfillment costs charged to cost of sales was RMB31,503,000 (2023: RMB39,195,000) for the year ended 31 December 2024.

(b) Capitalised upfront fee represents the payments to customers made by the Group when the customers first entered into a contract with the Group, which are amortised as a reduction of revenue over the expected transfer of relevant goods and services. The amount of amortisation recognised as a reduction of revenue was RMB1,750,000 (2023: RMB3,583,000) for the year ended 31 December 2024.

As at 31 December 2024, there have been no impairment losses in relation to the capitalised upfront fee.

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16 OTHER NON-CURRENT ASSETS (Continued)

(c) On July 2024, the Company (as the lender) entered into loan agreements with Mr. Song Yang and another director of the Company, pursuant to which the Company agreed to grant the loans in the amount of RMB11,000,000 to Mr. Song Yang and RMB2,700,000 to another director in accordance with the terms and conditions of the loan agreement. The interest rate on the loan is 3.45% per annum with a fixed term of 3 years.

17 INVENTORIES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Raw materials	**145,526**	205,824
Work in progress	**9,840**	880
Finished goods	**146,283**	49,937
	301,649	256,641
Less: provisions for impairment	**(2,706)**	(624)
	298,943	256,017

Raw materials primarily consist of materials for volume production which will be transferred into production cost when incurred as well as using for research and development.

Finished goods include products ready for transit at production plants and products delivered to customers but acceptance has not been obtained yet.

During the year ended 31 December 2024, inventories recognised as cost of sales amounted to approximately RMB1,131,190,000 (2023: RMB1,046,150,000), and the provision for impairment of inventories as recognised for the respective years amounted to approximately RMB2,563,000 (2023: RMB602,000). All these expenses and impairment charge have been included in "cost of sales" in the consolidated statement of profit or loss and other comprehensive loss.

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18 TRADE RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables (a)		
Due from third parties	**227,360**	222,813
Loss allowance	**(5,239)**	(3,720)
Total	**222,121**	219,093

The carrying amounts of the Group's trade receivables, excluding loss allowance, are denominated in the following currencies:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
RMB	**220,014**	217,944
USD	**7,333**	4,869
EUR	**13**	–
	227,360	222,813

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18 TRADE RECEIVABLES (Continued)

(a) Trade receivables

(i) Aging analysis of the trade receivables

As at 31 December 2024 and 2023, the aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**206,577**	213,474
3 to 6 months	**7,132**	8,098
6 to 12 months	**658**	–
Over 12 months	**12,993**	1,241
Total	**227,360**	222,813

(ii) Fair values of the trade receivables

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

(iii) Impairment and risk exposure

Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Details of the allowance for impairment and the movement in the allowance balance has been set out in Note 3.1(b).

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19 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The financial assets at fair value through other comprehensive income comprise:

- Debt securities where the contractual cash flows are solely principal and interest and the objective of the group's business model is achieved both by collecting contractual cash flows and selling financial assets.

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current		
Debt investments		
– bank acceptance notes (a)	**95,768**	7,098

(a) As at 31 December 2024, notes receivable were bank acceptance notes aged less than six months.

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20 OTHER CURRENT ASSETS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Other receivables (a)		
– Refundable deposits (i)	**3,752**	5,403
– Payments on behalf of employees	**338**	60
– Others	**3,433**	571
	7,523	6,034
Loss allowance	**(450)**	(70)
	7,073	5,964
Prepayments for (b)		
– raw materials to third parties	**109**	549
– capitalised upfront fee (Note 16)	**1,750**	1,750
– other operating expenses	**10,891**	4,430
	12,750	6,729
Contract fulfillment costs	**42,649**	47,124
Less: provisions for impairment of contract fulfillment costs	**(2,249)**	(2,465)
	40,400	44,659
Input VAT to be deducted (c)	**33,177**	19,770
Total other current assets	**93,400**	77,122

As at 31 December 2024, the fair values of other current assets of the Group, except for the prepayments and input VAT to be deducted which are not financial assets, approximated their carrying amounts.

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20 OTHER CURRENT ASSETS (Continued)

(a) Other receivables

(i) Refundable deposits

Refundable deposits consist primarily of security deposits for rental of buildings and customs deposits.

Credit risk in respect of other receivables is limited since the balance mainly loans to directors and deposits to landlord. The Company measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. The Company assessed that there is no significant loss allowance recognised in accordance with IFRS 9 for other receivables as at 31 December 2024 and 2023.

(b) Prepayments

The prepayments represented prepayments to third parties during the reporting period.

