RoboSense Technology Co., Ltd
速騰聚創科技有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 2498

2024
ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors
Dr. Qiu Chunxin *(Chairman of the Board, Chief Scientist)*[1]
Mr. Liu Letian *(Chief Technology Officer)*
Mr. Qiu Chunchao *(Chief Executive Officer)*[1]

Non-executive Director
Dr. Zhu Xiaorui *(Scientific Advisor)*

Independent Non-executive Directors[2]
Mr. Feng Jianfeng
Mr. Liu Ming
Mr. Ng Yuk Keung

AUDIT COMMITTEE[2]

Mr. Ng Yuk Keung *(Chairman)*
Mr. Liu Ming
Dr. Zhu Xiaorui

REMUNERATION COMMITTEE[2]

Mr. Feng Jianfeng *(Chairman)*
Mr. Liu Ming
Dr. Zhu Xiaorui

NOMINATION COMMITTEE

Dr. Qiu Chunxin *(Chairman)*
Mr. Feng Jianfeng
Mr. Ng Yuk Keung

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE[3]

Dr. Qiu Chunxin *(Chairman)*
Mr. Liu Letian
Mr. Qiu Chunchao

AUTHORIZED REPRESENTATIVES

Mr. Qiu Chunchao
Ms. Lau Yee Wa

JOINT COMPANY SECRETARIES

Mr. Lau Wing Kee
Ms. Lau Yee Wa

COMPLIANCE ADVISOR

Maxa Capital Limited
Unit 2602, 26/F, Golden Centre
188 Des Voeux Road Central
Sheung Wan, Hong Kong

REGISTERED OFFICE

Maples Corporate Services Limited
P O Box 309
Ugland House
Grand Cayman
KY1-1104, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Building 9
Zhongguan Honghualing Industry
Southern District
1213 Liuxian Avenue, Taoyuan Street
Nanshan District, Shenzhen, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG[4]

Room 1912, 19/F
Lee Garden One, 33 Hysan Avenue
Causeway Bay, Hong Kong

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall, Cricket Square
Grand Cayman
KY1-1102, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited
Bank of China Limited, Shenzhen Tian'an sub-branch
China Merchants Bank, Shenzhen branch

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor

LEGAL ADVISOR AS TO HONG KONG LAWS

Linklaters
11/F, Alexandra House
Chater Road
Central, Hong Kong

COMPANY WEBSITE

www.robosense.ai/en

Notes:

(1) Dr. Qiu Chunxin resigned as the Chief Executive Officer and was appointed as the Chief Scientist with effect from March 27, 2024. Mr. Qiu Chunchao resigned as the executive president and was appointed as the Chief Executive Officer of our Company with effect from March 27, 2024.

(2) Dr. Lu Cewu resigned as an independent non-executive Director, and a member of the Audit Committee and the Remuneration Committee of our Company due to his other work commitments with effect from February 9, 2024. Mr. Liu Ming was appointed as an independent non-executive Director, and a member of the Audit Committee and the Remuneration Committee of our Company with effect from February 9, 2024.

(3) Environmental, Social and Governance Committee of our Company was established on March 27, 2024.

(4) The address of the principal place of business in Hong Kong of the Company was changed from 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong to Room 1912, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong with effect from January 10, 2025.

CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Shareholders,

I am pleased to present our annual report for the year ended December 31, 2024 to the Shareholders.

First of all, I would like to summarize the highlight of the results we achieved in 2024. Thanks to the large-scale pre-installation of LiDAR products for ADAS applications, our performance continued to grow rapidly. In 2024, we achieved total revenue of approximately RMB1,648.9 million, representing a significant year-on-year increase of approximately 47.2%.

We sold approximately 544,200 units of LiDAR products throughout the year, representing a year-on-year increase of 109.6%. Among them, the sales volume of automotive-grade LiDAR products for ADAS applications reached approximately 519,800 units, representing a year-on-year growth of 113.9%. In February 2025, we have become the first company in the world that have produced more than one million units of high resolution LiDAR.

As our business scale is expanding, we have significantly improved our operational efficiency through economies of scale and effective management. Our gross margin for the year reached 17.2%, and has been rising steadily quarter by quarter from 12.3% in the first quarter to 22.1% in the fourth quarter in 2024.

In terms of profitability, our overall net loss narrowed significantly in 2024. Our adjusted net loss for 2024 was approximately RMB395.6 million, compared to adjusted net loss of RMB434.2 million in 2023, representing a decrease of about 8.9 percentage points. To ensure our future growth, we have continuously increased our investment in innovative business areas. In 2024, our investment in innovative business areas amounted to approximately RMB250 million, accounting for approximately 41% of the total R&D expenses for the year, an increase of about RMB130 million compared to 2023. These investments were mainly allocated to emerging technologies in robotics and AI, including the research and development of robotic technology platforms and key components and etc. These strategic investments will provide a solid foundation for our medium to long term growth.

As ADAS driving penetration accelerates alongside the rapid expansion of the robotics industry, market demand for LiDAR sensors and integrated perception solutions has been increasing significantly. Currently, the automotive market maintains a steady and continuous growth, whilst the robotics market creates an explosive demand. Responding to these market trends, we are continuously expanding our strategic arrangements, and aiming to become a global leading robotic technology platform company.

PROGRESS IN ADAS

In the ADAS sector, the rapid popularization of L2+ high-level driving assistance systems has made LiDAR-installation to become a competitive selling point. Adoption of LiDAR is now extending to vehicles priced below RMB150,000. Currently, over 10 vehicle models priced between RMB150,000 to RMB200,000 are equipped with RoboSense's LiDARs. We anticipate that this trend will continuously support the growth in our operating revenue generated from our products for ADAS applications.

Responding to the market trend, we have launched our new LiDAR product MX with high performance-to-price ratio which is priced below USD200 in 2024, and successfully obtained design wins from multiple automotive OEMs. The first vehicle model equipped with MX has already been launched into the market.

At the same time, we can see that the demand for high-performance LiDAR is increasing. It is expected that, through the sales of our higher priced flagship LiDAR products, the average selling price per unit of LiDAR will rise in the future. In early 2025, RoboSense introduced the world's first thousand-beam ultra-long-range digital LiDAR EM4, which is capable of ejecting 1,080 laser beams and having a detection range up to 600 meters. EM4 has already secured design wins from multiple domestic and overseas automotive OEMs.

As of March 31, 2025, RoboSense has obtained over 100 vehicle model design wins from 30 global automotive OEMs and Tier-1 suppliers.

OVERSEAS MARKET EXPANSION

As ADAS driving is expanding from China to the world, we anticipate that widespread adoption of high-level ADAS driving on their vehicles by those mainstream overseas automakers will be occurred in the coming two years. RoboSense is continuously expanding its businesses in the overseas markets. We have already obtained design wins from eight overseas and Sino-foreign joint venture brands that cover markets in Europe, North America, and the Asia-Pacific region. Amongst these, a new design win from a leading OEM which is a Sino-American joint venture was obtained in the fourth quarter of 2024. In the Japan market, we have obtained design wins from the top three leading automakers. This growing overseas footprint is expected to increase our overseas revenue in the future.

CHIEF EXECUTIVE OFFICER'S STATEMENT

BUSINESS IN L3/L4 ADAS DRIVING AND ROBOTAXI

Mass production of vehicles pre-installed with L3 ADAS driving function is accelerating. This leads to the trend that multiple LiDAR sensors are installed in a single vehicle. Concurrently, the Robotaxi sector is transitioning gradually from experimental stage to large-scale mass production stage, leading to the number of LiDAR products to be installed in each single vehicle to increase. Relying on our products' consistent quality and outstanding performance, we expect that our LiDAR products are able to be one of the mainstream configurations of commercial Robotaxi fleets, thereby driving considerable revenue growth.

Our automotive-grade LiDAR products from M-Platform and E-Platform have secured design wins and mass production cooperation with several global leading L4 ADAS driving companies. RoboSense has entered into formal mass-production agreements with six major global Robotaxi and Robotruck companies.

ROBOTICS MARKET DEVELOPMENT

Demand for perception solutions applying on various intelligent and automated equipment in industrial and consumer markets is rapidly growing. RoboSense's digital LiDARs and superior perception devices suitable for robotic products are our key products to fulfill the market demand.

Our newly launched solid-state digital LiDAR E1R and hemispherical digital LiDAR Airy, which are tailor-designed for the robotic market, can be widely adopted in the robot autonomous navigation and task execution.

By the end of 2024, RoboSense has been serving over 2,800 customers in robotics and other non-automotive industry. In the industrial warehousing sector, we have obtained large-scale design wins with enterprises in Europe and North America. In autonomous unmanned delivery sector, we have captured most of the customers in the market, including a global largest urban robot delivery platform company, a leading autonomous unmanned delivery company in Silicon Valley, the U.S., the largest urban delivery firm in North America, and a top 2 North American food delivery company and other high quality overseas customers, with whom we have established long-term contracts. In commercial cleaning sector, we also formed cooperation with numerous major players in this industry.

Additionally, RoboSense has started our online retail business for LiDAR products (including Airy, E1R, M1P and Helios), which can provide convenient purchase channels for robotic developers and research institutions.

STRATEGY AND DEVELOPMENT FOR OUR NEW BUSINESSES

We are actively exploring opportunities in embodied intelligence, and have already established a clear strategy for our new businesses:

- Based on our complete robot systems, we are developing a universal robotics development platform, on which we shall produce incremental robotic components and solutions by utilizing the research and development achievements we have accumulated;

- Relying on our accumulated expertise in AI, we shall develop precise manipulation solutions for robot's upper body and autonomous mobility solutions for robot's lower body;

- Adopting the strategy of "open-source of hardware and foundation model", we shall build a developer ecosystem, and accelerate the commercialization of developers' and partners' innovation achievements, and fulfill the demand for various robotic applications.

In March 2025, RoboSense officially launched our first new robotic vision products AC1, which is developed on our Active Camera platform. AC1 integrates LiDAR, camera, and IMU at the hardware level, and can provide supporting development tools and open-sourced algorithms.

Additionally, our second-generation dexterous robot hand, Papert 2.0, featuring 20 degrees of freedom and 14 force sensors, was unveiled in January 2025.

Our technological strategies and market performance have garnered significant industry recognition. We have been selected as one of the Morgan Stanley's Humanoid 100, included in Goldman Sachs' Industry Map, and BofA Securities' Humanoid Robot Supply Chain list. Multiple automotive customers, including Geely and XPeng, are actively entering into the robotic sector, offering RoboSense valuable cross-sector collaboration opportunities. Currently, we have been maintaining strategic partnerships with more than ten humanoid robot companies in the world. We anticipate we can contribute more of our value to the industry when it gradually enters into a more mature stage.

Looking ahead, RoboSense remains dedicated to innovation in AI algorithms and hardware technologies, while continuously reinforcing its leading positions in ADAS driving and the robotics industry. We are committed to becoming a global leading robotic technology platform company, and creating long-term and stable market value and social benefits for the industries.

Qiu Chunchao
Chief Executive Officer
April 28, 2025

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:

	For the year ended December 31,				
	2020	2021	2022	2023	**2024**
	(RMB in thousand)				
Revenue	170,931	331,063	530,322	1,120,149	**1,648,902**
Cost of sales	(95,561)	(190,795)	(569,617)	(1,026,509)	**(1,365,349)**
Gross profit/(loss)	75,370	140,268	(39,295)	93,640	**283,553**
Research and development expenses	(81,534)	(133,037)	(305,941)	(635,112)	**(615,434)**
Sales and marketing expenses	(23,613)	(46,891)	(67,381)	(86,010)	**(110,284)**
General and administrative expenses	(37,603)	(142,374)	(188,352)	(345,943)	**(163,960)**
Net impairment losses on financial assets	(1,732)	(2,884)	(2,502)	(2,288)	**(11,769)**
Other income	8,143	18,761	31,483	45,427	**52,515**
Other gains/(losses) – net	358	584	(44,118)	(10,296)	**(18,826)**
Operating loss	(60,611)	(165,573)	(616,106)	(940,582)	**(584,205)**
Finance income/(costs) – net	677	(928)	15,445	78,086	**99,706**
Share of net profit of an associate accounted for using the equity method	—	—	—	4,457	**10,473**
Fair value changes in financial instruments issued to investors	(160,667)	(1,487,788)	(1,484,649)	(3,471,058)	**(2,799)**
Loss before income tax	(220,601)	(1,654,289)	(2,085,310)	(4,329,097)	**(476,825)**
Income tax expenses	—	(237)	(803)	(1,869)	**(4,980)**
Net loss	(220,601)	(1,654,526)	(2,086,113)	(4,330,966)	**(481,805)**
Profit/(loss) attributable to:					
Owners of the Company	(220,794)	(1,658,730)	(2,088,652)	(4,336,629)	**(481,827)**
Non-controlling interests	193	4,204	2,539	5,663	**22**

FINANCIAL SUMMARY

	As of December 31,				
	2020 (Restated)	2021 (Restated)	2022 (Restated)	2023 (Restated)	**2024**
	(RMB in thousand)				
Total current assets	330,117	1,569,239	3,029,363	2,826,689	**3,644,015**
Total non-current assets	28,158	172,960	398,071	444,764	**495,123**
Total assets	358,275	1,742,199	3,427,434	3,271,453	**4,139,138**
Total current liabilities	1,267,133[1]	4,317,313[1]	8,378,094[1]	12,246,480[1]	**911,187**
Total non-current liabilities	43,012[1]	60,805[1]	86,598[1]	94,812[1]	**154,772**
Total liabilities	1,310,145	4,378,118	8,464,692	12,341,292	**1,065,959**
Total equity/deficits	(951,870)	(2,635,919)	(5,037,258)	(9,069,839)	**3,073,179**
Total equity and liabilities	358,275	1,742,199	3,427,434	3,271,453	**4,139,138**

Note:

(1) Due to the Amendments to IAS 1 – Classification of Liabilities as Current or Non-current effective since January 1, 2024, the Group changed accounting policy on financial instruments issued to investors and reclassified the preferred shares as a current liability retrospectively by restating the balances as of December 31, 2020, 2021, 2022 and 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Overview

RoboSense is an AI-driven robotic technology company that supplies advanced and reliable incremental components and solutions for the robotics industry. We are committed to become "a global leader in robotic technology platforms", and our mission is to make "Safer world, Smarter life". RoboSense was established in 2014 with its headquarters located in Shenzhen China. We are currently hiring over 1,500 professionals and employees who are working in our offices in various countries and regions, including Shanghai, Suzhou and Hong Kong in China, Stuttgart in Germany, and Detroit and Silicon Valley in the United States.

Our LiDAR and Perception Solution Businesses Covering Automotive, Robotic and Other Industries

We are a global leader in the LiDAR and perception solutions market. By integrating hardware and software, we have differentiated ourselves from most LiDAR companies in the market who only focus on hardware. Combined with visual or other sensors, LiDAR forms perception solutions that endow automobiles and robots with perception capabilities. We develop our solutions based on chip-driven LiDAR hardware and AI perception software, expanding application scenarios and realizing large-scale commercialization in automotive, robotic and other industries. Our businesses primarily comprises (i) sales of LiDAR hardware products for application in the ADAS, robotics and other non-automotive industries such as cleaning, logistics, industrial applications, public services and inspection, among others, (ii) sales of LiDAR perception solutions integrating our LiDAR hardware and AI perception software, and (iii) provision of technology development and other services.

At the beginning of 2025, we introduced our new products – EM4, E1R and Airy to the automotive and robotic markets.

As of December 31, 2024, we had earned design wins for mass production for 95 vehicle models with 28 automotive OEMs and Tier 1 suppliers, and achieved SOP for 32 vehicle models with 12 customers. We had established cooperation with more than 310 automotive OEMs and Tier 1 suppliers globally as of December 31, 2024. In 2024, our revenue generated from sales of our LiDAR products for ADAS applications increased to RMB1,335.3 million from RMB777.1 million in 2023, representing a significant year-on-year growth of 71.8%.

We have also widely extended our LiDAR hardware and perception solution application use cases beyond the automotive industry, such as agricultural robots, inspection robots, logistic robots, V2X solutions and reference solutions. As of December 31, 2024, we had served approximately 2,800 customers in the robotics and other non-automotive industries. In 2024, our revenue generated from sales of our LiDAR products for robotics and other industries increased to RMB198.5 million from RMB186.5 million in 2023, representing a year-on-year growth of 6.4%. Our revenue generated from solutions decreased to RMB98.0 million in 2024 from RMB110.1 million in 2023, representing a year-on-year reduction of 11.0%.

AI-Driven Robotic Technology Platform

RoboSense is planning to introduce a series of digitalized LiDAR products for the robotics market. To support more mobile robots in achieving autonomy, RoboSense will introduce our intelligent "Robo-FSD" solution, which is designed to meet the needs of autonomous navigation of mobile robots in both high-speed and low-speed scenarios.

We are also providing robotic manipulation solution to embodied intelligent robots. We have introduced our second-generation dexterous hand – "Papert 2.0". By integrating Papert 2.0 with our extensive expertise in robotic visionary technology, RoboSense can achieve the eye-hand coordination system that, by seamlessly integrating sensory data with hand movements, can greatly enhance Papert 2.0's functionality and accuracy when performing a wide range of tasks.

Moreover, RoboSense is developing three categories of incremental components: robotic vision, tactile sensing, and joint.

Robotic vision – We have launched a brand new product called "Active Camera" – the true "eyes" of intelligent robots – revealing a new era of robotic vision evolution. By integrating LiDAR digital signals with traditional camera data, Active Camera can endow robots with visual capabilities superior to human eyes.

Tactile sensing – We have developed a low-cost, highly reliable force sensor, the "FS-3D", which is designed for the end-effector motion control in legged robots.

Joint – We have created a high-power density linear actuator, the "LA-8000", which can be used in the leg joints of humanoid robots.

In addition, we are developing a highly integrated, compact, high-performance, and low-power robot domain controller, "DC-G1", which will be serving as the central computing platform for intelligent robots.

Our Technology and Product Development

Innovation is core to our corporate culture. We have invested significant resources into the R&D of our LiDAR, robotic, semi-conductor chip technologies and AI algorithms. Our LiDAR and robotic products and solutions empowered by these self-developed proprietary technologies are widely recognized by customers for their superior performance and cost advantages. Our full-stack, hardware and software integrated perception capabilities also provide us with greater commercialization opportunities than companies who exclusively offer LiDAR hardware products.

We have established three R&D centers in China, located in Shenzhen, Shanghai and Suzhou. Led by Dr. Qiu Chunxin (our co-founder, Chairman of the Board, executive Director and Chief Scientist) and Mr. Liu Letian (our co-founder, executive Director and Chief Technology Officer), our R&D teams are strategically placed in locations that are close to the best talent and to our business partners. The R&D team also collaborates with our operations and supply chain teams in order to continually optimize and improve manufacturing processes and assist with supply chain planning.

MANAGEMENT DISCUSSION AND ANALYSIS

Our Mass Production Capabilities

We have accumulated abundant industrial capabilities and experiences in product verification, engineering and manufacturing, all of which are crucial to the success of large-scale mass production and delivery. We are currently operating three in-house manufacturing centers, two in Shenzhen and one in Shenshan. We also invested in a manufacturing center through our associate, Luxsense, in Dongguan. We have established a high level of control throughout the entire production process, from prototype to mass production. Utilizing our automated intelligent manufacturing and engineering facilities, we are able to achieve high product consistency and effective cost control.