(c) Input VAT to be deducted

Input VAT to be deducted are mainly input VAT arisen from the acquisition of property, plant and equipment, intangible assets and materials. According to Announcement of the General Administration of Taxation and Customs of the Ministry of Finance on Policies for Deepening the Reform of Value-Added Tax (Announcement of the General Administration of Taxation and Customs of the Ministry of Finance, (2019) No. 39), enterprises with value-added tax recoverable balance can, starting from 1 April 2019, apply for value-added tax credit refund.

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21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Classification of financial assets at FVPL

The Group classifies the followings as financial assets at FVPL:

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the Group has not elected to recognise fair value gains and losses through OCI.

The Group's financial assets measured at FVPL include the following:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Non-current assets		
Unlisted investment with preferred rights (a)	**4,778**	3,517
Current assets		
Investments in wealth management products issued by banks and financial institutes (b)	**113,352**	109,733
Investment in private funds (c)	**110,556**	118,544
	223,908	228,277

Information about the Group's exposure to financial risk and information about the methods and assumptions used in determining fair value of these financial assets at FVPL are set out in Note 3.3(c).

(a) In November 2021, the Group purchased 1.11% equity interest of Lingti Technology (Shanghai) Co., Ltd. (领钛科技(上海)有限公司) ("Lingtai") with total consideration of RMB3,000,000, which is recorded as investment measured at fair value through profit or loss. Lingtai is a company specializing in the development of millimeter wave sensor chips and relative module solutions of algorithm software.

(b) The principals and returns of the wealth management products are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, the wealth management products issued by banks and financial institutes are measured at fair value through profit or loss.

(c) The investments represented two private funds. Subsequently in January 2025, the Group has redeemed approximately RMB23,800,000 of the investments.

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22 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cash at banks	**215,114**	720,759
Less: restricted cash (b)	**(34,000)**	(306)
Cash and cash equivalents	**181,114**	720,453

The maximum exposure to credit risk at the reporting date is the carrying values of cash and cash equivalents and restricted cash as mentioned above.

(b) Restricted cash

As at 31 December 2024, restricted cash with amount of RMB34,000,000 represented cash in transit used to purchase wealth management products.

As at 31 December 2023, restricted cash with amount of RMB306,000 were government grants reserved in separate account, mainly for subsidizing the Group's purchases of equipment, which can not be withdrawn without prior application.

Cash and cash equivalents are denominated in:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
RMB	**28,988**	157,530
HKD	**148,667**	514,761
USD	**2,792**	48,050
EUR	**667**	112
	181,114	720,453

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23 SHARE CAPITAL

A summary of movements in the Company's authorised, issued and fully paid share capital is as follows:

	Number of authorised/Issued shares	Share capital *RMB'000*
As at 1 January 2024	**226,330,340**	**226,330**
Placing of new shares (a)	**4,427,000**	**4,427**
As at 31 December 2024	**230,757,340**	**230,757**
As at 1 January 2023	10,210,717	10,211
Capitalisation Issue (b)	194,003,623	194,003
Issuance of ordinary shares upon global offering (c)	22,116,000	22,116
As at 31 December 2023	226,330,340	226,330

(a) On 25 November 2024, the Company entered into a placing agreement (the "Placing Agreement") with Guotai Junan Securities (Hong Kong) Limited (as the placing agent) (the "Placing Agent"). Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six placees who are professional, institutional and/or other investors and who were independent of, and not connected with the Company and its connected persons, to purchase up to an aggregate of 4,427,000 new H Shares (the "Placing Shares") at the placing price of HK$17.58 per Placing Share, exclusive of applicable brokerage, trading fees, transaction fees and levies. On December 2, 2024, the Company completed the allotment and issue of the Placing Shares under general mandate to not less than six places pursuant to the Placing Agreement. Upon completion, the total issued Shares of the Company increased from 226,330,340 Shares to 230,757,340 Shares with a nominal value of RMB1.0 each.

(b) On March 23 2023, the Shareholders of the Company passed a resolution approving the capitalisation of RMB194,003,623 from the share premium reserve for the issuing of 194,003,623 Shares with a nominal value of RMB1.0 each to the Shareholders at that time on a pro rata basis (the "Capitalisation Issue"). Upon completion, the total issued Shares of the Company increased from 10,210,717 Shares to 204,214,340 Shares with a nominal value of RMB1.0 each.

(c) On 20 December 2023, the Company has completed a global offering of 22,116,000 H Shares of par value of RMB1.00 each at the price of HK$29.65 per H Share.