Business Outlook

While we remained loss-making during the Reporting Period, we had sustained significant improvement in our financial performance as we expand rapidly and aim at long term business success and financial return in the fast growing LiDAR and robotic solution markets. Going forward, leveraging our competitive strengths, we will continue to implement our growth strategies, including our continued investment in our core technologies and refine our product offerings, strengthening our manufacturing and supply chain capabilities, strengthening and broadening our customer base, and attracting and retaining talent.

Since December 31, 2024 and up to the date of this annual report, there was no material adverse change in our financial or trading position or prospects and there was no event that would materially affect the information set out in our Group's consolidated financial statements in this annual report.

Year ended December 31, 2024 compared to Year ended December 31, 2023

The following table sets forth the comparative figures for the years ended December 31, 2023 and 2024:

	For the year ended December 31,	
	2024	2023
	(RMB in thousands)	
Revenue	**1,648,902**	1,120,149
Cost of sales	**(1,365,349)**	(1,026,509)
Gross profit	**283,553**	93,640
Research and development expenses	**(615,434)**	(635,112)
Sales and marketing expenses	**(110,284)**	(86,010)
General and administrative expenses	**(163,960)**	(345,943)
Net impairment losses on financial assets	**(11,769)**	(2,288)
Other income	**52,515**	45,427
Other losses – net	**(18,826)**	(10,296)
Operating loss	**(584,205)**	(940,582)
Finance income – net	**99,706**	78,086
Share of net profit of an associate accounted for using the equity method	**10,473**	4,457
Fair value changes in financial instruments issued to investors	**(2,799)**	(3,471,058)
Loss before income tax	**(476,825)**	(4,329,097)
Income tax expenses	**(4,980)**	(1,869)
Net loss	**(481,805)**	(4,330,966)
(Loss)/profit attributable to		
Owners of the Company	**(481,827)**	(4,336,629)
Non-controlling interests	**22**	5,663

MANAGEMENT DISCUSSION AND ANALYSIS

	As of December 31, 2024	2023 (Restated)
	(RMB in thousands)	
Total current assets	**3,644,015**	2,826,689
Total non-current assets	**495,123**	444,764
Total assets	**4,139,138**	3,271,453
Total current liabilities	**911,187**	12,246,480 (Note)
Total non-current liabilities	**154,772**	94,812 (Note)
Total liabilities	**1,065,959**	12,341,292
Total equity/(deficits)	**3,073,179**	(9,069,839)
Total equity and liabilities	**4,139,138**	3,271,453

Note: Due to the Amendments to IAS 1 – Classification of Liabilities as Current or Non-current effective since January 1, 2024, the Group changed accounting policy on financial instruments issued to investors and reclassified the preferred shares as a current liability retrospectively by restating the balances as of December 31, 2023.

Revenue

	Year ended December 31, 2024	2023
	(RMB in thousands)	
Revenue from:		
Products		
For ADAS	**1,335,285**	777,070
For robotics and others	**198,455**	186,473
	1,533,740	963,543
Solutions	**97,970**	110,074
Services and others	**17,192**	46,532
Total	**1,648,902**	1,120,149

Our total revenue increased significantly by 47.2% from RMB1,120.1 million for the year ended December 31, 2023 to RMB1,648.9 million for the year ended December 31, 2024. The increase was primarily due to the increase in sales of products in 2024.

- Our revenue from the sales of products increased significantly by 59.2% from RMB963.5 million for the year ended December 31, 2023 to RMB1,533.7 million for the year ended December 31, 2024, primarily due to the increased in sales of products for ADAS applications, such as our automotive-grade solid-state LiDAR. In 2024, our revenue generated from sales of our LiDAR products for ADAS applications increased significantly to RMB1,335.3 million from RMB777.1 million in 2023, representing a significant year-on-year growth of 71.8%. The total number of our LiDAR products sold increased from approximately 259,600 units in 2023 to approximately 544,200 units in 2024. The number of LiDAR products sold for ADAS applications significantly increased from approximately 243,000 units in 2023 to approximately 519,800 units in 2024. The revenue growth of LiDAR products for ADAS applications driven by the increase in sales volume of products was partially offset by the decrease in the average unit price of products for ADAS applications to approximately RMB2,600 per unit in 2024 from approximately RMB3,200 per unit in 2023. The decrease in the average unit price of products for ADAS applications was mainly because we have lowered the average selling price of our products offered to our customers when the sales volume has been increased and the raw material procurement costs have been reduced. Our revenue generated from sales of products for robotics and others increased from RMB186.5 million in 2023 to RMB198.5 million in 2024, representing a year-on-year increase of 6.4%. The total number of LiDAR products sold for robotics and others increased to approximately 24,400 units in 2024 from approximately 16,600 units in 2023, while the average unit price of product decreased to approximately RMB8,100 per unit in 2024 from approximately RMB11,200 per unit in 2023, primarily because the sales of lower priced Helios and Bpearl series increased whilst the sales of higher priced Ruby series decreased in 2024.

- Our revenue from the sales of solutions decreased slightly by 11.0% from RMB110.1 million for the year ended December 31, 2023 to RMB98.0 million for the year ended December 31, 2024. Despite the number of delivered solutions projects increased to 331 projects in 2024 from 220 projects in 2023, the average selling price per project decreased to approximately RMB296,000 in 2024 from approximately RMB500,300 in 2023, primarily attributable to the decrease in our reference solution projects, which are normally charged at a higher average selling price, whilst the number of lower priced standard RS-Fusion-P series solution projects, which are robotaxi solutions for robotics applications and early testing stages of ADAS applications that integrate our LiDAR hardware products and AI perception software to enable higher level ADAS driving, has increased.

- Our revenue from the provision of services and others decreased significantly by 63.1% from RMB46.5 million for the year ended December 31, 2023 to RMB17.2 million for the year ended December 31, 2024, primarily due to the number of completed technology service projects has been decreased in 2024.

Cost of Sales

Our cost of sales increased by 33.0% from RMB1,026.5 million for the year ended December 31, 2023 to RMB1,365.3 million for the year ended December 31, 2024, primarily driven by increase in sales of products in 2024.

Gross Profit/(Loss) and Gross Margin

	For the Year Ended December 31,			
	2024		2023	
	Gross Profit/ (Loss)	**Gross Margin**	Gross Profit/ (Loss)	Gross Margin
	(RMB in thousands, except for percentages)			
Products				
For ADAS	**179,185**	**13.4%**	(45,835)	(5.9%)
For robotic and others	**68,454**	**34.5%**	82,585	44.3%
Solutions	**52,689**	**53.8%**	60,975	55.4%
Services and others	**(16,775)**	**(97.6%)**	(4,085)	(8.8%)
Total	**283,553**	**17.2%**	93,640	8.4%

Our gross profit increased significantly by 202.8% from RMB93.6 million for the year ended December 31, 2023 to RMB283.6 million for the year ended December 31, 2024.

Our overall gross margin was largely affected by the changes in the sales contribution from different product categories. The increase in overall gross margin from 8.4% for the year ended December 31, 2023 to 17.2% for the year ended December 31, 2024 was mainly attributable to the significant gross margin improvement of our LiDAR products for ADAS applications.

In particular, for our LiDAR products for ADAS applications, we recorded a gross loss of RMB45.8 million for the year ended December 31, 2023 and a gross profit of RMB179.2 million for the year ended December 31, 2024. The gross margin for this product category improved significantly from a gross loss margin of 5.9% for the year ended December 31, 2023 to gross profit margin of 13.4% for the year ended December 31, 2024. The gross margin improvement was primarily attributable to the decrease in raw material procurement costs and the economies of scales, as the scale of our production volume for LiDAR products for ADAS applications in 2024 was significantly higher than the production volume in 2023.

For our sales of LiDAR products for robotics and others, we recorded a gross profit of RMB82.6 million and RMB68.5 million for the years ended December 31, 2023 and 2024, respectively. The gross profit margin for this product category decreased from 44.3% for the year ended December 31, 2023 to 34.5% for the year ended December 31, 2024. This was primarily due to increase in sales of Helios and Bpearl series, which have gross margins lower than that of Ruby series, caused the overall gross margin of products for robotics and others to decrease in 2024.

For our provision of LiDAR perception solutions, we recorded a gross profit of RMB61.0 million and RMB52.7 million for the years ended December 31, 2023 and 2024, respectively. The gross profit margin for this product category decreased slightly from 55.4% for the year ended December 31, 2023 to 53.8% for the year ended December 31, 2024. This was primarily due to the decrease in our reference solution projects, which are normally charged at a higher gross margins, whilst the number of lower gross margins standard RSFusion-P series solution projects has increased in 2024.

For our provision of services, we recorded a gross loss of RMB4.1 million and RMB16.8 million for the years ended December 31, 2023 and 2024, respectively. The gross margin for this product category decreased from a gross loss margin of 8.8% for the year ended December 31, 2023 to 97.6% for the year ended December 31, 2024. This was primarily due to the increase in the cost related to several one-off technology development projects in 2024.

R&D Expenses

Our R&D expenses decreased slightly by 3.1% from RMB635.1 million for the year ended December 31, 2023 to RMB615.4 million for the year ended December 31, 2024. The decrease was primarily due to the decrease in share-based compensation of RMB146.1 million; partially offset by (i) the higher employee benefit expenses, which were mainly attributable to the increase in the number of R&D personnel to 637 in 2024 from 563 in 2023, and improved remuneration package for our R&D personnel; and (ii) the increased R&D equipment, resulting in higher depreciation and amortization expenses. We recruited additional R&D personnel specialized in AI algorithm and development of proprietary chips, who enjoyed better remuneration package. Our R&D expenses excluding share-based compensation as a percentage of revenue reduced to 33.6% in 2024 from 38.2% in 2023.

Sales and Marketing Expenses

Our sales and marketing expenses increased by 28.2% from RMB86.0 million for the year ended December 31, 2023 to RMB110.3 million for the year ended December 31, 2024. The increase was primarily due to (i) the higher employee benefit expenses, which were mainly attributable to (a) the increase in the number of sales and marketing personnel and bonus payments caused the salary expense to increase by RMB10.4 million, and (b) the increase in share-based compensation of RMB4.7 million; and (ii) the increase in business development and promotional activities as the number of customers and relevant business activities have been increased. Our sales and marketing expenses excluding share-based compensation as a percentage of revenue reduced from 7.3% in 2023 to 6.1% in 2024.

General and Administrative Expenses

Our general and administrative expenses decreased by 52.6% from RMB345.9 million for the year ended December 31, 2023 to RMB164.0 million for the year ended December 31, 2024. The decrease was primarily due to (i) the decrease in share-based compensation of RMB152.2 million; and (ii) the decrease in listing expenses. Our general and administrative expenses excluding share-based compensation and listing expenses as a percentage of revenue reduced to 9.1% in 2024 from 11.8% in 2023.

Net Impairment Losses on Financial Assets

Net impairment losses on financial assets increased by 414.4% from RMB2.3 million for the year ended December 31, 2023 to RMB11.8 million for the year ended December 31, 2024. The increase was primarily due to loss allowance recognized for certain long outstanding trade receivables from customers who have a relatively higher credit risk.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income

Our other income increased by 15.6% from RMB45.4 million for the year ended December 31, 2023 to RMB52.5 million for the year ended December 31, 2024. The increase was primarily due to the increase in government grants.

Other Losses – Net

Our other losses, which were primarily net foreign exchange losses, increased by 82.8% from RMB10.3 million for the year ended December 31, 2023 to RMB18.8 million for the year ended December 31, 2024. The foreign exchange losses we incurred in 2023 and 2024 were related to an RMB-denominated intra-group borrowing by RoboSense HK to Shenzhen Suteng. The functional currency of RoboSense HK was U.S. dollars. The greater appreciation of U.S. dollars to RMB exchange rate caused the net foreign exchange losses to increase in 2024.

Finance Income – Net

Net finance income increased by 27.7% from RMB78.1 million for the year ended December 31, 2023 to RMB99.7 million for the year ended December 31, 2024. The increase was primarily due to the increase in interest income from cash and cash equivalents.

Fair value changes in financial instruments issued to investors

Our fair value loss of Preferred Shares decreased by 99.9% from RMB3,471.1 million for the year ended December 31, 2023 to RMB2.8 million for the year ended December 31, 2024, primarily due to the automatic conversion of all the Preferred Shares into Ordinary Shares upon Listing on January 5, 2024. Upon Listing, all the Preferred Shares were automatically converted into Ordinary Shares and were reclassified from liabilities to equity accordingly.

Net Loss

As a result of the foregoing, our net loss decreased by 88.9% from RMB4,331.0 million for the year ended December 31, 2023 to RMB481.8 million for the year ended December 31, 2024.

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of items, and provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. We define adjusted net loss (non-IFRS measure) as net loss for the period adjusted by adding back share-based compensation, fair value changes in financial instruments issued to investors and listing expenses.

The following table reconciles our adjusted net loss (non-IFRS measure) for the periods presented with the most directly comparable financial measure calculated and presented in accordance with IFRS, which is net loss for the period:

	For the year ended December 31,	
	2024	2023
	(RMB in thousands)	
Reconciliation of net loss to adjusted net loss (non-IFRS measure):		
Net loss	**(481,805)**	(4,330,966)
Add:		
– Share-based compensation[1]	**83,368**	376,980
– Fair value changes in financial instruments issued to investors[2]	**2,799**	3,471,058
– Listing expenses[3]	**26**	48,695
Adjusted net loss (non-IFRS measure)	**(395,612)**	(434,233)

Notes:

(1) Share-based compensation is non-cash in nature and mainly represents the arrangement that we receive services from employees as consideration for our equity instruments. Share-based compensation is not expected to result in future cash payments.

(2) Fair value changes in financial instruments issued to investors represent the fair value changes of the Preferred Shares, warrants and convertible notes issued by us, which were converted into equity upon Listing.

(3) Listing expenses are related to the Global Offering.

LIQUIDITY AND CAPITAL RESOURCES

We monitor and maintain a level of liquidity deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As of December 31, 2024, we had RMB2,841.2 million in cash and cash equivalents, restricted cash and time deposits, as compared to RMB1,835.5 million as of December 31, 2023. Our cash and cash equivalents primarily consist of cash at banks under RMB, HKD and USD denominations.

Our net operating cash outflow in 2024 was RMB65.1 million, representing a decrease from RMB516.5 million in 2023. Our net cash used in operating activities in 2024 is calculated by adjusting our loss before income tax of RMB476.8 million by non-cash and other items to arrive at an operating loss before changes in working capital of RMB357.5 million.

INDEBTEDNESS AND FINANCIAL RATIOS

Borrowings

As of December 31, 2024, we had RMB149.4 million in bank borrowing.

Lease Liabilities

As of December 31, 2024, we recognized total lease liabilities, including current and non-current lease liabilities, of RMB43.0 million, as compared to that of RMB15.5 million as of December 31, 2023, due to the fact that there was more new addition of lease liabilities in 2024.

License Fees Payable

Our license rights are recognized as intangible assets. The license fees payable is initially recorded at fair value of the date of the license agreement. As of December 31, 2024, we recognized total license fees payable of RMB18.1 million, including current and non-current license fees payable, as compared to RMB22.6 million as of December 31, 2023, due to the fact that there was no new addition of license fees payable in 2024, and the decrease in balance was solely attributable to the payment of the license fees payable.

Financial Ratios

Our current ratio (calculated as current assets divided by current liabilities as of the same date) increased to 399.9% as of December 31, 2024 from 23.1% as of December 31, 2023, mainly because all the Preferred Shares were automatically converted into Ordinary Shares and were reclassified from liabilities to equity accordingly upon Listing during the Reporting Period. In addition, the Company obtained proceeds from the Global Offering and the December 2024 Placing in 2024.

Our gearing ratio (calculated as total liabilities divided by total assets as of the same date) decreased to 25.8% as of December 31, 2024 from 377.2% as of December 31, 2023, mainly because all the Preferred Shares were automatically converted into Ordinary Shares and were reclassified from liabilities to equity accordingly upon Listing during the Reporting Period. In addition, the Company obtained proceeds from the Global Offering and the December 2024 Placing in 2024.

CHARGE ON ASSETS

As of December 31, 2024, there was no charge on assets of our Group (FY2023: nil).

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

Our capital expenditures were primarily used for the construction of our manufacturing facilities. In 2024, our capital expenditures decreased to RMB109.1 million from RMB134.0 million in 2023. In these periods, our capital expenditures were primarily used for construction of our manufacturing facilities and supply chain.

Our capital commitments were primarily related to (i) property, plant and equipment and (ii) intangible assets. As of December 31, 2024, we had capital commitments of RMB11.8 million, which was increased from our capital commitments of RMB7.2 million as of December 31, 2023. As of December 31, 2024, RMB6.0 million were attributable to property, plant and equipment and RMB5.8 million were attributable to intangible assets.

As disclosed in the Company's announcement dated December 18, 2024, we plan to use approximately 20% (or HK$54.2 million) of the net proceeds raised from the December 2024 Placing for exploring potential strategic partnerships or alliance opportunities. As disclosed in the Company's announcement dated March 5, 2025, we plan to use approximately 20% (or HK$197.8 million) of the net proceeds raised from the February 2025 Placing for establishing domestic and overseas production lines, enhancing the automation level of our production lines as well as devising stringent quality control measures at various stages of our manufacturing process, and approximately 10% (or HK$98.9 million) of the net proceeds raised from the February 2025 Placing for exploring potential strategic partnerships or alliance opportunities. Please refer to the abovementioned announcements for further details of our proposed use of proceeds from the December 2024 Placing and the February 2025 Placing. Save as disclosed in this annual report, the Group had no other material capital expenditure or investment plan as of the date of this report.

CONTINGENT LIABILITIES

As of December 31, 2024, our Company did not have any material contingent liabilities.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in this annual report, our Company had no other significant investments and/or material acquisition or disposal of subsidiaries, associates and joint venture during the year ended December 31, 2024.

HUMAN RESOURCES

As of December 31, 2024, we had a total of 1,534 employees and almost all of our employees were based in Mainland China. Our Group's total employee benefits for the Reporting Period were RMB707.6 million, consisting of wages, salaries and bonuses, share-based compensation expenses, pension costs (including defined contribution plans, housing funds, medical insurances and other social insurances), and other employee benefits. We use various recruitment methods, including campus recruitment, online recruitment, other external recruitment channels as well as internal referrals and transfers. In addition to salaries and benefits, we generally provide performance-based bonuses for our full-time employees and commission for our sales and marketing staff. We have also established share incentive schemes, including the Pre-IPO Share Incentive Scheme A, the Pre-IPO Share Incentive Scheme B and the Post-IPO Share Incentive Scheme to incentivize our employees, details of which are set out in the Prospectus. We have established a comprehensive system for employee training and development, including general trainings covering corporate culture, employee rights and responsibilities, workplace safety, data security, and other logistics aspects, as well as specific trainings that improve employee knowledge and expertise in certain important areas related to our business. We are committed to making continued efforts to provide an engaging working environment to our employees.

On July 5, 2024, the Company granted restricted share units ("**Restricted Share Units**" or "**RSUs**") underlying a total of 216,607 Shares to eligible participants, who are the employees of the Group, pursuant to the Post-IPO Share Incentive Scheme.

On April 1, 2025, the Company granted RSUs underlying a total of 1,312,523 Shares to eligible participants, who are the employees of the Group, pursuant to the Post-IPO Share Incentive Scheme.

For details of the above grants of awards, please refer to the Company's announcements dated July 5, 2024 and April 1, 2025 and the section headed "Directors' Report - Post-IPO Share Incentive Scheme" in this annual report.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report and Note 39 to the consolidated financial information set forth in this annual report, we are not aware of any material subsequent events since the end of the Reporting Period to the date of this annual report.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On January 5, 2024, the Shares of our Company were listed on the Main Board of the Stock Exchange. The net proceeds from the Global Offering (including the partial exercise of Over-allotment Option as disclosed in the announcement of the Company dated February 1, 2024) amounted to approximately HK$953.0 million. We plan to use the net proceeds raised from the Global Offering as follows:

- Approximately 45% of the net proceeds for our research and development to continue building and enhancing our product pipeline as well as team expansion for supporting our R&D initiatives;

- Approximately 20% of the net proceeds for enhancing our manufacturing, testing and verification capabilities;

- Approximately 20% of the net proceeds for enhancing our sales and marketing efforts;

- Approximately 5% of the net proceeds for exploring potential strategic partnerships or alliance opportunities; and

- Approximately 10% of the net proceeds for working capital and for general corporate purposes to support our business operation and growth.

For details of the proposed uses of proceeds from the Global Offering, see the section headed "Future Plans and Use of Proceeds" in the Prospectus. As of the Latest Practicable Date, we did not anticipate any material change to our plan on the use of proceeds as stated in the Prospectus.

As of the Latest Practicable Date, we had utilized the net proceeds from the Global Offering as set out in the table below. We plan to use the unutilized amount of the net proceeds from the Global Offering for each intended use in the coming one year.

Intended use	Proportion of net proceeds allocated for each intended use (%)	Amount of net proceeds allocated for each intended use (HK$ million)	Amount of net proceeds utilized for each intended use during the Reporting Period (HK$ million)	Amount of net proceeds unutilized for each intended use as of the Latest Practicable Date (HK$ million)
For our research and development	45%	428.8	130.1	369.5
For enhancing our manufacturing, testing and verification capabilities	20%	190.6	148.1	190.6
For enhancing our sales and marketing efforts	20%	190.6	15.3	21.8
For exploring potential strategic partnerships or alliance opportunities	5%	47.7	–	47.7
For working capital and for general corporate purposes	10%	95.3	34.6	95.3

USE OF PROCEEDS FROM THE DECEMBER 2024 PLACING

On December 11, 2024 (before trading hours), the Company and China Renaissance Securities (Hong Kong) Limited (the "**Sole Placing Agent**") entered into a placing agreement, pursuant to which the Company agreed to appoint the Sole Placing Agent, and the Sole Placing Agent agreed to act as the agent of the Company, to procure not less than six (6) placees, who shall be institutional and corporate professional investors, and who and whose ultimate beneficial owners shall be the Independent Third Parties, on a best effort basis, to subscribe for up to 10,000,000 new Shares ("**placing shares**") (representing approximately 2.22% of the number of Shares in issue (excluding the Treasury Shares) as enlarged by the allotment and issuance of the placing shares in the December 2024 Placing) at the placing price of HK$27.75 per placing share. The placing price of HK$27.75 per placing share represents a discount of approximately 7.96% to the closing price of HK$30.15 per Share as quoted on the Stock Exchange on December 10, 2024 (being the last trading day immediately prior to the date of the placing agreement for the December 2024 Placing). The December 2024 Placing was conducted under the general mandate granted to the Board at the annual general meeting dated June 27, 2024.

On December 18, 2024, the December 2024 Placing was completed. A total of 10,000,000 new Shares have been successfully placed by the Sole Placing Agent to not less than six (6) placees at the placing price of HK$27.75 per placing share in the December 2024 Placing. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the placees in the December 2024 Placing and its ultimate beneficial owners are institutional and corporate professional investors who are independent third parties. The total gross proceeds from the December 2024 Placing are approximately HK$277.5 million, and the net proceeds from the December 2024 Placing, after deducting the commission and other related expenses and professional fees, amounted to approximately HK$271.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS

As of the Latest Practicable Date, we had utilized the net proceeds as set out in the table below. We plan to use the unutilized amount of the net proceeds from the December 2024 Placing for each intended use in the coming one to two years.

Intended use	Proportion of net proceeds allocated for each intended use (%)	Amount of net proceeds allocated for each intended use (HK$ million)	Amount of net proceeds utilized for each intended use during the Reporting Period (HK$ million)	Amount of net proceeds unutilized for each intended use as of the Latest Practicable Date (HK$ million)
For our research and development to continue enhancing the product pipelines as well as supporting the R&D initiatives in the areas of AI algorithms, chips and hardware	40%	108.4	–	–
For enhancing our business development efforts in the overseas markets	30%	81.3	–	–
For exploring potential strategic partnerships or alliance opportunities in the areas of AI algorithms, chips and hardware	20%	54.2	–	–
For working capital and for general corporate purposes	10%	27.1	–	–

For the reasons for and benefits of the December 2024 Placing and the details of the proposed uses of proceeds from the December 2024 Placing, see announcements of the Company dated December 11, 2024 and December 18, 2024 in relation to the December 2024 Placing. As of the Latest Practicable Date, we did not anticipate any material change to our plan on the use of proceeds as stated in the abovementioned announcements.

USE OF PROCEEDS FROM THE FEBRUARY 2025 PLACING

On February 26, 2025 (before trading hours), the Company and Guotai Junan Securities (Hong Kong) Limited and Mirae Asset Securities (HK) Limited (the "**Placing Agents**") entered into a placing agreement, pursuant to which the Company agreed to appoint the Placing Agents, and each of the Placing Agents agreed to act as the agent of the Company, to procure not less than six (6) placees, who shall be institutional and corporate professional investors, and who and whose ultimate beneficial owners shall be the Independent Third Parties, on a best effort basis, to subscribe for up to 22,000,000 new Shares ("**placing shares**") (representing approximately 4.66% of the number of Shares in issue (excluding the Treasury Shares) as enlarged by the allotment and issuance of the placing shares in the February 2025 Placing) at the placing price of HK$46.15 per placing share (the "**February 2025 Placing**"). The placing price of HK$46.15 per placing share represents a discount of approximately 8.43% to the closing price of HK$50.40 per Share as quoted on the Stock Exchange on February 25, 2025 (being the last trading day and the date on which the placing price is fixed for the February 2025 Placing). The February 2025 Placing was conducted under the general mandate granted to the Board at the annual general meeting dated June 27, 2024.

On March 5, 2025, the February 2025 Placing was completed. A total of 22,000,000 new Shares have been successfully placed by the Sole Placing Agent to not less than six (6) placees at the placing price of HK$46.15 per placing share in the February 2025 Placing. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the placees in the February 2025 Placing and its ultimate beneficial owners are institutional and corporate professional investors who are independent third parties. The total gross proceeds from the February 2025 Placing are approximately HK$1,015.30 million, and the net proceeds from the February 2025 Placing, after deducting the commission and other related expenses and professional fees, amounted to approximately HK$988.87 million.

MANAGEMENT DISCUSSION AND ANALYSIS

As of the Latest Practicable Date, we had utilized the net proceeds as set out in the table below. We plan to use the unutilized amount of the net proceeds from the February 2025 Placing for each intended use in the coming two years.

Intended use	Proportion of net proceeds allocated for each intended use (%)	Amount of net proceeds allocated for each intended use (HK$ million)	Amount of net proceeds utilized for each intended use during the Reporting Period (HK$ million)	Amount of net proceeds unutilized for each intended use as of the Latest Practicable Date (HK$ million)
For our research and development of robotic incremental components	70%	692.2	–	–
For establishing domestic and overseas production lines, enhancing automation level of our production lines, and devising quality control measures	20%	197.8	–	–
For exploring strategic partnership or alliance opportunities	10%	98.9	–	–

For the reasons for and benefits of the February 2025 Placing and the details of the proposed uses of proceeds from the February 2025 Placing, see announcements of the Company dated February 26, 2025 and March 5, 2025 in relation to the February 2025 Placing. As of the Latest Practicable Date, we did not anticipate any material change to our plan on the use of proceeds as stated in the abovementioned announcements.

TREASURY POLICY

Our management performs the treasury functions and continues to monitor our cash requirements from time to time. If our cash requirements exceed the liquidity we hold at the time, our Company may seek credit facilities and external borrowings or issue securities as it considers necessary and appropriate.

PRINCIPAL RISKS AND UNCERTAINTIES

Our business faces risks including those set out in the section headed "Risk Factors" in the Prospectus. The following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control:

- Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter;
- We have a history of net losses, which may continue in the future;
- We have recorded net operating cash outflow in the past, which may reoccur in the future;
- The failure to innovate our technology or develop new products to adapt to changing customer needs could harm our growth;
- Continued pricing pressures from our customers, many of whom possess significant bargaining power, may result in lower than anticipated revenue and margins, which may materially and adversely affect our business prospects and results of operations;
- We are susceptible to supply shortages, long lead times and increased costs of raw materials and key components, any of which could disrupt our supply chain, increase our production costs, adversely affect our profitability and delay deliveries of our products to customers;
- As the LiDAR and robotics industry in which we operate is new and rapidly evolving, we are subject to intense competition and it is difficult to forecast adoption rates and demand for our products. If market adoption of LiDAR and/or robotic products does not continue to grow according to expectations, it could materially and adversely affect our business prospects and results of operations;
- There is no guarantee that our automotive OEM customers will purchase our products and solutions in any certain quantity or at any certain price even after we obtain design wins, and the period of time from product design to mass production is long and we are subject to the risks of termination or postponement of contracts or unsuccessful implementation; and
- Changes in China's or global economic, political or social conditions or government policies, including, without limitation, geopolitical tensions, imposition of or increase in any industry-specific or product-specific tariffs, outbound investment restrictions on Chinese companies engaged in certain activities involving specified sensitive technologies, or export control measures, may have a material and adverse impact on our business operation, financial performance or position, or prospects.

RISK MANAGEMENT

We are exposed to a variety of financial risks, including market risks (including foreign currency risk and interest rate risk), credit risk and liquidity risk as set out below. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Risk management is carried out by the senior management of our Group. Our management regularly manages and monitors the financial risks of our Group to ensure appropriate measures are implemented in a timely and effective manner. During the Reporting Period, no hedging activity was undertaken by our Group.

Foreign Exchange Risk

Foreign exchange risk is the risk that the value of a financial instrument fluctuates because of the changes in foreign exchange rates. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of our Group's entities. The functional currency of our Company and the majority of its overseas subsidiaries is USD whereas the functional currency of the PRC subsidiaries is RMB. Our Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB and USD.

During the Reporting Period, our Group did not hedge transactions undertaken in foreign currencies but managed its foreign exchange risk by performing regular reviews of our Group's net foreign exchange exposures. See Note 3.1 to the consolidated financial statements in this annual report for details.

Interest Rate Risk

Our Group's interest rate risk primarily arises from cash and cash equivalents and borrowings. Those carried at floating rates expose our Group to cash flow interest rate risk whereas those carried at fixed rates expose our Group to fair value interest rate risk. Our Group regularly monitors the interest rate risk to ensure there is no undue exposure to significant interest rate movements.

During the Reporting Period, our Group did not have any significant interest-bearing liabilities nor any significant interest-bearing assets except for cash and cash equivalents and borrowings. The fair value interest rate risk arising from financial assets and liabilities carried at fixed rates was not significant for our Group during the Reporting Period. See Note 3.1 to the consolidated financial statements in this annual report for details.

Credit Risk

Our Group is exposed to credit risk in relation to its cash and cash equivalents, time deposits, restricted cash, trade and notes receivables, other receivables and financial assets at FVOCI. The carrying amounts of the above items represent our Group's maximum exposure to credit risk in relation to financial assets. The management of our Group manages credit risk on a group basis.

As of December 31, 2024, our cash and cash equivalent were mainly placed with reputable financial institutions in the PRC without significant credit issue, and our Group was not exposed to significant credit risk arising from other receivables having considered the counterparties' past operational and financial performance and other factors. See Note 3.1(b) to the consolidated financial statements in this annual report for details.

Liquidity Risk

Liquidity risk is the risk that our Group is unable to meet its obligations when they fall due, resulting from amount and maturity mismatches of assets and liabilities. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding. Due to the nature of the underlying businesses, our management responsible for treasury function aims to maintain flexibility in funding by keeping sufficient cash available. See Note 3.1(c) to the consolidated financial statements in this annual report for details.

DIRECTORS' REPORT

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended December 31, 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Company and its subsidiaries are engaged in (i) sales of LiDAR hardware products for applications in ADAS, as well as robotics and other non-automotive industries such as cleaning, logistics, industrial, public services and inspection, among others, (ii) sales of LiDAR perception solutions, integrating its LiDAR hardware and AI perception software, (iii) the provision of technology development and other services.

An analysis of the group's performance for the year by operating segment is set out Note 5 to the consolidated financial statements in this annual report.

DIRECTORS

The Directors from the Listing Date and up to the date of this annual report are:

Executive Directors

Dr. Qiu Chunxin *(Chairman of the Board and Chief Scientist) (appointed as the Chief Scientist and resigned as the Chief Executive Officer with effect from March 27, 2024)*

Mr. Liu Letian *(Chief Technology Officer)*

Mr. Qiu Chunchao *(Chief Executive Officer) (appointed as the Chief Executive Officer and resigned as the Executive President with effect from March 27, 2024)*

Non-executive Director

Dr. Zhu Xiaorui *(Scientific Advisor)*

Independent Non-executive Directors

Mr. Feng Jianfeng

Dr. Lu Cewu *(resigned with effect from February 9, 2024)*

Mr. Liu Ming *(appointed with effect from February 9, 2024)*

Mr. Ng Yuk Keung

In accordance with Article 26.4 of the Company's Articles of Association, Dr. Qiu Chunxin, Mr. Qiu Chunchao and Mr. Liu Letian retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

BUSINESS REVIEW

A fair review of the Group's business as required under Schedule 5 to the Companies Ordinance, including the Group's performance analysis during the year ended December 31, 2024, particulars of important events affecting the Group that have occurred since the end of the year ended December 31, 2024, as well as the possible future business development of the Group and possible risks that the Group may be facing, are set out in the sections headed "Chief Executive Officer's Statement" and "Management Discussion and Analysis" of this annual report.

Discussions on the environmental policies and performance, compliance by the Group with the relevant laws and regulations that have a significant impact on the Group and the account of the key relationships of the Group with its stakeholders are set out in the "Environmental, Social and Governance Report" of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended December 31, 2024 are set out in the consolidated statement of comprehensive income of this annual report.

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

SHARE CAPITAL

Details of movements in share capital of the Company during the year ended December 31, 2024 are set out in Note 25 to the consolidated financial statements in this annual report.

DISTRIBUTABLE RESERVES

As of December 31, 2024, the Company did not have any distributable reserve.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue attributable to the Group's largest customers for the year ended December 31, 2024 accounted for approximately 34.7% (2023: 32.8%) of the Group's total revenue. The aggregate revenue attributable to the Group's five largest customers for the year ended December 31, 2024 accounted for approximately 83.4% (2023: 66.9%) of the Group's total revenue.

The aggregate purchases attributable to the Group's largest suppliers for the year ended December 31, 2024 accounted for approximately 46.6% (2023: 21.2%) of the Group's total purchases. The aggregate purchases attributable to the Group's five largest suppliers for the year ended December 31, 2024 accounted for approximately 59.4% (2023: 38.1%) of the Group's total purchases.

To the best knowledge of the Directors, none of the Directors or their associates or any Shareholders who owned more than 5% of the Company's issued share capital (excluding treasury shares) had any beneficial interest in any of the Group's five largest customers or suppliers during the year ended December 31, 2024.

SUBSIDIARIES OF THE COMPANY

The details of the principal subsidiaries of the Company are set out in Note 16a to the consolidated financial statements of this annual report.

PROPERTY, PLANT AND EQUIPMENT

The details of the property, plant and equipment of the Group and their movements during the year ended December 31, 2024 are set out in Note 13 to the consolidated financial statements of this annual report.

None of the Company's properties are held for development and/or sale or for investment purposes.

BORROWINGS

As of December 31, 2024, we had RMB200 million unutilized banking facilities.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Reporting Period, to the best knowledge of the Directors, there was no material breach of or non-compliance with applicable laws and regulations, that have a significant impact on the business and operations of the Group, by the Group.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable within one year without payment of compensation other than statutory compensation.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters, 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 during the year or subsisted at the end of the year ended December 31, 2024.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

In compliance with the Corporate Governance Code, the Company has established the remuneration committee of the Company to formulate remuneration policies.

The remuneration is determined and recommended based on each Director's qualification, experience and the prevailing market conditions. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the remuneration committee of the Company.

The Directors and the senior management personnel are eligible participants of the Share Incentive Schemes, details of which are set out in this annual report and Note 27 to the consolidated financial statements.

Details of the emoluments of the Directors and five highest paid individuals of the Group are set out in Notes 36 and 9 to the consolidated financial statements of this annual report.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office for the year ended December 31, 2024.

Except as disclosed above, no other payments have been made or are payable, for the year ended December 31, 2024, by the Group to or on behalf of any of the Directors.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or his or her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year under December 31, 2024 or at any time during the year ended December 31, 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Each of our Directors has confirmed that he/she did not have any interest in a business which materially competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules during the Reporting Period.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance in respect of legal actions arising out of corporate activities against the current Directors and senior management of the Company and its associated companies and the Directors and senior management of the Company and its associated companies who resigned during the Reporting Period. The permitted indemnity provision is in force for the benefit of the Directors as required by the provisions of the Companies Ordinance.

CONTINUING CONNECTED TRANSACTIONS

During the year ended December 31, 2024, the Company and the Group had conducted the following transactions, which upon Listing constitute the Company's partially exempt continuing connected transactions.

LiDAR Products and Solutions Sales Framework Agreement

On November 9, 2023, Shenzhen Suteng entered into a LiDAR products and solutions sales framework agreement (the "**LiDAR Products and Solutions Sales Framework Agreement**") with Zhejiang Cainiao Chuancheng Network Technology Co., Ltd. (浙江菜鳥傳橙網絡技術有限公司) ("**Cainiao Chuancheng**"). Cainiao Chuancheng is a subsidiary of Alibaba Group Holding Limited, the holding company of the substantial Shareholder, Cainiao Smart Logistics Investment Limited ("**Cainiao**") and is therefore an associate of Cainiao and the Company's connected person. Pursuant to which, the Group shall provide, and Cainiao Chuancheng and/or its associates shall purchase, our LiDAR products and perception solutions. The initial term of the LiDAR Products and Solutions Sales Framework Agreement commenced on the Listing Date and will end on December 31, 2025, subject to renewal upon mutual agreement of the parties and in compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

The proposed annual cap and the actual transaction amount of the transactions contemplated under the LiDAR Products and Solutions Sales Framework Agreement for the year ended December 31, 2024 is RMB10 million and RMB3.1 million, respectively.

The transactions contemplated under the LiDAR Products and Solutions Sales Framework Agreement are subject to the reporting, annual review and announcement requirements, but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Save for the continuing connected transactions as disclosed above, no related party transactions disclosed in the consolidated financial statements constitutes a non-exempt connected transaction as defined under Chapter 14A of the Listing Rules.