Share issuance costs related to the global offering mainly include share underwriting commissions, lawyers' fees, reporting accountant's fee and other costs. Incremental costs that are directly attributable to the issue of the new shares amounting to approximately RMB35,364,000 was treated as a deduction against the share premium arising from the issuance.

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24 RESERVES

	Share premium RMB'000	Special reserves RMB'000	Reserves Other reserves RMB'000	Foreign currency translation RMB'000	Total RMB'000
As at 1 January 2023	666,951	–	14,599	–	681,550
Capitalisation Issue (Note 23(b))	(194,003)	–	–	–	(194,003)
Issuance of ordinary shares upon global offering (Note 23(c))	539,236	–	–	–	539,236
Share-based payment (Note 25)	–	–	90,989	–	90,989
Currency translation differences	–	–	–	8	8
Provision of safety fund surplus reserve (b)	–	362	–	–	362
Utilisation of safety fund surplus reserve (b)	–	(362)	–	–	(362)
As at 31 December 2023	1,012,184	–	105,588	8	1,117,780
As at 1 January 2024	**1,012,184**	**–**	**105,588**	**8**	**1,117,780**
Placing of new shares (Note 23(a))	**63,211**	**–**	**–**	**–**	**63,211**
Currency translation differences	**–**	**–**	**–**	**17**	**17**
Provision of safety fund surplus reserve (b)	**–**	**267**	**–**	**–**	**267**
Utilisation of safety fund surplus reserve (b)	**–**	**(267)**	**–**	**–**	**(267)**
As at 31 December 2024	**1,075,395**	**–**	**105,588**	**25**	**1,181,008**

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(Expressed in RMB unless otherwise indicated)

24 RESERVES (Continued)

(a) The Group recorded other reserves to reflect the contributions from shareholders for share award schemes of employees (Note 25).

(b) According to the Administrative Measures for the Collection and Utilisation of Enterprise Work Safety Funds (Cai Zi [2022] No. 136) jointly issued by the Ministry of Finance and the State Administration of Emergency Management, the subsidiary of the Group, iMotion Electronics Technology (Suzhou) Co., Ltd. is required to establish a safety fund surplus reserve based on a certain percentage of the prior year's revenue during the year ended 31 December 2024.

25 SHARE-BASED PAYMENT

(a) Share award schemes

Suzhou Lanchi Enterprise Management L.P. (蘇州藍馳管理諮詢企業(有限合夥)) ("Suzhou Lanchi") and Suzhou Zichi Enterprise Management L.P. (蘇州紫馳管理諮詢企業(有限合夥)) ("Suzhou Zichi"), (collectively referred to as the "Vehicles") were incorporated in the PRC under the Company Law of the PRC as a vehicle to hold the ordinary shares for the Company's employees under the Employee Share Ownership Plan (the "ESOP").

As the Company did not have power to govern the relevant activities of the Vehicles nor repurchase or settlement obligations but only derive benefits from the contributions of the eligible employees who are awarded with the shares under the ESOP, the directors of the Company consider it does not control and not to consolidate the Vehicles. No statutory financial statements had been prepared by the Vehicles during the year ended 31 December 2024.

In July 2022, 145,195 RSUs were granted to certain directors, managements and employees (the "Grantees") at a consideration of RMB4.75 per share under the ESOP through Suzhou Lanchi and Suzhou Zichi as rewards for their services, full time devotion and professional expertise to the Group.

In February 2023, 137,700 RSUs were granted to certain directors, managements and employees (the "Grantees") at a consideration of RMB4.75 per share under the ESOP through Suzhou Lanchi and Suzhou Zichi as rewards for their services, full time devotion and professional expertise to the Group.

The fair value of the restricted shares granted to employees is determined by using the discounted cash flow method and back-solve method to determine the underlying equity fair value of the Company and equity allocation based on Option Pricing Model ("OPM") model to determine the fair value of common shares. Significant estimates on key assumptions, such as risk-free interest rate, volatility, and dividend yield are made based on management's best estimates.

Notes to the Consolidated Financial Statements
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25 SHARE-BASED PAYMENT (Continued)

(a) Share award schemes (Continued)

All the shares granted mentioned above are vested if Grantees remain as employees of the Group as at the IPO date. Therefore, all the shares are granted and vested as at and 31 December 2023.

In July 2024, the Company adopted a share award scheme (the "Share Award Scheme") for H shares of the Company, 2,154,000 shares were granted to certain directors, managements and employees (the "Grantees") at a consideration of RMB5.00 per share to provide incentives to retain them for their contributions to the ongoing operation and development of the Group. As at 31 December 2024, nil was vested for the above mentioned shares.