All independent non-executive Directors of the Company have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

(a) in the ordinary and usual course of business of the Group;

(b) either on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and

(c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the listed issuer as a whole.

In accordance with Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised)"Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in page 34 of this annual report in accordance with Rule 14A.56 of the Listing Rules.

To the best knowledge and information of the Company, Cainiao has ceased to hold more than 10% interest in the Company since August 20, 2024. Therefore, the transactions contemplated under the LiDAR Products and Solutions Sales Framework Agreement between the Group and Cainiao Chuancheng and/or its associates ceased to be continuing connected transaction of the Company after August 20, 2024.

For related party transactions disclosed in Note 35 to the consolidated financial statements which constituted connected transactions or continuing connected transactions under the Listing Rules, the Company has complied with all the relevant requirements under Chapter 14A of the Listing Rules.

POST-IPO SHARE INCENTIVE SCHEME

The following is a summary of the principal terms of the share incentive scheme conditionally adopted and approved by our Shareholders with effect from June 29, 2023 (the "**Post-IPO Share Incentive Scheme**").

The Post-IPO Share Incentive Scheme is effective from the date of approval by the Shareholders (the "**Effective Date**"). The Post-IPO Share Incentive Scheme remains in force for a period of 10 years after the Effective Date. As at the date of this annual report, the remaining life of the Post-IPO Share Incentive Scheme is approximately eight years.

(a) Purposes

The purposes of the Post-IPO Share Incentive Scheme are (i) to promote the success and enhance the value the Company by aligning the personal interests of the directors of members of the Group and the employees to those of the Shareholders and motivating their outstanding performance to promote the Group's development and generate returns to the Shareholders; and (ii) to provide flexibility to the Company in its ability to motivate, attract, and retain the services of directors of members of the Group and the employees upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

(b) Types of awards

The Post-IPO Share Incentive Scheme provides for an award of (i) a right to purchase a specified number of Shares at a specified price during specified time periods (the "**Option**"), (ii) a Share that is subject to certain restrictions and may be subject to risk of forfeiture (the "**Restricted Share**") or (iii) a right to receive a Share at a future date (the "**Restricted Share Unit**") (collectively, the "**Awards**").

(c) Participants

Persons eligible to participate in the Post-IPO Share Incentive Scheme (the "**Participants**") include: (i) any person, including an officer or member of the Board of any member of the Group, who is in the employ of any member of the Group, subject to the control and direction of any member of the Group as to both the work to be performed and the manner and method of performance (the "**Employees**"); and (ii) all directors of any member of the Group, as determined by the Board or a committee delegated by the Board pursuant to the Post-IPO Share Incentive Scheme.

(d) Maximum number of Shares

The maximum aggregate number of Shares which may be issued pursuant to all Awards (including Options) is 19,480,630 Shares ("**Scheme Mandate Limit**"), representing approximately 4.13% of the total number of Shares in issue (excluding the Treasury Shares) as of the date of this annual report.

(e) Maximum entitlement of each Participant

Where any grant of awards or options to a Participant would result in the total number of Shares issued and to be issued in respect of all awards or options granted (excluding any options and awards lapsed in accordance with the terms of the Post-IPO Share Incentive Scheme or any other share schemes of the Company) under the Post-IPO Share Incentive Scheme and any other share schemes of the Company in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue, such grant must be separately approved by the Shareholders in general meeting in accordance with the requirements of the Listing Rules with such Participant and his/her close associate (or associates), if the Participant is a connected person (as defined under the Listing Rules), or such persons as may be required under the Listing Rules from time to time, abstaining from voting. The number and terms of Options to be granted to such Participant must be fixed before the approval of the Shareholders. In such event, the Company must send a circular to the Shareholders containing all information required under the Listing Rules.

(f) **Performance target**

The Board has the right to implement specific provisions (such as provisions on performance assessment) to determine whether or not unvested Awards can vest in favor of the Participants according to schedule or whether or not vested but unexercised Awards can be exercised by the Participants.

(g) **Exercise price of an Option**

The exercise price of an Option shall be determined by the Board and set forth in the written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium, entered into between the Company and a Participant and any amendment thereto (the "**Award Agreement**").

The exercise price of an Option may be a fixed or variable price related to the fair market value of the Share provided that such exercise price shall be at least the higher of (1) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (2) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding the date of grant.

Notwithstanding the above, the exercise price per Share may be adjusted or amended in the absolute discretion of the Board to the extent permitted by the applicable laws (including the Listing Rules), the determination of which shall be final, binding and conclusive.

(h) **Vesting schedule**

Vesting period for Options

The Board may specify the exercise period and/or vesting schedule for Options granted in the Award Agreement, which may be based on performance criteria, passage of time or other factors of any combination thereof, provided that an Option must be held by the Participant for at least 12 months before the Option can be exercised, save for a shorter exercise period may be granted to the Participant in any of the following circumstances below at the sole discretion of the Board:

i. grants of "make-whole" Options to new Employees to replace the share options or share awards they forfeited when leaving his or her previous employer;

ii. grants to a Participant whose employment is terminated due to death or disability or occurrence of any out of control event;

iii. grants that are made in batches during a year for administrative and compliance reasons;

iv. grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months;

v. grants with performance-based vesting conditions in lieu of time-based vesting criteria; or

vi. grants of Options with a total vesting and holding period of more than 12 months.

Vesting period for Restricted Shares and/or Restricted Share Units

The Board may specify the vesting schedule for Restricted Shares and/or Restricted Share Units granted in the Award Agreement, which may be based on performance criteria, passage of time or other factors of any combination thereof, provided that the vesting period for Restricted Shares and/or Restricted Share Units shall not be less than 12 months, save for a shorter vesting period may be granted to the Participant in any of the following circumstances at the sole discretion of the Board:

i. grants of "make-whole" Restricted Shares and/or Restricted Share Units to new Employees to replace the share options or share awards they forfeited when leaving his or her previous employer;

ii. grants to a Participant whose employment is terminated due to death or disability or occurrence of any out of control event;

iii. grants that are made in batches during a year for administrative and compliance reasons;

iv. grants with a mixed or accelerated vesting schedule such as where the Restricted Shares and/or Restricted Share Units may vest evenly over a period of 12 months;

v. grants with performance-based vesting conditions in lieu of time-based vesting criteria; or

vi. grants of Restricted Shares and/or Restricted Share Units with a total vesting and holding period of more than 12 months.

(i) **Non-transferability of the Awards**

Any Awards granted shall be personal to the Participant, and no right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a subsidiary. Except as otherwise provided by the Board, no Award shall be assigned, transferred, or otherwise disposed of by a Participant.

(j) **Grant to Connected Persons**

Any grant of Awards to a connected person (as defined in the Listing Rules) of the Company or any of his or her associates (as defined in the Listing Rules) shall comply with and shall be approved in accordance with the applicable requirements under the Listing Rules.

(k) Expiration of Options, Restricted Shares, and/or Restricted Share Units

(i) An Option may not be exercised and (ii) a Restricted Share or a Restricted Share Unit may not be vested and will automatically lapse upon the occurrence of any one of the following events:

(1) the earlier of ten years from the date it is granted and listing of the Shares on a recognized stock exchange, unless an earlier time is set in the Award Agreement;

(2) upon the Participant's termination of employment or retirement as an Employee or cessation, retirement or vacation of directorship as a director of any member of the Group (as the case may be);

(3) upon the Participant's disability or death, subject to other requirements as provided under the Post-IPO Share Incentive Scheme; and

(4) upon the Participant being convicted of any criminal offense involving his or her integrity or honesty, or charged, convicted or held liable for any offense under the relevant securities laws, regulations or rules in force from time to time in Hong Kong or elsewhere.

(l) Amendment, Modification and Termination

At any time and from time to time, the Board may terminate, amend or modify the Post-IPO Share Incentive Scheme; provided, however, that (a) to the extent necessary and desirable to comply with applicable laws, or stock exchange rules, the Company shall obtain shareholder approval of any amendment of the Post-IPO Share Incentive Scheme in such a manner and to such a degree as required, and (b) shareholder approval is required for any amendment to the Post-IPO Share Incentive Scheme that (i) increases the number of Shares available under the Post-IPO Share Incentive Scheme (other than any adjustment as provided under the Post-IPO Share Incentive Scheme) to the extent permitted under the applicable laws, (ii) permits the Board to extend the term of the Post-IPO Share Incentive Scheme or the exercise period for an Option beyond ten years from the date of grant to the extent permitted under the applicable laws, (iii) results in a material increase in benefits or a change in eligibility requirements, (iv) is of material nature to the advantage of the Participants, or (v) changes the authority of the Board to alter the terms of the Post-IPO Share Incentive Scheme.

DIRECTORS' REPORT

Details of Grant of Awards during the Reporting Period

During the Reporting Period, on July 5, 2024, the Company granted Restricted Share Units underlying a total of 216,607 Shares to eligible Participants, who are the employees of the Group, pursuant to the Post-IPO Share Incentive Scheme. The Shares underlying these Restricted Share Units shall vest on July 5, 2025 pursuant to the vesting schedule specified in the Award Agreement. The total vesting period in respect of each Award shall be 12 months. After such grant of Restricted Share Units and as of December 31, 2024, 20,783,393 Shares are available for future grants under the Scheme Mandate Limit under the Post-IPO Share Incentive Scheme. No selected Participants involved in the grant fall within any category described in Rule 17.06A(2) of the Listing Rules, namely (a) the Director, chief executive or substantial shareholder of the Company, or an associate of any of them; (b) a participant of whom the total number of options and awards granted and to be granted thereto exceeds the 1% individual limit as prescribed under Rule 17.03D of the Listing Rules; or (c) a related entity participant or service provider participant of whom the total number of options and awards granted and to be granted thereto in any 12-month period exceeds 0.1% of the relevant class of Shares in issue (excluding Treasury Shares). For further details, please refer to the Company's announcement dated July 5, 2024.

Movement of the awarded Restricted Share Units during the Reporting Period are set out as follows[5]:

Category of grantees	Date of grant	Number of Shares available for awards as at January 1, 2024	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed/ forfeited during the Reporting Period	Number of Shares available for awards as at December 31, 2024	Vesting period[3]
Employees	July 5, 2024	21,000,000	216,607[1], [2]	–	–	9,760	20,793,153	July 5, 2024 to July 4, 2025

Notes:

(1) The closing price of the Shares immediately prior to the date of grant was HK$50.95 per Share.

(2) Details of the basis of measurement for the fair value of the RSUs granted under the Post-IPO Share Incentive Scheme are set out in Note 27(d) to the financial statements for the Reporting Period as set out in this annual report. An expense of RMB1,512,000 were recognized during the year ended December 31, 2024. The remaining expenses amounting to RMB1,512,000 is expected to be recognized for the future service over a weighted average period of 0.51 year since December 31, 2024, taking into consideration the projected forfeiture rate.

(3) The vesting period of the grants refers to the period from the date of grant to the date of vesting.

(4) The number of Shares that may be issued in respect of awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue (excluding treasury shares) for the Reporting Period was approximately 4.41%.

(5) The accounting standard and policy adopted with respect to the awards granted during the Reporting Period are set out as follows. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share award scheme reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share award scheme reserve. When share awards are exercised, the amount previously recognized in share award scheme reserve will be transferred to share capital and share premium. When the shares awards are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share award scheme reserve will be transferred to accumulated losses.

Save for the grant of the Restricted Share Units as disclosed above, no Award has been granted, exercised, cancelled, lapsed or remained outstanding under the Post-IPO Share Incentive Scheme during the year ended December 31, 2024.

Details of Grant of Awards after the Reporting Period

On April 1, 2025, the Company granted Restricted Share Units underlying a total of 1,312,523 Shares to eligible Participants, who are the employees of the Group, pursuant to the Post-IPO Share Incentive Scheme. The Shares underlying the RSUs shall vest within a period between one month and 49 months after the date of grant pursuant to the vesting schedule specified in the award agreement. For details of the above grants of awards, please refer to the Company's announcement dated April 1, 2025.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of December 31, 2024, the interests or short positions of the Directors or the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, once the Shares are listed, were as follows:

Interests in the Shares or Underlying Shares of the Company

Name of Director	Nature of Interest	Number of interested shares[2]	Approximate percentage of shareholding interest[1]
Dr. Qiu Chunxin ("**Dr. Qiu**")	Interests held jointly with another person[3]	97,082,430 (L)	21.06%
Dr. Zhu Xiaorui ("**Dr. Zhu**")	Interests held jointly with another person[3]	97,082,430 (L)	21.06%
Mr. Liu Letian ("**Mr. Liu**")	Interests held jointly with another person[3]	97,082,430 (L)	21.06%
Mr. Qiu Chunchao	Beneficiary of a trust (other than a discretionary interest)	9,107,746 (L)	1.98%

1. The total number of issued Shares as of December 31, 2024 was 460,939,423.

2. The letter "L" stands for long position.

3. Each of Dr. Qiu, Dr. Zhu and Mr. Liu (collectively as the "**Founders**") entered into the Concert Party Confirmation dated April 21, 2023 to formalize and confirm that they have been parties acting in concert in exercising directors and shareholders' rights of our Group since the Founders become shareholders or directors of the relevant member of the Group (whichever is earlier). As such, each of Dr. Qiu, Dr. Zhu and Mr. Liu is deemed to be interested in the Shares held by other members of the Founders for the purpose of Part XV of the SFO.

Save as disclosed above, as of the date of this annual report, none of the Directors or the chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required 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 they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and/or Short Position in Shares and Underlying Shares of the Company

As of December 31, 2024, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company 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 were as follows:

Name of Substantial Shareholder	Nature of Interest	Number of interested shares[2]	Approximate percentage of shareholding interest[1]
BlackPearl Global Limited ("**BlackPearl**")[3]	Beneficial owner	49,367,683 (L)	10.71%
BlackPearl Investment Limited[3]	Interest of corporation controlled	49,367,683 (L)	10.71%
Sunton Global Limited ("**Sunton Global**")[3]	Beneficiary of a trust (other than a discretionary interest)	49,367,683 (L)	10.71%
Dr. Qiu[3, 7]	Interests held jointly with another person	97,082,430 (L)	21.06%
Emerald Forest International Limited ("**Emerald Forest**")[4]	Beneficial owner	29,604,176 (L)	6.42%
Emerald Forest Investment Limited[4]	Interest of corporation controlled	29,604,176 (L)	6.42%
Emerald Forest Holding Limited ("**Emerald Forest Holding**")[4]	Beneficiary of a trust (other than a discretionary interest)	29,604,176 (L)	6.42%
Dr. Zhu[4, 8]	Interests held jointly with another person	97,082,430 (L)	21.06%
Mr. Liu[6]	Interests held jointly with another person	97,082,430 (L)	21.06%
TMF (Cayman) Ltd[3, 4, 5]	Trustee	101,931,831 (L)	22.11%
Futu Trustee Limited[8]	Trustee	24,135,251 (L)	5.24%
Cainiao Smart Logistics Investment Limited ("**Cainiao**")[7]	Beneficial owner	37,016,463 (L)	8.03%
Cainiao Smart Logistics Network Limited[7]	Interest of controlled corporation	37,016,463 (L)	8.03%
Ali CN Investment Holding Limited[7]	Interest of controlled corporation	37,016,463 (L)	8.03%
Alibaba Group Holding Limited[7]	Interest of controlled corporation	37,016,463 (L)	8.03%

DIRECTORS' REPORT

1. The total number of issued Shares as of December 31, 2024 was 460,939,423.

2. The letter "L" stands for long position.

3. BlackPearl is owned as to 99.9% by BlackPearl Investment Limited and 0.1% by Sunton Global. Sunton Global is wholly owned by Dr. Qiu. BlackPearl Investment Limited is held by TMF (Cayman) Ltd. acting as trustee of a trust, with Sunton Global and Dr. Qiu as beneficiaries. As such, each of Dr. Qiu, BlackPearl Investment Limited, Sunton Global and TMF (Cayman) Ltd. is deemed to be interested in the Shares held by BlackPearl for the purpose of Part XV of the SFO.

4. Emerald Forest is owned as to 99.9% by Emerald Forest Investment Limited and 0.1% by Emerald Forest Holding. Emerald Forest Holding is wholly owned by Dr. Zhu. Emerald Forest Investment Limited is held by TMF (Cayman) Ltd. acting as trustee of a trust, with Emerald Forest Holding and Dr. Zhu as beneficiaries. As such, each of Dr. Zhu, Emerald Forest Investment Limited, Emerald Forest Holding and TMF (Cayman) Ltd. is deemed to be interested in the Shares held by Emerald Forest for the purpose of Part XV of the SFO.

5. One of the ESOP Holding Entities, Ruby International Limited ("**Ruby**"), holding 4,849,401 Shares underlying the awards in the form of restricted shares granted to Mr. Qiu pursuant to pre-IPO share incentive scheme adopted by the Company on December 30, 2021 (the "**Pre-IPO Share Incentive Scheme A**"), is owned as to 99.9% by Ruby Group Holdings Limited and 0.1% by Sunton Limited, which is in turn wholly owned by Mr. Qiu. Ruby Group Holdings Limited is held by TMF (Cayman) Ltd. as the trustee of a trust, with Sunton Limited and Mr. Qiu as the beneficiaries. As such, TMF (Cayman) Ltd. is deemed to be interested in the Shares held by Ruby for the purpose of Part XV of the SFO.

6. Each of Dr. Qiu, Dr. Zhu and Mr. Liu entered into the concert party confirmation to formalize and confirm that they have been parties acting in concert in exercising directors and shareholders' rights of our Group since the Founders become shareholders or directors of the relevant member of the Group (whichever is earlier). As such, each of Dr. Qiu, Dr. Zhu and Mr. Liu is deemed to be interested in the Shares held by other members of the Founders for the purpose of Part XV of the SFO.

7. Cainiao is wholly owned by Cainiao Smart Logistics Network Limited, which is a subsidiary of Ali CN Investment Holding Limited, which is in turn wholly owned by Alibaba Group Holding Limited. As such, each of Cainiao Smart Logistics Network Limited, Ali CN Investment Holding Limited and Alibaba Group Holding Limited is deemed to be interested in the Shares held by Cainiao for the purpose of Part XV of the SFO.

8. Robust Limited ("**Robust**") and Hoping Dream International Limited ("**Hoping Dream**") are two of the ESOP Holding Entities, holding 6,924,725 Shares (being part of the Shares underlying the Pre-IPO Share Incentive Scheme A) and 17,210,526 Shares (being the Shares underlying the pre-IPO share incentive scheme adopted by the Company on December 30, 2021 ("**Pre-IPO Share Incentive Scheme B**")), respectively. Each of Robust and Hoping Dream is indirectly controlled by Futu Trustee Limited acting as the trustee of a trust to hold the Shares on trust for the participants of the Pre-IPO Share Incentive Scheme A and the Pre-IPO Share Incentive Scheme B, respectively. As such, Futu Trustee Limited is deemed to be interested in the Shares held by Robust and Hoping Dream for the purpose of Part XV of the SFO.