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Share-based payment expenses	**–**	85,105

26 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Financial assets		
Financial assets at amortised cost:		
– Trade receivables (Note 18)	**222,121**	219,093
– Other receivables (Note 20)	**7,073**	5,964
– Cash and cash equivalents (Note 22)	**181,114**	720,453
– Restricted cash (Note 22)	**34,000**	306
Financial assets at FVPL (Note 21)	**228,686**	231,794
Financial assets at FVOCI (Note 19)	**95,768**	7,098
	768,762	1,184,708
Financial liabilities		
Liabilities at amortised cost:		
– Borrowings (Note 27)	**314,898**	225,657
– Trade and notes payables (Note 31)	**114,918**	185,528
– Other payables and accruals (excluding payroll and welfare payables and other tax payables) (Note 32)	**146,996**	76,750
– Lease liabilities (Note 13)	**3,497**	2,427
Derivative financial instruments (Note 30)	**–**	293
	580,309	490,655

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(Expressed in RMB unless otherwise indicated)

26 FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at end of the reporting period is the carrying amount of each class of financial assets mentioned above.

27 BORROWINGS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Borrowings included in non-current liabilities:		
Secured		
Bank borrowings (a)	**170,173**	24,159
Borrowings included in current liabilities:		
Unsecured		
Bank borrowings (b)	**114,500**	140,967
Other loans (c)	**30,000**	35,414
Bills payable (d)	**–**	24,933
Interest payables	**225**	184
	144,725	201,498
Total borrowings	**314,898**	225,657

(a) The Group has pledged its land use rights with carrying amounts of approximately RMB30,524,000 (31 December 2023: RMB31,659,000) to bank as the security for the long-term bank borrowings of RMB170,173,000 (31 December 2023: RMB24,159,000) as at 31 December 2024. The Group's long-term interest bearing borrowings were RMB-denominated borrowings with floating rates linked to Loan Prime Rate ("LPR"). Interest is payable quarterly. The principal for the borrowings are payable in batches from 21 June 2026 to 14 November 2033.

(b) As at 31 December 2024, the Company had short-term borrowings from a PRC bank with amounts totalling RMB114,500,000 (31 December 2023: RMB140,967,000) and effective interest rates from 2.58% to 2.95% per annum (31 December 2023: 2.95%), respectively.

As at 31 December 2023, the Company had short-term borrowings from a PRC bank with amounts totalling USD6,500,000 and an effective interest rate of 5.75% per annum.

(c) As at 31 December 2024, borrowings of RMB30,000,000 comprise of short-term borrowings as obtained from financing of letter of credit.

As at 31 December 2023, the Company had import bill advance paid by a PRC bank with amounts totalling RMB35,414,000 and an effective interest of 2.75% per annum.

(d) As at 31 December 2023, borrowings of RMB24,933,000 comprise of short-term borrowings as obtained from the discounting of bank acceptance notes. The Group recognised the cash obtained from the discount of notes receivable that did not satisfy the derecognition criteria as short-term borrowings and the interests thereon was calculated based on the effective interest rate method and included as borrowing interest expenses.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

27 BORROWINGS (Continued)

(e) Other disclosures

During the years ended 31 December 2024 and 2023, the Group had not been in violation of any of the covenants nor subject to material financial covenants pursuant to the applicable borrowing agreements that the Group entered with the lenders.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity date, whichever is earlier, were as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Less than 6 months	**44,500**	24,933
Between 6 and 12 months	**100,000**	176,381
Between 2 and 5 years	**170,173**	24,159
	314,673	225,473

The fair values of borrowings approximate their carrying amount as the discounting impact is not significant.

As at 31 December 2024 and 2023, the Group had the following undrawn bank facilities:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
RMB facilities	**509,827**	472,094

28 PROVISIONS

	As at 31 December	
	2024	*2023*
	RMB'000	*RMB'000*
Non-current		
Warranties (ii)	**7,983**	6,968
	7,983	6,968
Current		
Onerous contract to be executed (i)	**700**	1,039
Warranties	**3,992**	3,692
	4,692	4,731
	12,675	11,699

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

28 PROVISIONS (Continued)

(i) The Group entered into irrevocable contracts with certain customers to provide autonomous driving related R&D services. The costs estimated to execute the contracts exceed the expected revenue to be received under the contracts. As at 31 December 2024, the Group has recognised provision for any excess of unavoidable costs over expected benefits after the contract fulfillment cost have been tested for impairment (Note 20).

(ii) The Group provides warranties for certain products and undertakes the obligation to repair or replace items that fail to perform satisfactorily. The amount of provisions for product warranties is estimated based on the sales volume and industry experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and is revised when appropriate.