Save as disclosed above, as of December 31, 2024, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company 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.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections headed "Share Incentive Scheme" and "Directors' and chief executives' interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations" in this annual report, at no time during the year ended December 31, 2024 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective close associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

COMPETITION AND CONFLICT OF INTERESTS

During the Reporting Period, none of the Directors or any of their respective associates has any interests in any business that competes or may compete, directly or indirectly, with the business of the Group or has any other conflict of interests with the Group.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES OR SALE OF TREASURY SHARES

During the Reporting Period and up to the date of this annual report, the Company repurchased a total of 11,655,200 Shares on the Stock Exchange at an aggregate consideration of approximately HK$182.2 million before expenses (with the aggregate consideration including various expenses of approximately HK$182.9 million). The repurchases were effected to benefit the Company and create value to its Shareholders. Particulars of the Shares Repurchased are as follows:

Month of repurchase	No. of Shares repurchased	Price paid per Share Highest (HK$)	Price paid per Share Lowest (HK$)	Aggregate consideration (before expenses) (HK$)
July 2024	3,192,500	16.98	14.74	50,969,806.32
August 2024	3,484,000	16.88	11.18	54,594,323.30
September 2024	3,127,900	15.28	11.10	38,556,961.22
October 2024	1,233,800	17.38	16.42	20,785,665.30
April 2025	617,000	29.00	26.65	17,255,940.60
Total	11,655,200			182,162,696.74

As of December 31, 2024, 11,038,200 Shares repurchased are not cancelled and have been held by the Company as Treasury Shares. Subsequent to the Reporting Period and as of the Latest Practicable Date, the Company had no present intention to use or sell the Treasury Shares.

Save as disclosed above, during the Reporting Period and up to the date of this annual report, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the securities of the Company listed on the Stock Exchange, nor sold any Treasury Shares of the Company.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Articles of Association, which would oblige the Company to offer new shares on a pro-rata basis to its existing Shareholders, although there are no restrictions against such rights under the laws in the Cayman Islands being the jurisdiction in which the Company is incorporated.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Main Board Listing Rules since the Listing Date and up to the date of this annual report.

CORPORATE GOVERNANCE REPORT

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Corporate Governance Code set out in Part 2 of Appendix C1 to the Listing Rules has become applicable to the Company with effect from the Listing Date. The Company has adopted the code provisions set out in the CG Code as its own code to govern its corporate governance practices since Listing. Please refer to the paragraph headed "Corporate Governance Practices" in the Corporate Governance Report in this annual report for details of compliance with the CG Code.

Details of the Group's corporate governance practices can be found in the Corporate Governance Report of this annual report.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Group has not noted any material non-compliance with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands that a better future depends on everyone's participation and contribution. The Company has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole. Further, the Group has adopted policies, charters and code of conducts to govern the ESG aspects of our day-to-day operations, ranging from reducing energy and water consumption caused by our operations, health and work safety, and social contribution to environmental protection and corporate governance. The Group endeavors to maintain the relationships with its employees, suppliers and customers to ensure sustainable development.

For further details of the Company's environmental performance and relationship with its employees, suppliers and customers, please refer to the Environmental, Social and Governance Report of this annual report.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, the Company has not entered into any equity-linked agreement during the year ended December 31, 2024.

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the year ended December 31, 2024.

LOAN AND GUARANTEE

Save as disclosed in this annual report, during the year ended December 31, 2024, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company and its connected persons.

AUDITOR

PricewaterhouseCoopers was appointed as the auditor during the Reporting Period. A resolution to re-appoint the retiring auditor, PricewaterhouseCoopers, is to be proposed at the forthcoming Annual General Meeting of the Company.

There is no change of auditor since the Listing Date.

DONATION

No charitable or other donations were made by the Group during the year ended December 31, 2024.

TAX RELIEF

The Company is not aware of any tax relief available to the Shareholders by reason of their holding of the Company's securities. If the Shareholders are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights (including entitlements to any relief of taxation) in relation to, the Shares, they are advised to consult an expert.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report and Note 39 to the consolidated financial statements in this annual report, we are not aware of any material subsequent events since the end of the Reporting Period to the date of this annual report.

By order of the Board
Dr. Qiu Chunxin
Chairman of the Board, Executive Director and Chief Scientist

Hong Kong
March 31, 2025

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE CULTURE

The Board and the Company's management are highly committed to maintaining good corporate governance practices, internal control, risk management and transparency in fulfilling their corporate responsibility and accountability to the Shareholders. The Board and the management recognize that the maintenance of good corporate governance practices is an essential factor in achieving financial success and enhancing Shareholders' value.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards with a view to safeguarding the interests of our Shareholders.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the CG Code contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

The Corporate Governance Code set out in Part 2 of Appendix C1 to the Listing Rules has become applicable to our Company with effect from the Listing Date. Since the Listing Date and up to the date of this annual report, the Company has complied with the applicable code provisions under the Corporate Governance Code set out in Part 2 of Appendix C1 to the Listing Rules, save for code provision C.2.1 for the period from the Listing Date to March 27, 2024 as disclosed below. Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should be performed by different individuals. During the period from the Listing Date to March 27, 2024, the roles of chairman of the Board and the Chief Executive Officer were performed by Dr. Qiu Chunxin in view of his substantial contribution to, and consistent leadership of, our Group since our establishment. With effect from March 27, 2024, Dr. Qiu Chunxin has resigned as the Chief Executive Officer and Mr. Qiu Chunchao has been appointed as the Chief Executive Officer. Following such change of Chief Executive Officer on March 27, 2024, the Company has complied with Code Provision C.2.1 of the CG Code.

Please refer to the paragraphs headed "CHAIRMAN AND CHIEF EXECUTIVE OFFICER" below for details.

VISION	MISSION	VALUE
Become the global leader in robotics technology platforms	Safer World, Smarter Life	Innovation Perfection Pragmatism Simplicity

We manufacture and sell LiDAR products that contain components and materials that are subject to government regulations in both the locations where we manufacture and assemble our products and the locations where we sell our products. Since we operate on a global basis, this is a complex process that requires our continuous monitoring of regulations and an ongoing compliance process to ensure that we and our suppliers are in compliance with existing and new regulations in each market where we operate and in line with the corporate culture in order to develop a safety working environment for our employees and provide high-quality products and services for our customers. The Board will continue to look for suitable opportunities for the sustainable development of the Group to enhance the value of the Group and create higher profitability for our Shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS AND HANDLING OF INSIDE INFORMATION

The Company has adopted Model Code as set out in Appendix C3 to the Listing Rules. In response to specific enquiries made by the Board, all Directors confirmed that they have complied with the provisions of the Model Code during the period from the Listing Date to the date of this annual report.

The Company has also established an insider trading policy no less exacting than the Model Code for securities transactions by employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. Access to inside information is at all times confined to relevant personnel on a need-to-know basis, and Directors, senior management and relevant employees in possession of inside information are required to preserve confidentiality.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his or her responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors and non-executive Directors (including Independent Non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

Our Board consist of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors.

During the year ended December 31, 2024 and up to the Latest Practicable Date, the composition of the Board is as follows:

Executive Directors

Dr. Qiu Chunxin(1) *(Chairman of the Board and Chief Scientist)*

Mr. Liu Letian *(Chief Technology Officer)*

Mr. Qiu Chunchao(2) *(Chief Executive Officer)*

Non-executive Director

Dr. Zhu Xiaorui *(Scientific Advisor)*

Independent non-executive Directors

Mr. Feng Jianfeng

Dr. Lu Cewu *(resigned with effect from February 9, 2024)*

Mr. Liu Ming *(appointed with effect from February 9, 2024)*

Mr. Ng Yuk Keung

Notes:

(1) Dr. Qiu Chunxin resigned as the Chief Executive Officer and was appointed as the Chief Scientist with effect from March 27, 2024.

(2) Mr. Qiu Chunchao resigned as the executive president and was appointed as the Chief Executive Officer of our Company with effect from March 27, 2024.

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" of this annual report.

Mr. Qiu Chunchao is the brother of Dr. Qiu Chunxin. Save as aforesaid and disclosed in this annual report, there is no relationship (including, financial, business, family or other material/relevant relationship(s)) between the Board members and the senior management.

Since the Listing Date and up to the date of this annual report, the Board at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise and the appointment of independent non-executive Directors representing at least one-third of the Board. Among the three independent non-executive Directors, Mr. Ng Yuk Keung has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

DIRECTORS' ATTENDANCE RECORDS

As an integral part of good corporate governance, the Board has established four committees for overseeing the performance of specific functions which are set out in written terms of reference for each committee.

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors. The independent non-executive directors and non-executive director should attend general meetings of the Company to gain and develop a balanced understanding of the view of the Shareholders.

During the Reporting Period, the Company held meetings of the Board and the Board committees as well as the annual general meeting on June 27, 2024. The Directors' attendance records are set out as follows:

Name of Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	ESG Committee	Annual general meeting[1]
Executive Directors						
Dr. Qiu Chunxin	4/4	N/A	N/A	1/1	1/1	1/1
Mr. Liu Letian	4/4	N/A	N/A	N/A	1/1	1/1
Mr. Qiu Chunchao	4/4	N/A	N/A	N/A	1/1	1/1
Non-executive Director						
Dr. Zhu Xiaorui	4/4	4/4	1/1	N/A	N/A	1/1
Independent non-executive Directors						
Mr. Feng Jianfeng	4/4	N/A	1/1	1/1	N/A	1/1
Dr. Lu Cewu [2]	0/0	0/0	0/0	N/A	N/A	0/0
Mr. Liu Ming	4/4	4/4	1/1	N/A	N/A	1/1
Mr. Ng Yuk Keung	4/4	4/4	N/A	1/1	N/A	1/1

Notes:

(1) The annual general meeting was held on June 27, 2024.

(2) Dr. Lu Cewu resigned as an independent non-executive Director with effect from February 9, 2024. From January 1, 2024 to the date on which Dr. Lu ceased to be a Director, no Board meeting, Committee meeting, or general meeting was held.

In addition, the Chairman held one meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to the management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Director and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should be performed by different individuals.

The roles of the chairman of the Board and the Chief Executive Officer of the Company were held by Dr. Qiu Chunxin, who is the co-founder of the Group and has extensive experience in the industry since the Listing Date to March 27, 2024.

On March 27, 2024, Dr. Qiu Chunxin tendered his resignation as the Chief Executive Officer. Such change allows Dr. Qiu to focus more on the role of chairman of the Board, to oversee the scientific development of the Group, and to continue to provide his valuable insights on the overall strategy and business and product development of the Company to the Board. Following the resignation of Dr. Qiu Chunxin as the Chief Executive Officer, the Board has appointed Mr. Qiu Chunchao as the Chief Executive Officer with effect from March 27, 2024, and since then, the Company has complied with the C.2.1 under the Corporate Governance Code. The Chief Executive Officer focuses on the Company's business development and daily management and operations generally.

BOARD INDEPENDENCE

The Company recognizes the importance of board independence to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

Pursuant to the terms of reference of the Nomination Committee and the Board Diversity Policy, the Nomination Committee will conduct an annual assessment on the independence of the Board, in particular the independent non-executive Directors according to the Listing Rules.

The Remuneration Committee will ensure that the Company shall not generally grant equity-based remuneration (e.g. share options or grants) with performance-related elements to independent non-executive Directors.

The Company has received the annual written confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines as set out in Rule 3.13 of the Listing Rules, and considers each of the independent non-executive Directors to be independent.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All the Directors are subject to retirement by rotation and re-election at the annual general meetings. Under the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three of a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Company's Articles of Association also provides that all Directors appointed to fill a casual vacancy or as addition to the Board shall hold office until the first annual general meeting after appointment. The retiring Directors shall be eligible for re-election.

Our non-executive Director has entered into an appointment letter with our Company pursuant to which she agreed to act as a non-executive Director with effect from the date of her appointment as a Director until the third annual general meeting of the Company since the Listing Date (subject always to re-election as and when required under the Articles of Association). Either party has the right to give not less than one month's written notice to terminate the agreement.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Mr. Liu Ming, being an independent non-executive Director appointed by the Company on February 9, 2024, has obtained legal advice pursuant to Rule 3.09D of the Listing Rules on the date of his appointment and that he has confirmed that he understood his obligations as a director of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, all Directors had participated in continuous professional development in the following manner in compliance with code provision C.1.4 of the CG Code:

	Types of training
Executive Directors	
Dr. Qiu Chunxin	A, B
Mr. Liu Letian	A, B
Mr. Qiu Chunchao	A, B
Non-executive Director	
Dr. Zhu Xiaorui	A, B
Independent non-executive Directors	
Mr. Feng Jianfeng	A, B
Dr. Lu Cewu (resigned with effect from February 9, 2024)	A, B
Mr. Liu Ming	A, B
Mr. Ng Yuk Keung	A, B

Note: Types of Training –

A. Attending training sessions, including but not limited to briefings, seminars and/or conferences, on various topics, such as on Listing Rules, directors' duties under applicable laws and regulations, financial reporting, internal control, risk management, environmental, social and governance requirements, etc.

B. Reading relevant news alerts, newspaper articles, journals and relevant publications.

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee, and ESG Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee, Nomination Committee, and ESG Committee are posted on the Company's website and the Stock Exchange's website.

AUDIT COMMITTEE

The Audit Committee was established with effect from the Listing Date and currently consists of three members, including two independent non-executive Directors, namely Mr. Ng Yuk Keung and Mr. Liu Ming, and one non-executive Director, namely Dr. Zhu Xiaorui. Mr. Ng Yuk Keung is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee are to review the financial controls and the internal control and risk management systems of our Group, monitor the integrity of the Company's financial statements, review and monitor the external auditor's independence and objectivity and effectiveness of the audit process and perform other duties and responsibilities as assigned by our Board.

During the Reporting Period, the Audit Committee held four meetings to, among others, review the annual, interim and quarterly consolidated financial statements of the Group and the annual, interim and quarterly results announcements published by the Company, discuss the re-appointment of the external auditor and make recommendations to the Board, and review the Group's risk management and internal control system and its effectiveness. The Audit Committee also held one meeting with the Company's external auditor without the presence of the executive Directors. Regarding the review of the Company's financial report and accounts as well as the related audit and review process.

The composition of the Audit Committee and attendance record of each Audit Committee member are set out below:

Members of the Audit Committee	**Attendance**
Mr. Ng Yuk Keung *(Chairman)*	4/4
Dr. Lu Cewu *(resigned with effect from February 9, 2024)*	N/A [1]
Mr. Liu Ming *(appointed with effect from February 9, 2024)*	4/4
Dr. Zhu Xiaorui	4/4

Note:

(1) No meeting of the Audit Committee was held prior to the resignation of Dr. Lu Cewu as an independent non-executive Director with effect from February 9, 2024.

REMUNERATION COMMITTEE

The Remuneration Committee was established with effect from the Listing Date and currently consists of three members, including two independent non-executive Directors, namely Mr. Feng Jianfeng and Mr. Liu Ming, and one non-executive Director, namely Dr. Zhu Xiaorui. Mr. Feng Jianfeng is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for our Directors and senior management and make recommendations on remuneration packages of individual executive Directors and senior management.

During the Reporting Period, the Remuneration Committee held one meeting to, among others, review the remuneration policy for the Directors and senior management and make recommendations to the Board in this regard, and review the grant of restricted share units under the Post-IPO Share Incentive Scheme.

During the Reporting Period, the Remuneration Committee reviewed and approved the grant of Restricted Share Units underlying a total of 216,607 Shares to eligible Participants, who are the employees of the Group, pursuant to the Post-IPO Share Incentive Scheme. For details, please refer to the section headed "Post-IPO Share Incentive Scheme" in this annual report.

The composition of the Remuneration Committee and attendance record of each Remuneration Committee member are set out below:

Members of the Remuneration Committee	Attendance
Mr. Feng Jianfeng *(Chairman)*	1/1
Dr. Lu Cewu *(resigned with effect from February 9, 2024)*	N/A [1]
Mr. Liu Ming *(appointed with effect from February 9, 2024)*	1/1
Dr. Zhu Xiaorui	1/1

Note:

(1) No meeting of the Remuneration Committee was held prior to the resignation of Dr. Lu Cewu as an independent non-executive Director with effect from February 9, 2024.

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The Company offers the executive Directors and senior management, as its employees, with remuneration in the form of fees, wages, salaries, discretionary bonus, pension contributions, housing funds, medical insurances, other social insurances, share-based compensation expenses and other employee benefits. Non-executive Director and independent non-executive Directors will receive compensation according to their duties (including serving as members or chairmen of the Board Committees).

The remuneration of the senior management, whose biographical details are included in section headed "Biographies of Directors and Senior Management" of this annual report, during the year falls within the following bands:

Remuneration	Number of Individuals
HK$1,500,001 to HK$2,000,000	1
HK$2,000,001 to HK$2,500,000	1
HK$3,000,001 to HK$3,500,000	1
HK$10,000,001 to HK$10,500,000	1

NOMINATION COMMITTEE

The Nomination Committee was established with effect from the Listing Date and currently consists of three members, including one executive Director, namely Dr. Qiu Chunxin and two independent non-executive Directors, namely Mr. Feng Jianfeng and Mr. Ng Yuk Keung. Dr. Qiu Chunxin is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Nomination Committee are to review the Board structure, size and composition, make recommendations to our Board on the appointment or re-appointment of Directors and review the Company's board diversity policy.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy (the "**Board Diversity Policy**"). In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy and the Board Diversity Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the Reporting Period, the Nomination Committee held one meeting to, among others, review the structure, size and composition of the Board, review the Board Diversity Policy and its effectiveness, consider the potential directorship candidate(s) and make recommendation to the Board, and review the independence of the independent non-executive Directors, consider the rotation of Directors at the annual general meeting.

The composition of the Nomination Committee and attendance record of each Nomination Committee member are set out below:

Members of the Nomination Committee	**Attendance**
Dr. Qiu Chunxin *(Chairman)*	1/1
Mr. Feng Jianfeng	1/1
Mr. Ng Yuk Keung	1/1

ESG COMMITTEE

The ESG Committee was established with effect from March 27, 2024 and currently consists of three members, including three executive Directors namely Dr. Qiu Chunxin, Mr. Liu Letian and Mr. Qiu Chunchao. Dr. Qiu Chunxin is the chairman of the ESG Committee.

The primary duties of the ESG Committee include, among others, (i) developing and reviewing the Company's ESG responsibilities, vision, objectives, strategies, principles and policies, (ii) reviewing and monitoring the Company's ESG policies and practices, and (iii) reviewing the Company's ESG report and making recommendations to the Board for approval.

During the Reporting Period, the ESG Committee held one meeting to, among others, review the Company's ESG Report, and review the Group's ESG reporting procedure and its effectiveness.

The composition of the ESG Committee and attendance record of each ESG Committee member are set out below:

Members of the ESG Committee	Attendance
Dr. Qiu Chunxin *(Chairman)*	1/1
Mr. Liu Letian	1/1
Mr. Qiu Chunchao	1/1

BOARD DIVERSITY POLICY

The Board has adopted the Board Diversity Policy which sets out the objectives and approaches to achieve and maintain diversity of the Board. The Group recognizes the benefits of having a diversified Board and considers increasing diversity at the Board level as an essential element to achieve sustainable and balanced development of the Group and support the Group in achieving its strategic goals.

The Group seeks to achieve diversity of our Board through the consideration of a number of factors, including but not limited to professional experience, talents, skills, knowledge, cultural and education background, gender, age, ethnicity and length of service. Our board diversity policy is well implemented as evidenced by the fact that there are both female and male Directors ranging from 35 years old to 60 years old, and that our Directors have a balanced mix of experiences from different industries and sectors.

As of the Latest Practicable Date, the Board had one female Director. The Company targets to maintain at least one female representation in the Board. The Company also intends to promote gender diversity when recruiting staff at the middle to senior level in order to develop a pipeline of female senior management and potential successors to the Board.

In addition, the Company will engage more resources in training female staff who have long and relevant experience in the Company's business, with the aim of promoting them to the senior management or directorship of the Group. The Company is committed to adopting a consistent approach to promote diversity at all other levels of the Company from the Board downwards, in order to enhance the effectiveness of the Company's corporate governance as a whole.

An analysis of the Board's current composition based on the measurable objectives is set out below:

Gender Male: 6 Directors Female: 1 Director	**Age Group** 31-40: 2 Directors 41-50: 3 Directors 51-60: 2 Directors
Designation Executive Directors: 3 Directors Non-executive Directors: 1 Directors Independent Non-executive Directors: 3 Directors	**Educational Background** Business administration: 2 Directors Accounting and finance: 2 Directors Others: 3 Directors
Nationality Chinese: 7 Directors	**Business Experience** Accounting and finance: 2 Directors Experience related to the Company's business: 5 Directors

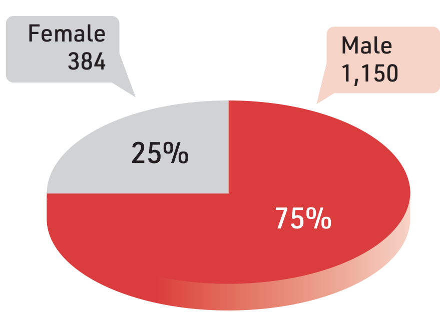
The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

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

GENDER DIVERSITY

The Company values gender diversity across all levels of the Group. The following diagram sets out the gender ratio in the workforce of the Group that the Board had target to achieve and achieved, including the Board and senior management as of the December 31, 2024 (Male: 75.0% (1,150); Female: 25.0% (384)):

Gender Distribution



DIRECTOR NOMINATION PROCEDURES

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Procedures which set out the selection criteria and nomination 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 nomination process set out in the Director Nomination Procedures is as follows:

Appointment of New Director

(i) The Board shall, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out in section 1 of the Director Nomination Procedures to determine whether such candidate is qualified for directorship.

(ii) If the process yields one or more desirable candidates, the Board shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

(iii) The Board shall then appoint the appropriate candidate for directorship.

(iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Board shall evaluate such candidate based on the criteria as set out in section 1 of the Director Nomination Procedures to determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to shareholders in respect of the proposed election of director at the general meeting.

Re-election of Director at General Meeting

(i) The Board shall review the overall contribution and service to the Company of the retiring director including his or her attendance of Board meetings and, where applicable, general meetings, and the level of participation and performance on the Board.

(ii) The Board shall also review and determine whether the retiring director continues to meet the criteria as set out in the Director Nomination Procedures.

(iii) The Nomination Committee and/or the Board shall then make recommendation to Shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

The Director Nomination Procedures set out the criteria 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;
- Willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;
- Requirements for the Board to have independent directors in accordance with Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- Board Diversity Policy and any measurable objectives adopted by the Board for achieving diversity on the Board; and
- Such other perspectives appropriate to the Company's business.

The Nomination Committee will review the Director Nomination Procedures, as appropriate, to ensure its effectiveness. The Director Nomination Procedures are available on the Company's website.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code. The Board should disclose the policy for the nomination of directors in the Corporate Governance Report every financial year. This includes the nomination procedures and the process and criteria adopted by the nomination committee to select and recommend candidates for directorship. Please see the paragraph headed "Director Nomination Procedures" above for details.

The Board shall review the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Company's insider dealing policy, and the Company's compliance with the CG Code.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

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 Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

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 project management, sales and leasing, financial reporting, human resources and information technology.

All divisions conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provided treatment plans, and monitored the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The internal control department is responsible for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. In addition to the internal control department, the Company has also established an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting issues identified and improving our internal control systems and procedures by identifying internal control failures and weaknesses on an ongoing basis. The internal audit department reports any major issues identified to the Audit Committee and the Board on a timely basis.

The Company has established the anti-corruption risk management policies prohibiting any corruption activities by the employees, either for the pursuit of improper personal benefits or improper interests of the Company. We have maintained a whistleblower policy and mechanism for employees to anonymously report any incidents of bribery and corruption. The Ethics and Compliance Committee is responsible for investigating reported incidents and taking appropriate measures to address them. The Company has zero-tolerance of corruption and does not accept employment or promotion of persons responsible for corruption incidents. The Company conducts routine internal trainings and require all suppliers to execute anti-corruption commitments before engagement.

The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery, with a view to proactively identifying any concerns or issues relating to any potential non-compliance.

To monitor the ongoing implementation of our risk management policies, we have established an Audit Committee to review and supervise our financial reporting process and internal control system annually in respect of each financial year on an ongoing basis, so as to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The Board considered the risk management and internal control systems of the Company during the Reporting Period were effective and adequate.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements with the support of the accounting and finance team.

The Directors have prepared the financial statements in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

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

AUDITOR'S REMUNERATION

The remuneration paid and payable to the external auditor of the Company, PricewaterhouseCoopers, in respect of audit services and non-audit services (which include ESG advisory services) for the year ended December 31, 2024 is set out below:

Service Category	Fees Paid/Payable RMB'000
Audit Services	9,196
Non-audit Services	161
Total	9,357

JOINT COMPANY SECRETARIES

Mr. Lau Wing Kee and Ms. Lau Yee Wa have been appointed as the Company's joint company secretaries. Ms. Lau Yee Wa is currently a director of corporate services of Tricor Services Limited, a member of Vistra Group and a global professional services provider specializing in integrated business, corporate and investor services.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Mr. Lau Wing Kee, a joint company secretary of the Company, has been designated as the primary contact person at the Company who would work and communicate with Ms. Lau, also a joint company secretary of the Company, on the Company's corporate governance and secretarial and administrative matters.

SHAREHOLDERS' RIGHTS

Convening Extraordinary General Meeting

Pursuant to the Article 17 of the Articles of Association of the Company, the Board may, whenever it thinks fit, convene general meetings, and they shall on a members' requisition forthwith proceed to convene a general meeting of the Company. A members' requisition is a requisition of one or more members of the Company holding at the date of deposit of the requisition not less than 10% of the voting rights, on a one vote per share basis, of the issued Shares which as at that date carry the right to vote at general meetings of the Company. The members' requisition must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionist(s) and deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionist(s). If there are no Directors as at the date of the deposit of the members' requisition or if the Directors do not within 21 days from the date of the deposit of the members' requisition duly proceed to convene a general meeting to be held within a further 21 days, the requisitionist(s), or any of them representing more than one-half of the total voting rights of all of the requisitionist(s), may themselves convene a general meeting, but any meeting so convened shall be held no later than the day which falls three months after the expiration of the said 21 day period.

PUTTING FORWARD PROPOSALS AT THE GENERAL MEETING

There is no provision in the Articles of Association or the Companies Act of the Cayman Islands for the procedure for a resolution to be proposed by a member at a general meeting. Shareholders wishing to propose a resolution may request the Company to convene a general meeting to consider the matters specified in the request in accordance with the procedures set out in the paragraph above.

PUTTING FORWARD ENQUIRIES TO THE BOARD

Shareholders may make a request for the Company's information to the extent such information is publicly available. For putting forward any enquiries (other than about their shareholding) to the Board, Shareholders may send written enquiries to the Company to the following:

Address: Building 9, Zhongguan Honghualing Industry Southern District, 1213 Liuxian Avenue, Taoyuan Street, Nanshan District, Shenzhen, PRC

For the attention of the Board of Directors

Email: ir@robosense.ai

For the avoidance of doubt, Shareholders 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.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meetings, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, a separate resolution should be proposed for each substantially separate issue at general meetings, including the election of an individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

SHAREHOLDERS' COMMUNICATION POLICY

The Company has in place a Shareholders' Communication Policy. The policy aims to set out the provisions with the objective of ensuring that the Company's Shareholders, both individual and institutional, and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable Shareholders to exercise their rights in an informed manner, and to enhance the communication among Shareholders, the investment community and the Company.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) **Corporate Communication**

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company in plain language will be published on the Stock Exchange's website in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules. Shareholders and non-registered holders of the Company's securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means). Shareholders are encouraged to provide, amongst other things, in particular, their email addresses to the Company in order to facilitate timely and effective communications.

(b) **Announcements and Other Documents pursuant to the Listing Rules**

The Company shall publish announcements on inside information, corporate actions and transactions etc. and other documents (e.g. Memorandum and Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) **Corporate Website**

Information on the Company's website is updated on a regular basis. Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.robosense.ai/en) immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents etc.

(d) Shareholders' Meetings

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Appropriate arrangements for the annual general meetings shall be in place to encourage Shareholders' participation. The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served. Board members, in particular, the chairmen of Board committees or their delegates, appropriate management executives and external auditor will attend annual general meetings to answer Shareholders' questions. Shareholders are encouraged to attend shareholders' activities organized by the Company, where they can know about the state of affairs of the Company.

(e) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong Share Registrar, Tricor Investor Services Limited, via its online holding enquiry service at srhk.vistra.com, or send email to is-enquiries@vistra.com, call its hotline 2980 1333, or come in person at the public counter on 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: ir@robosense.ai or by post to Building 9, Zhongguan Honghualing Industry Southern District, 1213 Liuxian Avenue, Taoyuan Street, Nanshan District, Shenzhen, PRC for the attention of the Board.

(f) Investment Market Communication

Investor/analysts briefings, and one-on-one meetings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be available on a regular basis in order to facilitate communication between the Company, Shareholders and the investment community.

During the Reporting Period, the Company has reviewed the effectiveness of its Shareholders' Communication Policy, having considered the type, nature and frequency of the communication channels. The Company believes that its Shareholders' Communication Policy has provided a variety of forum for it to engage with its Shareholders, potential investors and other stakeholders, and will continue to monitor the implementation of its Shareholders' Communication Policy.

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

The Articles of Association has been amended and restated with effect from the Listing Date, and are available on the respective websites of the Stock Exchange and the Company.

There is no change in constitutional documents of the Company after the Listing.

DIVIDEND POLICY

The Company is a holding company incorporated in the Cayman Islands. For the cash requirements, including any payment of dividends to the Shareholders, the Company relies upon payments from its operating entities. PRC regulations may restrict the ability of the Group's PRC subsidiaries to pay dividends to us. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. The Company currently does not have any fixed dividend pay-out ratio. No dividend shall be declared or payable except out of the Group's profits and reserves lawfully available for distribution. According to relevant PRC laws, any future net profit that any of the PRC subsidiaries of the Group makes will have to be first applied to make up for its historically accumulated losses, after which it will be obliged to allocate 10% of its net profit to the statutory common reserve fund until such fund has reached more than 50% of the registered capital of the Company. The Company will, therefore, only be able to declare dividends after: (i) the PRC subsidiaries' historically accumulated losses have been made up for; and (ii) the PRC subsidiaries have allocated sufficient net profit to their statutory common reserve fund as described above.

DIRECTORS AND SENIOR MANAGEMENT

BIOGRAPHICAL DETAILS OF OUR DIRECTORS

Executive Directors

Dr. Qiu Chunxin (邱純鑫), aged 41, is our co-founder, chairman of the Board, executive Director and chief scientist. He is the brother of Mr. Qiu Chunchao. He was appointed as a Director on June 23, 2021 and was re-designated as an executive Director on June 28, 2023. He is primarily responsible for overseeing the overall strategy, business development and management of our Group and serving as the chairman of the Nomination Committee and the chairman of the ESG Committee.

Dr. Qiu has approximately ten years of experience in the LiDAR solutions market. He has been holding directorship in several subsidiaries of our Group, including Shenzhen Suteng since August 2014, Optixpan Semiconductors since October 2016, Suzhou Xijing MEMS since November 2017, RoboSense Inc. since December 2017, Hong Kong Suteng since February 2018, Shanghai Lubo since December 2018, Beijing Surui since June 2021, RoboSense BVI since June 2021, and RoboSense HK since July 2021. Dr. Qiu obtained a bachelor's degree in engineering majoring in automation from Yanshan University (燕山大學) in China in July 2007 and a master's degree and a doctorate degree in control science and engineering from Harbin Institute of Technology (哈爾濱工業大學) in China in January 2010 and July 2014, respectively.

Dr. Qiu was recognized by Human Resource Bureau Nanshan District (深圳市南山區人力資源局) as "High-level Talent" in Nanshan District of Shenzhen (深圳市南山區"領航人才") in August 2017, by Human Resources and Social Security Administration of Shenzhen Municipality (深圳市人力資源和社會保障局) as High-level Professional in Shenzhen (深圳市高層次專業人才) in November 2017, by MIT Technology Review (a media company founded at the Massachusetts Institute of Technology) as Innovators Under 35 in 2017, and by Hemi Ventures (an institution investing in early stage startups in ADAS vehicles, artificial intelligence applications, robotics, biotech, and other emerging technology sectors) as Top 50 Individuals in Automotive Industry in China (中國出行50人) in 2018. He was also recognized by Sensors Expo & Conference, one of the world's largest gatherings of engineers and scientists involved in the development and deployment of sensor systems, as "Best of Sensors Awards 2019 – Rising Star of the Year". He was also granted with 2019 China Automotive Electronics Science and Technology Award – Innovative Individual Award (2019年度中國汽車電子科學技術獎創新人物獎). He received Outstanding Contribution to Automotive Tech Award from TU-Automotive in 2020, and the second prize in Guangdong Provincial Technology Invention Award (廣東省技術發明獎) in March 2022.

Mr. Liu Letian (劉樂天), aged 36, is our co-founder, executive Director and chief technology officer. He was appointed as a Director on December 31, 2021 and was re-designated as an executive Director on June 28, 2023. He also serves as a member of the ESG Committee. He is primarily responsible for formulating product research and development plan and overseeing the technology advancement of our Group.

Mr. Liu has approximately ten years of experience in the LiDAR solutions market. He has been holding senior membership and directorship in several subsidiaries of our Group, including chief technology officer in Shenzhen Suteng since August 2014, executive director in Tianjin Lubo since November 2022, a general manager of Suteng Zhigan Technology since August 2023, a general manager of Optixpan Semiconductors since September 2023.

Mr. Liu obtained a bachelor's degree in automation in July 2010, and a master's degree in control science and engineering in January 2013, each from Harbin Institute of Technology (哈爾濱工業大學) in China.

Mr. Liu won a silver medal in the Creative Robot Competition, the First IEEE International Robot Competition in Robot, Vision and Signal Processing (RVSP), in November 2011, the second prize in Shenzhen Technology Invention Award (深圳市技術發明獎) in December 2020 and the second prize in Guangdong Provincial Technology Invention Award (廣東省技術發明獎) in March 2022. He was also recognized as "High-level Talent" in Nanshan District of Shenzhen (深圳市南山 區"領航人才") in 2021.

Mr. Qiu Chunchao (邱純潮), aged 35, is our executive Director and Chief Executive Officer He is the brother of Dr. Qiu Chunxin. He was appointed as a Director on December 31, 2021 and re-designated as an executive Director on June 28, 2023. He also serves as a member of the ESG Committee. He is primarily responsible for overseeing the execution of the overall strategy, business development and management of our Group.

Mr. Qiu has over nine years of experience in the LiDAR solutions market. He has been holding senior management position and directorship in several subsidiaries of our Group, including the supervisor of Optixpan Semiconductors since October 2016, supervisor of Suzhou Xijing MEMS since November 2017, supervisor of Shanghai Lubo since December 2018 and director of Hong Kong Suteng since June 2021.

Mr. Qiu obtained a diploma (專科證書) in computer application technology from Guangdong Vocational College of Science and Technology (廣東科學技術職業學院) in China in June 2012, and a master's degree in business administration from The Chinese University of Hong Kong (香港中文大學) in Hong Kong in October 2022.

Mr. Qiu was recognized by Forbes in the 30 Under 30 Asia List 2018 and the 30 Under 30 China List 2018, and by Hurun Report (胡潤百富) in Hurun China Under 30s To Watch 2019 (2019 胡潤Under 30s創業領袖). He was also honored by Human Resource Bureau Nanshan District (深圳市南山區人力資源局) as "High-level Talent" in Nanshan District of Shenzhen (深圳市南山區"領航人才") in January 2022.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Director

Dr. Zhu Xiaorui (朱曉蕊), aged 47, is our co-founder, non-executive Director and scientific advisor. She was appointed as a Director on December 31, 2021 and was re-designated as a non-executive Director on June 28, 2023. She is primarily responsible for supervising and providing advice to our Group's scientific development and serving as members of the Audit Committee and Remuneration Committee.

Dr. Zhu has extensive experience in technology sector. Dr. Zhu has been and is currently serving as a director of Shenzhen Yingpeng Information Technology Co., Ltd. (深圳英鵬信息技術股份有限公司) since November 2017, a director and the chief scientist of Guangdong Avenue Zhichuang Technology Co., Ltd. (廣東省大道智創科技有限公司) since January 2018, an independent non-executive director of XGimi Technology Co Ltd (極米科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688696), since July 2019, and a director of Galaxy Artificial Intelligence and Robotics Research Institute Pte. Ltd. since June 2023. Previously, she was a director of Shenzhen Boyun Information Technology Development Co., Ltd. (深圳市博雲信息技術發展有限公司) from December 2015 to July 2017, and a supervisor of Shenzhen Yiqing Innovation Technology Co., Ltd. (深圳一清創新科技有限公司) from August 2018 to September 2022.

Dr. Zhu obtained a bachelor's degree in electric mechanical control and automation and a master's degree in electric and mechanical integration from Harbin Institute of Technology (哈爾濱工業大學) in China in July 1998 and July 2000, respectively, and a doctorate degree in mechanical engineering from The University of Utah in the United States in December 2006. She also holds the qualification certificate for independent directors issued by the Shanghai Stock Exchange in August 2019.

Dr. Zhu was awarded the second prize of National Technological Advancement Award (國家科學技術進步獎) in China in 2012. She served as a member of the Women in Engineering Group and Member Activities Board of IEEE Robotics and Automation Society for two consecutive terms from 2012 to 2013 and the chairman of the International Affairs Committee of the IEEE Robotics and Automation Society in 2014. She was an organizing committee member in the 2011 IEEE International Conference on Robotics and Automation ("**ICRA**"), the 2014 IEEE/RSJ International Conference on Intelligent Robots and Systems and the 2015 IEEE ICRA. She was recognized in the 2015 IEEE ICRA as one of the Notable Women in Robotics. She was the chairman of the organizing committee of Global Artificial Intelligence and Robotics ("**GAIR**") Summit (全球人工智能與機器人峰會) in 2016 and 2017 and the chairman of GAIR Silicon Valley Intelligent Driving Summit (GAIR矽谷智能駕駛峰會) in 2018. She was elected as the honorary president of Shenzhen Artificial Intelligence Industry Association in May 2020 and recognized by Forbes in the List of 50 Women in Technology in China in 2022.

Independent Non-executive Directors

Mr. Feng Jianfeng (馮劍峰), aged 50, was appointed as an independent non-executive Director on June 28, 2023, with effect from the Listing Date. He is responsible for supervising and providing independent judgment to the Board. He serves as the chairman of the Remuneration Committee and a member of the Nomination Committee.