The movements of the Group's provisions are analysed as follows:

	Onerous contract to be executed *RMB'000*	**Warranties** *RMB'000*	**Total** *RMB'000*
As at 1 January 2024	**1,039**	**10,660**	**11,699**
Provisions for the year	**700**	**11,564**	**12,264**
Amounts utilised during the year	**(1,039)**	**(10,249)**	**(11,288)**
As at 31 December 2024	**700**	**11,975**	**12,675**
As at 1 January 2023	1,700	2,843	4,543
Provisions for the year	–	11,663	11,663
Amounts utilised during the year	(661)	(3,846)	(4,507)
As at 31 December 2023	1,039	10,660	11,699

29 DEFERRED INCOME

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Government grants	**3,066**	3,548

The Group received these government grants mainly for subsidizing the Group's purchases of equipment for research and development, which were recorded as deferred income and credited to profit or loss on a straight-line basis over the useful lives of the related equipment.

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30 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Foreign exchange options contract	–	293

As at 31 December 2023, the Company entered into one foreign exchange options contract with total principal amounts of USD5,000,000. The options contracts were all settled in 2024.

31 TRADE AND NOTES PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables		
– Payables for materials	**114,918**	184,649
Notes payables (a)		
– Payables for materials	–	879
	114,918	185,528

Notes to the Consolidated Financial Statements

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31 TRADE AND NOTES PAYABLES (Continued)

(a) The notes payables have maturity terms ranging from 2 to 6 months.

(b) The carrying amounts of trade payables approximate their fair values due to their short-term maturity in nature.

(c) The aging analysis of the trade payables based on purchase date at the end of each reporting period is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Up to 1 year	**114,918**	184,649
	114,918	184,649

32 OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Payroll and welfare payables	**36,797**	28,994
Accruals	**39,019**	7,144
Other taxes payables	**2,762**	1,851
Payables for purchases of property, plant and equipment	**82,816**	26,306
Accrued listing expenses	**–**	18,020
Others (a)	**25,161**	25,280
	186,555	107,595
Less: non-current portion (b)	**–**	(2,155)
	186,555	105,440

(a) The Group agreed to collect service fees from an OEM customer and pay on behalf of the customer to a supplier, who provided part of the R&D services in relation to its hardware and software used in autonomous driving products. As at 31 December 2024, the service fees collected by the Company from the customer but unpaid to the supplier were approximately RMB21,990,000 (2023: RMB21,713,000).

(b) The Group makes the payment based on the pre-determined payment milestone in the acquisition contracts of certain softwares. In August 2023, the Company has agreed with the supplier to specify the payment schedule of unpaid amounts. Accordingly, the Company has or will pay USD200,000, USD250,000 and USD300,000 to the supplier in November 2023, 2024 and 2025, respectively. As a result, as at 31 December 2023, USD300,000 of unpaid amount which would be settled beyond 12 months were reclassified to non-current portion of other payables and accruals.

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33 CASH FLOW INFORMATION

(a) Reconciliation of loss before income tax to net cash used in operations

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss before income tax	**(288,339)**	(195,108)
Adjustments for:		
(Reversal of impairment losses)/net impairment losses on financial assets (Note 3.1)	**1,899**	(1,601)
Depreciation of property, plant and equipment (Note 14)	**11,715**	9,909
Depreciation of right-of-use assets (Note 13)	**5,659**	3,469
Amortisation of intangible assets (Note 15)	**7,606**	4,228
Net gains on disposals of property, plant and equipment, intangible assets (Note 7)	**21**	(87)
Provisions for impairment of inventories	**2,563**	602
Provisions for impairment of contract fulfillment costs	**593**	617
Share-based payment expenses (Note 25)	**–**	85,105
Net fair value gains/(losses) on financial assets at FVPL (Note 7)	**1,511**	(9,296)
Net fair value (losses)/gains on derivative financial instruments (Note 7)	**(169)**	293
Finance costs/(income) – net	**145**	(1,763)
Amortisation of government grants	**(482)**	(311)
Net foreign exchange differences	**(3,303)**	1,650
Operating loss before changes in working capital:	**(260,581)**	(102,293)
(Increase)/decrease in inventories	**(45,008)**	15,367
(Increase)/decrease in trade and notes receivables	**(10,233)**	64,817
Increase in other assets	**(11,931)**	(26,730)
(Increase)/decrease in restricted cash	**(33,694)**	528
(Increase)/decrease in other operating assets	**(21,999)**	12,267
Decrease in trade payables	**(70,385)**	(252,889)
Increase in other payables and accruals	**32,572**	38,066
Increase/(decrease) in contract liabilities	**10,191**	(21,188)
Increase in provisions	**976**	7,156
Net cash used in operations	**(410,092)**	(264,899)

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33 CASH FLOW INFORMATION (Continued)

(b) Major non-cash investing and financing activities

Major non-cash investing and financing activities disclosed in other notes are:

- additions to right-of-use assets in respect of leased buildings (Note 13).
- Purchase of inventories by bank acceptance notes.