Mr. Feng has been serving as a partner and the chief investment officer at AJ Asset Management Limited (安捷資產管理有限公司) since March 2023. Previously, he was a vice president in Burgundy Asset Management Ltd. from August 2005 to October 2009. He then served as the head of global emerging markets and a senior portfolio manager in Invesco from October 2009 to February 2023.

Mr. Feng obtained a bachelor's degree in finance from Xiamen University (廈門大學) in China in July 1997 and a master's degree in business administration from The University of Western Ontario in Canada in April 2005. He holds the Chartered Financial Analyst designation since 2006.

Mr. Liu Ming (劉民), aged 54, was appointed as an independent non-executive Director on and with effect from February 9, 2024. He is responsible for supervising and providing independent judgment to the Board and serving as members of the Remuneration Committee and the Audit Committee.

Mr. Liu served as an assistant professor at the Department of Systems Engineering and Engineering Management of the Chinese University of Hong Kong from August 1996 to August 1999, and a tenured professor at the Department of Finance of the Chinese University of Hong Kong since August 1999 till now. He served as an associate professor at the University of Missouri Columbia from August 2001 to August 2003, and served as an associate director of Shenzhen Finance Institute, CUHK(SZ) (深圳高等金融研究院(香港中文大學(深圳)高等金融研究院)) from January 2017 to June 2020. He has also served as the director of the EMBA program of the Chinese University of Hong Kong since August 2021.

He served as an independent director of Sichuan Jinding (Group) Co., Ltd. (四川金頂(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600678) from June 2017 to April 2023, an independent director of Shenzhen Ecobeauty Co., Ltd. (深圳美麗生態股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000010) from January 2019 to May 2022. He has also served as an independent director of CR Yuanta Fund Management Co., Ltd. (華潤元大基金管理有限公司) since March 2019, China Development Bank Financial Leasing Co., Ltd. (國銀金融租賃股份有限公司), a company listed on the Stock Exchange (stock code: 1606) since August 2023 and Wuxi Hejing Technology Company Limited (無錫和晶科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300279) since January 2025.

Mr. Liu obtained a bachelor's degree in engineering management from the University of Science and Technology of China (中國科學技術大學) in July 1989, a master's degree in statistics from Duke University, the U.S., in June 1995 and a doctoral degree in economics from Duke University, the U.S., in June 1996. Mr. Liu obtained the qualification certificate as independent director from the Shanghai Stock Exchange in April 2017.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Ng Yuk Keung (吳育強), aged 60, was appointed as an independent non-executive Director on June 28, 2023, with effect from the Listing Date. He is responsible for supervising and providing independent judgment to the Board. He serves as the chairman of the Audit Committee and a member of the Nomination Committee.

Mr. Ng has ample experience acting as an independent non-executive director of listed companies. He is currently and has been an independent non-executive director of two companies listed on the Stock Exchange, namely, Sany Heavy Equipment International Holdings Company Limited (stock code: 631) since November 2009 and E-Commodities Holdings Limited (stock code:1733, formerly known as Winsway Enterprises Holdings Limited and Winsway Coking Coal Holdings Limited) since June 2010. Previously, he was an independent non-executive director of Xinjiang Xinxin Mining Industry Co., Ltd. (stock code: 3833) from February 2007 to October 2011, and Zhongsheng Group Holdings Limited (stock code: 881) from October 2009 to September 2016, each of which is a company listed on the Stock Exchange. He was also an independent non-executive director of Beijing Capital Land Ltd. (previously listed on the Stock Exchange with the stock code of 2868, and is currently delisted) from December 2008 to April 2016.

Mr. Ng also has solid experience in accounting and financial management matters in listed companies. From November 2004 to August 2006, he worked in IRICO Group New Energy Company Limited (彩虹集團新能源股份有限公司) (formerly known as IRICO Group Electronics Company Limited (彩虹集團電子股份有限公司), a company listed on the Stock Exchange (stock code: 438)) where he served as the deputy chief financial officer, the joint company secretary and the qualified accountant. From September 2006 to March 2010, he was the chief financial officer, the company secretary and the qualified accountant of China Huiyuan Juice Group Limited (previously listed on the Stock Exchange with the stock code of 1886, and is currently delisted). From March 2010 to July 2012, he was the executive director, chief financial officer and the company secretary of China NT Pharma Group Company Limited, a company listed on the Stock Exchange (stock code: 1011). Mr. Ng worked in Kingsoft Corporation Limited, a company listed on the Stock Exchange (stock code: 3888) for ten years, where he served as the chief financial officer from July 2012 to July 2022 and an executive director from March 2013 to May 2022.

Mr. Ng obtained a bachelor's degree in social sciences in 1988 and a master's degree of science in global business management and e-commerce in 2022 from The University of Hong Kong. He is a fellow member of The Association of Chartered Certified Accountants, The Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

Save as disclosed above in this section, each of our Directors has confirmed that (i) he/she did not hold any other directorship in any other listed companies during the three years immediately prior to the Latest Practicable Date; (ii) there is no other matter in respect of each of our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules; and (iii) there is no other material matter relating to our Directors that needs to be brought to the attention of our Shareholders.

BIOGRAPHICAL DETAILS OF OUR SENIOR MANAGEMENT

Dr. Qiu Chunxin (邱純鑫), aged 41, is our co-founder, chairman of the Board, executive Director and chief scientist. For details of his biography, see "*Biographical Details of our Directors – Executive Directors*" in this section.

Mr. Liu Letian (劉樂天), aged 36, is our co-founder, executive Director and chief technology officer. For details of his biography, see "*Biographical Details of our Directors – Executive Directors*" in this section.

Mr. Qiu Chunchao (邱純潮), aged 35, is our executive Director and Chief Executive Officer. For details of his biography, see "*Biographical Details of our Directors – Executive Directors*" in this section.

Mr. Lau Wing Kee (劉永基), aged 60, is our chief financial officer. He was appointed as the chief financial officer on August 1, 2022. He is primarily responsible for overseeing the accounting, financial management and taxation affairs of our Group.

Prior to joining our Group, Mr. Lau worked in PricewaterhouseCoopers from January 1994 to July 2000. He served as a financial director in Ogilvy & Mather Advertising Ltd. Beijing Branch from July 2000 to October 2004, as the chief financial officer and company secretary in Beijing Media Corporation Ltd., a company listed on the Stock Exchange (stock code: 1000) from November 2004 to February 2007, as the chief financial officer in Perfect World Co., Ltd., a company listed on the NASDAQ (with ticker symbol of PWRD prior to its de-listing in July 2015) from March 2007 to June 2018, as the chief financial officer in Square Panda Inc. from July 2018 to August 2019, as the chief financial officer in Tarena International Inc., a company listed on the NASDAQ (ticker symbol: TEDU) from March 2020 to July 2022, as an independent director of Genetron Holdings Limited, a company listed on the NASDAQ (ticker symbol: GTH) from June 2020 to March 2024. Mr. Lau has been serving as an independent director of EHang Holdings Limited, a company listed on the NASDAQ (ticker symbol: EH) since August 2023.

Mr. Lau obtained a bachelor's degree in business administration (finance) from the Hong Kong Baptist University (香港浸會大學) in Hong Kong in November 1990, and an executive master of business administration from Cheung Kong Graduate School of Business (長江商學院) in China in September 2011. Mr. Lau is an associate of both of The Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants.

BIOGRAPHICAL DETAILS OF OUR JOINT COMPANY SECRETARIES

Mr. Lau Wing Kee (劉永基), our chief financial officer, was appointed as a joint company secretary of our Company on June 28, 2023. For details of his biography, see "*Biographical Details of our Senior Management*" in this section.

Ms. Lau Yee Wa (劉綺華), was appointed as a joint company secretary of our Company on December 7, 2023. Ms. Lau is a director of corporate services of Tricor Services Limited, a member of Vistra Group and a global professional services provider specializing in integrated business, corporate and investor services.

Ms. Lau has over 20 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Lau is currently the company secretary or joint company secretary of a few listed companies on the Stock Exchange.

Ms. Lau is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Lau obtained her Bachelor of Business Administrative Management from the University of South Australia.

DISCLOSURE OF CHANGES IN INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed herein, our Directors and senior management confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

About this ESG Report

INTRODUCTION TO THE ESG REPORT

This is the 2024 Environmental, Social and Governance Report (the "**ESG Report**" or "**Report**") issued by the Company regarding the disclosure of the Group's strategic direction, management practices and performance in relation to the ESG for 2024.

REPORTING SCOPE

The ESG Report covers the Reporting Period from January 1, 2024 to December 31, 2024. To enhance the comparability and completeness of the Report, certain content or elaboration of the Report may be out of the aforementioned time frame.

The information and data disclosed in the Report cover RoboSense and its main subsidiaries and consolidated affiliated entities included in this annual report.

Unless otherwise stated, the Report is denominated in RMB.

REPORTING CRITERIA

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("**ESG Guide**") in Appendix C2 to the Main Board Listing Rules of the HKEX, and strictly fulfills the disclosure obligations of the mandatory disclosure requirements and the "disclose or explain" provisions.

Appendix I: Content Index of the Environmental, Social and Governance Reporting Guide of the Report details the major scope, level and general disclosure of the ESG Guide and the Key Performance Indicators (KPIs) Index for readers' quick reference.

REPORTING PRINCIPLES

The Report has been prepared in accordance with the disclosure principles as set out in the ESG Guide in Appendix C2 to the Listing Rules:

Reporting Principles	Responses of RoboSense
Materiality	Through a materiality assessment, the Report focuses on disclosing matters that may have a significant impact on investors and other stakeholders.
Quantitative	The Report quantitatively provides information on the KPIs, standards, methodologies, assumptions and calculation tools used, together with the explanations to allow readers to assess and validate the performance of the Group's ESG policy and management system.
Balance	The Report comprehensively discloses the Group's performance in environmental, social and governance aspects, based on objective facts, and avoids any expression or presentation format that may improperly affect the decision or judgment of the readers.
Consistency	The Report uses consistent disclosure and statistical methodologies throughout the current and subsequent years to allow the readers to compare the Group's performance on an annual basis.

SOURCE OF INFORMATION

All data and materials referred in the Report are derived from the Group's internal official documents, statistical reports, external public information and others. The Report is approved for issue by the Board who is responsible for the truthfulness, accuracy and completeness of the Report. The Group warrants that there are no false representations or misleading statements contained in, or material omissions from the Report.

CONFIRMATION AND APPROVAL

The Report discloses in detail the ESG related matters of RoboSense for the year ended December 31, 2024, and had been reviewed and approved by the Board on March 31, 2025.

MEANS OF RESPONSE TO THE REPORT

We highly value opinions from different parties and welcome readers to contact us via the following contact channel. Your feedback will help us further improve the Report and enhance our ESG performance.

Email: esg@robosense.cn

Board Statement

ESG GOVERNANCE STRUCTURE

The Board has attached great importance to the sustainable development of the Group in the field of ESG. A 4-level ESG governance structure, comprising the Board, the ESG Committee, the ESG Leading Group and the ESG Task Force, has been established to form a sustainable management system with full process from decision-making, communication to implementation.

At the governance level, the Board, acting as the highest-level ESG governance authority of the Group, takes the ultimate responsibility for the Group's ESG reporting. It also authorizes the ESG Committee, which is chaired by Executive Directors, to assist the Board in strategic management and decision-making on ESG matters. The ESG Committee is responsible for supervising the Group's ESG development goals, policies and strategies, discussing and reviewing ESG-related objectives and performance of the Group and reporting to the Board regularly. At the management level, the Company has established the ESG Leading Group, headed by the Chief Financial Officer and comprising senior management from each department concerned with ESG issues. The ESG Leading Group is responsible for implementing the annual work according to the ESG management objectives, leading and monitoring ESG Task Force to carry out ESG work and report to the ESG Committee regularly. At the operational level, the Company has formed the ESG Task Force, which handles the daily management and overall coordination of ESG-related matters and ensures the implementation and execution of ESG objectives.

During the Reporting Period, the Board reviewed 20 ESG issues and their materiality based on stakeholder survey, discussed and assessed the risks of each issue and its impact on internal and external stakeholders. Please refer to the "Materiality Assessment" in the Report. For major environmental and social issues, we have set relevant goals and made disclosure in the relevant sections below. The Board will continue to monitor and review ESG risks and the progress made in achieving the relevant goals, and promote the integration of ESG risks into the Group's risk management system.

ESG MANAGEMENT MISSION

RoboSense is an AI-driven robotic technology company that supplies advanced and reliable incremental components and solutions for the robotics industry. We are committed to become "a global leader in robotic technology platforms", and our mission is to make "Safer world, Smarter life". While integrating green and low-carbon cycle into our operations, we aim to promote the industry's green and low-carbon transformation.

Snapshot of Key Performance

TECHNOLOGY AND INNOVATION

- 637 R&D staff, accounting for 42% of total employees
- R&D investment amounted to approximately RMB615 million, accounting for 37.3% of the revenue
- 144 new patents added, with a cumulative total of 583 patents authorized

ENVIRONMENTAL

- Shenshan factory has obtained ISO14001 Certification for Environmental Management Systems
- Achieved 100% compliance in terms of "three wastes" discharge
- No penalties or fines have been imposed due to environmental pollution

SOCIAL

- Delivered approximately 544,420 units of LiDAR products throughout the year, representing a year-on-year growth of 109.6%
- Created 210 job positions and promoted regional employment development
- Achieved an average training time of nearly 21 hours per person
- Obtained ISO45001 Occupational Health and Safety Management System Certification
- Zero severe injury accidents
- 100% coverage of physical examination package for employees
- 100% coverage of safety education program and rate of employment with certificate
- 100% coverage of signing a safety target responsibility letter
- 100% coverage of emergency drills

COMPLIANCE ON OPERATION

- Achieved ISO/IEC27001:2022 Information Security Management System Certifications and obtained the highest TISAX AL3 security rating
- No money laundering, insider trading, interest conflict or ethical violations
- No information security breaches or trade secret leaks

SPOTLIGHT WALL OF HONOR

Award Name	Awarding Authority
Xpeng Global Partner Conference "Excellent Supplier Award"	Xpeng
Xpeng Global Partner Conference "Business Partner Award"	Xpeng
Global Automotive Supply Chain Ecosystem Technological Innovation Partnership Award	China Automotive News
Top 500 Enterprises in Shenzhen in 2024	Shenzhen Enterprise Federation and Shenzhen Entrepreneur Association
"Innovative Technology of Intelligent and Connected Vehicles in China"– MX	SAE International
Outstanding Core Component Supplier (Perception and Positioning)	SAE International
Robotics Industry Leader Award	Shenzhen Robotics Association
2024 Tech.AD Europe Award "Sensors & LiDAR Technologies" – M3	Tech.AD Europe
2024 Zhilu Award • China Automotive Smart Innovation Technology Selection – M3	Automotive Observer
Excellent Innovative Enterprise Award	auto.ifeng.com
SupplyTech Breakthrough Awards	Tech Breakthrough Organization
Auto Intelligence Innovation Awards (AIIA) – LiDAR Technology Pioneer Award – MX	Enmore Automotive Conference (EAC) 2024
Third Session Zhiding Award • Innovation Award for Smart Electric Vehicle Technology	Yanzhi Intelligent Automotive
ICVS Commercial Landing Award	Shanghai Connected Vehicle Association and Huamo Group
ICVS Jinhou Award Top 100 Enterprises	Shanghai Connected Vehicle Association and Huamo Group

Award Name	Awarding Authority
2024 Sixth Session Gasgoo Award Top 100 Players of China's New Automotive Supply Chain – MX	Gasgoo
Gao Gong Golden Globe Award 2024 Enterprise of the Year	Gao Gong AGV
LeadeRobot 2024 Robotic Technology Breakthrough Award – E1R	LeadeRobot RoboSpeak
Chinese Patent Excellence Award	China National Intellectual Property Administration
2024 Great Bay Area Specialized, Refined, Characteristic, and Innovative Benchmark Enterprises Top 100	Shenzhen Internet Entrepreneurial Innovation Association and Great Bay Area Innovative Think Tank
2024 "Extraordinary Employer"	Liepin
2024 NFuture "Most Favored Technology Talent Campus Recruitment Employer"	Nowcoder

Responsible Governance and Compliance on Operation

RoboSense firmly believes that, in a fiercely competitive and rapidly changing business environment, good corporate governance is undoubtedly the cornerstone of sustainable development and social responsibility. We have established a set of rigorous, comprehensive and practical governance principles and framework in compliance with the relevant laws and regulations and industry standards in the places where we operate. Our Board consists of independent members with extensive experience and deep expertise who oversee and guide the development and implementation of corporate strategies. We have established robust and sound internal controls and compliance mechanisms to ensure that our operations comply with legal, ethical and industry requirements through strict institutional processes. We attach great importance to stakeholder engagement and encourage the establishment of two-way communication channels, which enables our stakeholders to timely and effectively provide constructive feedback and suggestions on our decisions and helps us create long-term and stable value for our stakeholders.

For details of our Board and risk management and internal controls, please refer to "Corporate Governance Report" in this annual report.

STAKEHOLDER COMMUNICATION

We attach great importance to communication with our stakeholders and disclose the Group's development strategies, corporate governance, production and operation to our stakeholders in a timely manner through various communication channels so as to fully protect the stakeholders' rights to information and participation. At the same time, the concerns and expectations of stakeholders are key directions for our continuous improvement of ESG performance.

Stakeholders	Topics of Concern	Communication Approach
Employees	Legitimate rights and interests Occupational health and safety Employee benefits and care Training and development	Employee satisfaction surveys Training, team building activities Internal communication meetings
Customers	Product quality and safety Customer service and satisfaction Information security and trade secret protection	Customer complaints and handling Product survey feedback Account manager docking service
Suppliers	Compliance on operation and anti-money laundering Business ethics and anti-corruption Supply chain management Product quality and safety Information security and trade secret protection	Procurement agreement, integrity agreement, confidentiality agreement Supplier review and evaluation On-site investigation Supplier training
Government/Regulatory authorities	Compliance on operation and anti-money laundering Information security and privacy protection Providing employment Green development	Information disclosure Daily communication and reporting Supervision and inspection Investigation and research
Industry associations/ Media/Public	Technological innovation Social welfare Supporting development of local community Sustainable development	Industry exchange conference Press conference Community public welfare activities
Shareholders/Investors	Return on investment	Shareholder/Investor meeting

MATERIALITY ASSESSMENT

We maintain diverse, ongoing and regular communication with stakeholders, including employees, customers, suppliers and partners, government and regulatory authorities, research institutions, shareholders and investors. In December 2024, we conducted a materiality assessment to evaluate the significance of various ESG issues.