(c) Net cash

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cash and cash equivalents (Note 22)	**181,114**	720,453
Financial assets at fair value through profit or loss (Note 21)	**228,686**	231,794
Lease liabilities (Note 13)	**(3,497)**	(2,427)
Borrowings (Note 27)	**(314,898)**	(225,657)
Net cash	**91,405**	724,163

Notes to the Consolidated Financial Statements

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33 CASH FLOW INFORMATION (Continued)

(d) Reconciliation of liabilities from financing activities

	Lease liabilities *RMB'000*	Borrowings *RMB'000*	Total *RMB'000*
As at 1 January 2024	**2,427**	**225,657**	**228,084**
Cash flows	**(4,226)**	**81,767**	**77,541**
New leases	**5,165**	**–**	**5,165**
Interest expenses	**131**	**7,474**	**7,605**
As at 31 December 2024	**3,497**	**314,898**	**318,395**
As at 1 January 2023	4,913	49,004	53,917
Cash flows	(3,860)	175,476	171,616
New leases	1,205	–	1,205
Interest expenses	169	1,177	1,346
As at 31 December 2023	2,427	225,657	228,084

34 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related because they are subject to common control, common significant influence or joint control in the controlling shareholder's families. Members of key management and their close family member of the Group are also considered as related parties.

(a) Key management personnel compensation

The directors consider the key management personnel to be the members of the Board of Directors of the Company who have responsibilities for planning, directing and controlling the activities of the Group. Their compensations are disclosed in Note 35(a).

(b) Financing arrangements

	Amounts owed by the group to related parties as at 31 December	
	2024 ***RMB'000***	2023 RMB'000
Loans to members of key management personnel and related interests (i)	**13,936**	–

Notes:

(i) No loss allowances have been made in respect of these loans.

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35 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors and supervisors

Details of the emoluments paid or payable to the directors and supervisors for the years ended 31 December 2024 and 2023 are set out as follows:

	Fees *RMB'000*	Wages and salaries *RMB'000*	Discretionary bonuses *RMB'000*	Share-based payment *RMB'000*	Pension obligations, housing funds, medical insurances and other social insurances *RMB'000*	Total *RMB'000*
Year ended 31 December 2024						
Name of directors:						
Mr. Song Yang (i)	–	1,740	306	–	99	2,145
Mr. Li Shuangjiang (ii)	–	870	67	–	99	1,036
Mr. Lu Yukun (iii)	–	1,136	162	–	99	1,397
Mr. Li Chengsheng (iv)	–	–	–	–	–	–
Mr. Tao Zhixin (vi)	–	–	–	–	–	–
Mr. Yang Yuankui (vii)	–	–	–	–	–	–
Mr. Zhang Weigong (viii)	100	–	–	–	–	100
Mr. Liu Yong (x)	100	–	–	–	–	100
Ms. Xue Rui (xi)	120	–	–	–	–	120
	320	3,746	535	–	297	4,898
Name of supervisor:						
Mr. Luo Hong (xii)	–	894	89	–	99	1,082
Mr. Wang Bingjie (xiii)	–	824	148	–	99	1,071
Mr. Zhu Qinghua (xiv)	–	1,006	144	–	99	1,249
	–	2,724	381	–	297	3,402

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35 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors and supervisors (Continued)

	Fees *RMB'000*	Wages and salaries *RMB'000*	Discretionary bonuses *RMB'000*	Share-based payment *RMB'000*	Pension obligations, housing funds, medical insurances and other social insurances *RMB'000*	Total *RMB'000*
Year ended 31 December 2023						
Name of directors:						
Mr. Song Yang (i)	–	1,392	305	–	90	1,787
Mr. Li Shuangjiang (ii)	–	720	155	–	90	965
Mr. Lu Yukun (iii)	–	930	200	10,323	90	11,543
Mr. Li Chengsheng (iv)	–	–	–	–	–	–
Mr. Fan Ze (v)	–	–	–	–	–	–
Mr. Tao Zhixin (vi)	–	–	–	–	–	–
Mr. Yang Yuankui (vii)	–	–	–	–	–	–
Mr. Zhang Weigong (viii)	100	–	–	–	–	100
Mr. Yang Xiaojian (ix)	100	–	–	–	–	100
Mr. Liu Yong (x)	23	–	–	–	–	23
Ms. Xue Rui (xi)	4	–	–	–	–	4
	227	3,042	660	10,323	270	14,522
Name of supervisor:						
Mr. Luo Hong (xii)	–	860	185	826	90	1,961
Mr. Wang Bingjie (xiii)	–	740	166	3,411	90	4,407
Mr. Zhu Qinghua (xiv)	–	930	200	3,178	90	4,398
	–	2,530	551	7,415	270	10,766

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35 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors and supervisors (Continued)

(i) Mr. Song Yang was reappointed as the executive Director and Chairman on 17 November 2022.

(ii) Mr. Li Shuangjiang was reappointed as an executive Director on 17 November 2022.

(iii) Mr. Lu Yukun was appointed as the director of the Company on 31 August 2018 and reappointed as an executive Director on 17 November 2022.

(iv) Mr. Li Chengsheng was reappointed as a non-executive Director on 17 November 2022.

(v) Mr. Fan Ze resigned from the Company's director on 23 March 2023.

(vi) Mr. Tao Zhixin was appointed as the non-executive Director on 17 November 2022.

(vii) Mr. Yang Yuankui was appointed as the director of the Company on 23 March 2023.

(viii) Mr. Zhang Weigong was appointed as an independent non-executive director of the Company on 17 November 2022.

(ix) Mr. Yang Xiaojian resigned from the Company's independent non-executive director on 23 March 2023.

(x) Mr. Liu Yong was appointed as an independent non-executive director of the Company on 17 November 2022.

(xi) Ms. Xue Rui was appointed as an independent non-executive director of the Company on 20 December 2023.

(xii) Mr. Luo Hong was appointed as the supervisor of the Company on 31 August 2018.

(xiii) Mr. Wang Binjie was appointed as a supervisor on 17 November 2022.

(xiv) Mr. Zhu Qinghua was appointed as the supervisor of the Company on 17 November 2022.

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35 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(b) Directors and supervisors' retirement benefits

None of the directors or supervisors received any retirement benefits during the years ended 31 December 2024 and 2023.

(c) Directors and supervisors' termination benefits

None of the directors or supervisors received any termination benefits during the years ended 31 December 2024 and 2023.

(d) Consideration provided to third parties for making available directors and supervisors' services

During the years ended 31 December 2024 and 2023, the Company did not pay consideration to any third parties for making available directors or supervisors' services.

(e) Information about loans, quasi-loans and other dealings in favor of directors, supervisors and bodies corporate controlled by or entities connected with directors

On July 2024, the Company (as the lender) entered into loan agreements with Mr. Song Yang and another director of the Company, pursuant to which the Company agreed to grant the loans in the amount of RMB11,000,000 to Mr. Song Yang and RMB2,700,000 to another director in accordance with the terms and conditions of the loan agreement.

There were no loans, quasi-loans and other dealings in favor of directors, supervisors or controlled bodies corporate by and connected entities with such directors or supervisors during the years ended 31 December 2023.

(f) Directors and supervisors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director or supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

36 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Property, plant and equipment	**61,562**	151,363

37 CONTINGENCIES

As at 31 December 2024, there were no significant contingency items for the Group.

38 DIVIDEND

No dividend has been paid or declared by the Company or subsidiaries of the Company during the years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

39 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Financial position of the Company

	As at 31 December	
	2024	*2023*
	RMB'000	*RMB'000*
ASSETS		
Non-current assets		
Property, plant and equipment	**304,930**	88,976
Right-of-use assets	**31,885**	33,488
Intangible assets	**37,886**	11,209
Investments in subsidiaries	**114,387**	68,684
Other non-current assets	**26,306**	20,705
	515,394	223,062
Current assets		
Inventories	**91,919**	152,530
Other current assets	**79,982**	78,487
Trade receivables	**399,388**	266,354
Financial assets at fair value through profit or loss	**223,908**	228,277
Financial assets at fair value through other comprehensive income	**95,768**	7,098
Restricted cash	**34,000**	306
Cash and cash equivalents	**175,976**	717,678
	1,100,941	1,450,730
Total assets	**1,616,335**	1,673,792
EQUITY		
Share capital	**230,757**	226,330
Reserves	**1,180,983**	1,117,772
Accumulated losses	**(481,862)**	(214,147)
Total equity	**929,878**	1,129,955

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

39 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Financial position of the Company (Continued)

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
LIABILITIES		
Non-current liabilities		
Other payables and accruals	–	2,155
Borrowings	**170,173**	24,159
Lease liabilities	–	339
Contract liabilities	–	1,450
Provisions	**7,983**	6,968
Deferred income	**3,066**	3,548
	181,222	38,619
Current liabilities		
Trade and notes payables	**154,297**	197,045
Other payables and accruals	**177,934**	115,016
Contract liabilities	**22,279**	10,348
Borrowings	**144,725**	176,552
Lease liabilities	**1,308**	1,233
Derivative financial instruments	–	293
Provisions	**4,692**	4,731
	505,235	505,218
Total liabilities	**686,457**	543,837
Total equity and liabilities	**1,616,335**	1,673,792
Net current assets	**595,706**	945,512

Approved and authorised for issue by the board of directors on 26 March 2025.

Director *General Manager of Finance*

Notes to the Consolidated Financial Statements

(Expressed in RMB unless otherwise indicated)

39 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

		Reserves	
	Share premium	**Other reserves**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2024	**1,012,184**	**105,588**	**1,117,772**
Placing of new shares (Note 23(a))	**63,211**	**–**	**63,211**
As at 31 December 2024	**1,075,395**	**105,588**	**1,180,983**
As at 1 January 2023	666,951	14,599	681,550
Capitalisation Issue (Note 23(a))	(194,003)	–	(194,003)
Issuance of ordinary shares upon global offering (Note 23(c))	539,236	–	539,236
Share-based payment (Note 25)	–	90,989	90,989
As at 31 December 2023	1,012,184	105,588	1,117,772

40 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, on 17 February 2025, the Company completed the allotment and issue of the 11,920,200 new H shares under general mandate to not less than six placees pursuant to the 2025 Placing Agreement. The net proceeds from the placing (after deducting all fees, costs and expenses incurred by the Company in connection with the placing including the commission and levies) amount to approximately HK$228.37 million.

Financial Summary

Financial Summary

A Summary of our results and assets and liabilities of our Group for the last five financial years, as extracted from the audited financial statements of our Group is set out below:

	Year ended 31 December				
	2020	2021	2022	2023	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Revenue	47,655	178,258	1,325,882	1,216,287	**1,247,721**
Cost of sales	(38,059)	(141,475)	(1,215,309)	(1,095,334)	**(1,156,895)**
Gross profit	9,596	36,783	110,573	120,953	**90,826**
Selling expenses	(3,046)	(9,403)	(27,681)	(32,277)	**(30,393)**
Administrative expenses	(8,591)	(29,715)	(41,517)	(83,918)	**(57,497)**
Research and development expenses	(44,141)	(54,948)	(104,047)	(216,624)	**(280,651)**
(Net impairment)/reversal of impairment losses on financial assets	(90)	(1,453)	(3,717)	1,601	**(9,418)**
Other income	3,716	3,421	4,710	7,676	**5,908**
Other (losses)/gains – net	(387)	4,929	(628)	5,718	**(6,969)**
Operating loss	(42,943)	(50,386)	(62,307)	(196,871)	**(288,194)**
Finance income	9	94	100	3,109	**5,109**
Finance costs	(10,893)	(413,907)	(280,169)	(1,346)	**(5,254)**
Finance (costs)/income – net	(10,884)	(413,813)	(280,069)	1,763	**(145)**
Loss before income tax	(53,827)	(464,199)	(342,376)	(195,108)	**(288,339)**
Income tax expense	–	–	–	–	**–**
Loss for the year	(53,827)	(464,199)	(342,376)	(195,108)	**(288,339)**
Loss and total comprehensive loss for the year attributable to the equity holders of the Company	(53,824)	(464,205)	(342,376)	(195,100)	**(288,322)**

Financial Summary

Financial Summary (Continued)

	As at 31 December				
	2020	2021	2022	2023	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Total current assets	73,580	446,235	1,155,498	1,508,366	**1,149,254**
Total non-current assets	33,639	70,269	95,903	164,186	**411,668**
Total assets	107,219	516,504	1,251,401	1,672,552	**1,560,922**
Total current liabilities	56,095	156,618	572,448	509,934	**476,128**
Total non-current liabilities	167,481	918,220	12,486	38,910	**181,770**
Total liabilities	223,576	1,074,838	584,934	548,844	**657,898**
Total (deficits)/equity	(116,357)	(558,334)	666,467	1,123,708	**903,024**
Total (deficits)/equity and liabilities	107,219	516,504	1,251,401	1,672,552	**1,560,922**