Our materiality analysis primarily includes the following steps:

Step 1: Identify ESG issues

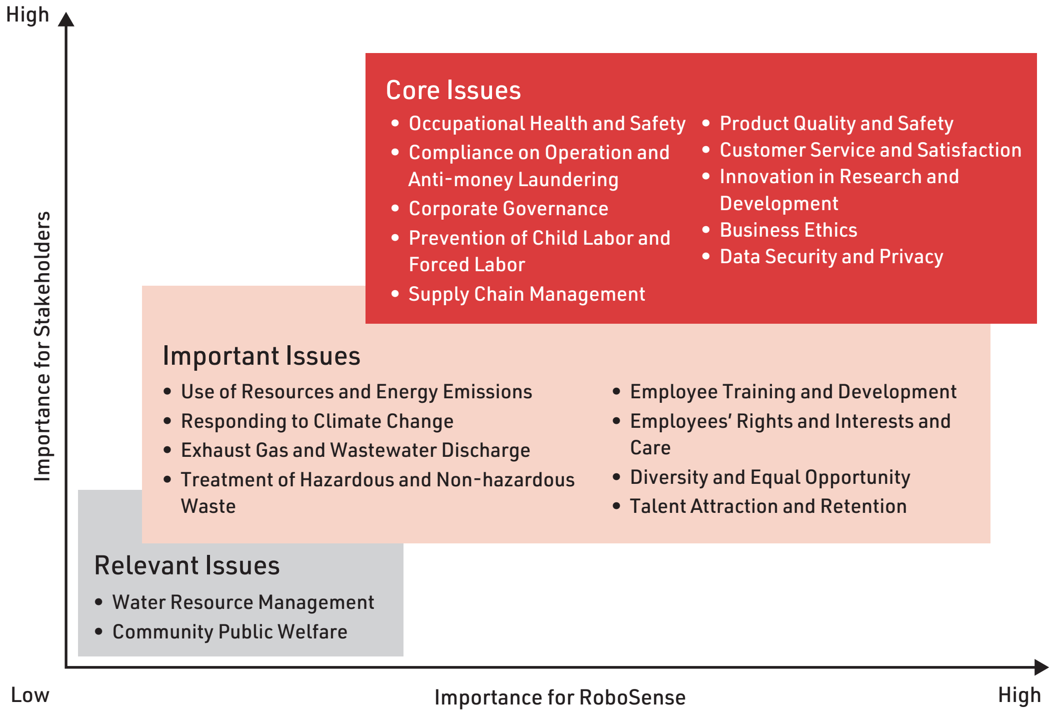
Based on industry characteristics and our development plan, and by referring to both domestic and international ESG disclosure standards, as well as considering the focus of stakeholders and the capital market on RoboSense, we identified 20 ESG issues most relevant to our business operations and of greatest concern to stakeholders.

Step 2: Materiality assessment of ESG issues

During the reporting period, we collected 204 responses from internal and external stakeholder groups through stakeholder questionnaires. We evaluated the materiality of 20 ESG issues from two dimensions: "importance for RoboSense" and "importance for stakeholders", and divided them into RoboSense's ESG core issues, important issues and relevant issues based on the actual survey results.

Step 3: Validate materiality assessment results

To ensure the accuracy, validity and relevance of the assessment results, the Board and the ESG Committee of RoboSense reviewed and validated the materiality assessment results and presented the final results as follows:



Based on the results of materiality assessment in 2024, we have identified governance issues, including business ethics, corporate governance, and compliance on operation and anti-money laundering, and social issues, including product quality and safety, customer service and satisfaction, data security and privacy, supply chain management, innovation in research and development, occupational health and safety, prevention of child labor and forced labor, as our top priorities for sustainable development. At the same time, we regularly evaluate the management practices on ESG issues through internal and external audits, performance assessment, stakeholder communication, complaint mechanism and others, and will make reasonable adjustments when necessary to ensure the effectiveness of our management practices.

ETHICS AND COMPLIANCE

We believe that high standards of business ethics are the foundation of sustainable corporate development. The Group is committed to creating and maintaining a fair and just business environment. We attach great importance to anti-corruption and anti-bribery efforts, and strictly comply with relevant laws and regulations, such as the Anti-Unfair Competition Law of the People's Republic of China and the Provisional Regulations on Prohibition of Commercial Bribery. The Ethics and Compliance Committee serves as the highest leading body on ethics and compliance work of the Group. It is responsible for promoting the development of the ethics and compliance system and processes of the Group, including the establishment of management mechanisms for anti-corruption, anti-bribery and conflict of interest reporting, so as to ensure that the Group's business operations comply with external regulations and internal policies.

COMPLIANCE WITH BUSINESS ETHICS

We continuously enhance our business ethics management system. In 2024, we developed and promulgated the Code of Business Conduct and Ethics, collaborating with our Directors, management personnel, employees and partners to jointly implement high-standard business practices. We have "zero tolerance" towards any violation of business ethics and do not tolerate the employment or promotion of individuals involved in corruption. At the same time, we endeavor to create a fair and ethical environment with our suppliers, and by entering into integrity agreements and relevant terms, we bind our partners to proactively comply with relevant business ethics and integrity rules to ensure healthy operation of our supply chain.

WHISTLEBLOWING CHANNEL AND WHISTLEBLOWER PROTECTION

We uphold an attitude of open communication, ensuring that our business practices are under multi-faceted and effective oversight. We have established the Anti-fraud and Whistleblowing Incentive System, which clearly defines the responsibility for whistleblowing work and the process for handling whistleblowing incidents, and encourages employees to report any bribery and corruption incidents. Our internal audit department investigates the reported incidents and takes appropriate measures to resolve them to ensure that the reported incidents are handled in a timely and appropriate manner. We disclose our whistleblowing channels on our official website, accept internal and external joint supervision, and encourage our employees, customers, suppliers and other stakeholders and the general public to report any violation of laws, regulations, and ethical norms and any conduct that damages the legitimate interests of the Company for improper personal gain. We encourage real-name whistleblowing, and have established a whistleblower protection mechanism to safeguard the rights and interests of whistleblowers and protect the personal information and content of whistleblowing according to the law, preventing any form of retaliation.

During the Reporting Period, the Group did not experience any concluded litigation cases of corruption against us or our employees.

RoboSense Anti-fraud Whistleblowing Channel

Email: voice@robosense.cn

ETHICS AND COMPLIANCE TRAINING

In order to create a highly ethical and compliance-oriented work environment, we have developed a multi-dimensional compliance training system. Our Board members and senior management are provided with specific compliance training and required to sign conflicts of interest declaration. This enhances their awareness of the integrity in performing duties and ensures that they maintain integrity in corporate decision-making and management. Additionally, new employees are required to complete the training programs of the Measures for Employee Discipline and Conduct Management and the Code of Business Ethics and Conduct on Integrity upon joining. Through these trainings, new employees can learn about the Company's requirements for integrity and anti-corruption, as well as our disciplines and code of conduct. During the Reporting Period, we also conducted online training programs on code of business ethics to all employees, aiming to enhance their understanding of and compliance with the Company's business ethics and conduct standards.

Smart Sensor, Safer World

As a global leader in AI-driven robotic technology industry, innovation is the core of the Group's corporate culture. We build core capabilities around three technology stacks: AI, chips and hardware. We are striving to fulfill the commitment and determination to driving advancements in the robotics and ADAS driving industries through technology. We offer products such as sensors and solutions for robotics and automotive applications, while continuously exploring and developing more universal core components for robots. While continuously investing in technology and product development, we also focus on information security and customer privacy protection, and protect our legitimate rights and interests while respecting others' intellectual property (IP) rights, thereby enhancing our competitiveness and igniting the innovative vitality of the industry.

INNOVATIVE RESEARCH AND DEVELOPMENT

RoboSense is an AI-driven robotic technology platform company, and innovation is the core to the Group's corporate culture. We are striving to fulfill the commitment and determination to driving advancements in the ADAS driving and robotics industries through technology. Through continuous investment in technology and product development, we focus on exploration in chip, hardware and AI technologies. We continue to achieve gains in mature businesses while making sustained breakthroughs in innovation, thereby enhancing our competitiveness and igniting the innovative vitality of the industry.

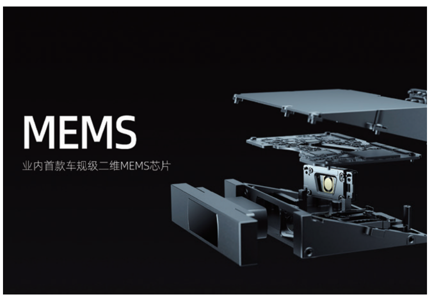
Adhering to the innovative philosophy of "AI defines hardware, and hardware defines chips", we invest significant resources in R&D. Through continuous technological breakthroughs and innovations, we have successfully developed multiple high-performance, high-reliability smart LiDAR products, which have been widely applied in ADAS driving, robotics, intelligent transportation and other fields, delivering exceptional technical solutions to global customers.

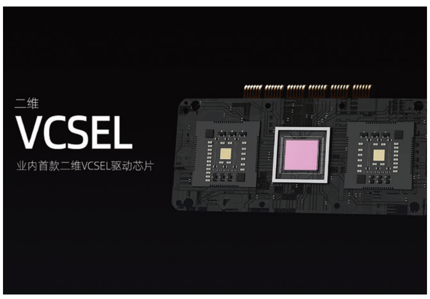
We established three R&D centers in China, located in Shenzhen, Shanghai and Suzhou. Our R&D teams are strategically located in areas with concentrations of talents and business partners, enabling us to attract team members with cutting-edge technologies and extensive experience. As of December 31, 2024, our R&D team is composed of 637 high-caliber tech talents, accounting for about 42% of our total workforce. Nearly 380 of these personnel hold master's or doctoral degrees, with many possessing extensive experience from leading global OEMs. We embrace global talent without restrictions on background, and launched the "Genius Robot" talent program targeting outstanding students from universities worldwide, aiming to recruit both senior elites and young prodigies globally, so as to lay a solid foundation for technological innovation and product development. At the same time, we prioritize incentivizing innovative R&D capabilities, rewarding teams that achieve significant breakthroughs in products or technologies with appropriate recognition and awards.

We possess the first CNAS-certified automotive laboratory. Its scale, facilities and testing technologies are industry benchmarks, and it covers environmental testing, point cloud evaluation and system integration verification. During the Reporting Period, we implemented over 100 new test standard systems, providing strong support for our R&D innovation. We focus on core technologies such as chip, AI, and robotic applications, committed to empowering customers' lives through technology. In 2024, our R&D expenditure reached approximately RMB615 million, representing 37.3% of total revenue during the Reporting Period.

LiDAR hardware	AI	Chip	Technological innovation in embodied intelligence
• Pioneered the launch of MX, the new generation of automotive-grade mid-range LiDAR on the M platform. MX is equipped with our proprietary SoC chip and the same 2D scanning chip from the M platform. MX has a 25mm slim and light appearance, ultra-quiet operating sound, and ultra-low power consumption below 10W, combining outstanding cost-effectiveness, leading performance, and compactness. • Successfully developed the world's first thousand-beam ultra-long-range digital LiDAR EM4, which is capable of ejecting 1,080 laser beams and having a detection range up to 600 meters. With its ability to provide 1080P high-definition 3D perception for autos, EM4 precisely identifies distant small objects such as tires, traffic cones, and cardboard boxes. • Successfully developed E1R, the world's first fully solid-state digital LiDAR for robots. E1R delivers comprehensive and precise perception capabilities for robots to achieve advanced autonomous navigation and decision-making. With a maximum detection range of 75m, E1R ensures early detection of distant objects and enables precise target identification and effective obstacle avoidance.	• We continuously increase our investment in AI R&D and have established a supercomputing center and data closed-loop systems. Using vehicles as the core platform, we have built end-to-end full-stack capabilities spanning perception, planning and control, which reached a leading level in the industry. • We are focused on developing full-stack AI-driven robotic algorithms with powerful performance and elegant architecture, and have been making continuous efforts in core areas such as multimodal perception, real-time environmental modeling, positioning and navigation, and path planning.	• In October 2024, M-Core, our proprietary SoC chip, obtained the AEC-Q100 automotive-grade reliability certification, becoming the world's first LiDAR-specific SoC chip to pass this certification. Additionally, we also completed chip-level integration across LiDAR scanning, emission and reception systems, pioneering full-stack chip integration. • While dramatically enhancing computational power, point cloud detail and measurement precision, M-Core reduces PCB footprint by 50%, making it possible to significantly reduce the size of LiDAR products. • On the scanning end, we pioneered the introduction of the first automotive-grade 2D MEMS chip into the M Platform LiDAR, and developed the primary radar product in mass production with the industry's smallest size and lowest power consumption.	• Precise manipulation solutions for robots – In November 2024, we launched the first-generation 8-DOF (Degree of Freedom) dexterous hand. After rapid product updating, in early 2025, we released Papert 2.0, the second-generation 20-DOF dexterous hand. • Robotic vision – The Company launched its first new robotic vision products AC1, which is developed on our Active Camera platform. AC1 integrates LiDAR, camera, and IMU at the hardware level, and can provide supporting development tools and open-sourced algorithms. • Tactile sensing – We have developed a low-cost, highly reliable force sensor, the "FS-3D", which is designed for the end-effector motion control in legged robots.

LiDAR hardware	AI	Chip	Technological innovation in embodied intelligence
• Successfully developed the world's first hemispherical digital LiDAR Airy. Airy achieves a resolution of up to 192 beams, with a hemispherical FOV (Field of View) that enables full-range coverage. It excels in precisely detecting various dynamic and static small obstacles at both short and long distances, while efficiently completing 3D mapping.		• On the emission end, we developed the industry's first 2D VCSEL driver chip, utilizing 2D addressable surface array VCSEL technology that supports flexible scanning modes while significantly improving energy efficiency. • On the receiving end, we launched the SPAD-SoC, which employs advanced 3D stacking processes to breakthrough integrate reception and processing functions into a single chip, enabling direct generation of 3D point clouds.	• Joint –We have created a high-power density linear actuator, the "LA-8000", which can be used in the leg joints of humanoid robots. • In addition, we are about to launch a highly integrated, compact, high-performance, and low-power robot domain controller, "DC-G1", which will be serving as the central computing platform for intelligent robots.





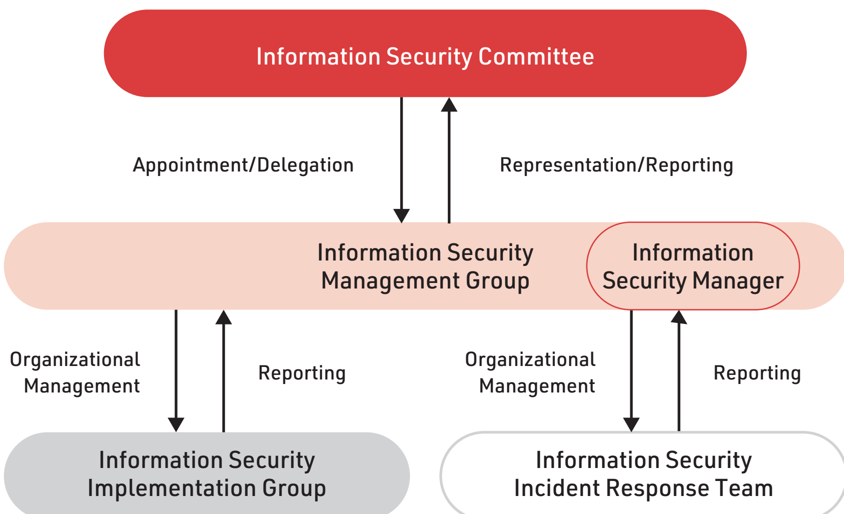
In addition to our unremitting efforts in technological innovation and R&D investment, we also have deep accumulation and innovative capabilities in core technology areas. By implementing the Measures for the Administration of Patent Innovation Awards, we recognize and reward employees who demonstrate outstanding performance in patent innovation, continuously fostering their creative vitality. Our patent layout covers multiple technical fields including LiDAR, ADAS driving and perception solutions on a global scale, demonstrating the diversity and forward-looking vision of our technological innovation while helping enhance the Group's international competitiveness.

INFORMATION SECURITY AND PRIVACY

Information Security Management Framework

In the digital era, information security is crucial for the sustainable development of enterprises. RoboSense places high priority on information security management, committing to protecting customer data, corporate confidentiality and employee personal information. To this end, we have established a three-tier information security governance framework comprising the Information Security Committee, Information Security Management Group, Information Security Implementation Group and Information Security Incident Response Team, forming a full-process sustainable development management system from decision-making and communication to execution.

The Information Security Committee serves as the highest decision-making body for the Group's information security governance. It is responsible for approving the Group's information security policies and guidelines. The committee is chaired by the Group's Chairman, with members including senior executives from various business units. The Information Security Management Group is responsible for the specific planning, management and maintenance of the Group's information security management system and reports its outcomes to the Information Security Committee. The Information Security Implementation Group drives and executes the Group's information security strategies and related initiatives, ensuring the implementation of all security policies and controls. The Information Security Incident Response Team is tasked with promptly responding to and resolving information security incidents in accordance with established protocols.



Information Security Management System

RoboSense has established an information security management policy of "full participation, rigorous risk control, continuous improvement and customer trust". Guided by the policy, we have hierarchically developed and implemented comprehensive information security regulations and standards covering data security, information security incidents, privacy compliance and other critical areas to fully standardize information security management requirements.

During the Reporting Period, we achieved ISO/IEC27001:2022 certification for our Information Security Management System and passed the TISAX Scope S7P64N assessment, earning the TISAX AL3 label—the highest level of information security accreditation—demonstrating compliance with the most stringent standards in the European automotive industry.

Information Security Training

RoboSense has established a comprehensive and sustainable information security training system. We are dedicated to continuously enhancing employees' awareness and capabilities in information security through training and awareness campaigns. All new employees are required to complete information security-related training courses upon onboarding. Additionally, the Information Management Department and Planning Department conduct regular annual training sessions for all employees on information security protocols, focusing on key concepts, behavioral norms and negative case studies to deepen understanding and strengthen security awareness. During the Reporting Period, our employee information security training coverage reached 100%.

We encourage all employees to report information security risks, loopholes and incidents, with rewards given for confirmed reports. We also regularly engage external experts and our internal information security management teams to detect and assess the Group's information security risks, and promote the implementation of relevant management measures and technical protection measures. Internal and external information security audits are also conducted on a regular basis to maintain a zero tolerance policy for violations of information security and privacy regulations. During the Reporting Period, there were no information security or privacy breaches in the Group.

INTELLECTUAL PROPERTY PROTECTION

We regard IP rights as the cornerstone of innovation and the driving force of development, and respect and protect IP rights to ensure the uniqueness and leadership of our innovation. We have established a sound IP management system with well-defined regulations, such as the IP Management Rules and Standards, the Measures for the Administration of Patents, the Measures for the Administration of Patent Innovation Awards, the Measures for the Administration of Trademark Registration, the Measures for the Administration of Copyright Registration. These regulations specify the processes and requirements for IP application, examination, maintenance, management, transfer, and other aspects, so as to ensure the legality and validity of our IP. We monitor, evaluate and improve the IP protection management system to ensure its effectiveness.

To avoid infringing on third party IP rights and to prevent third parties from infringing our IP rights, we have implemented the following measures:

1. Conduct patent risk assessments throughout the stages from product conceptualization to prototype development. Our IP team utilizes IncoPat, an efficient patent analysis tool, to perform FTO (Freedom to Operate) analyses, systematically evaluating patent risks to ensure products do not infringe on third party IP rights, thereby effectively mitigating infringement risks.

2. Our IP team collaborates closely with R&D personnel. Through in-depth communication, they grasp the technical essence of products and formulate and implement corresponding IP protection strategies to ensure robust safeguarding of our technological innovations.

We are committed to strengthening the professional capabilities of our IP team to ensure the team stays aligned with industry trends and efficiently addresses increasingly complex IP challenges. We regularly organize high-quality, targeted IP training programs to elevate all employees' awareness and understanding of IP protection. By implementing the Measures for the Administration of Patent Innovation Awards, we recognize and reward employees who excel in patent innovation, continuously fostering their creativity. For inventors with exceptional contributions, we have established a dedicated Patent Innovation Award to incentivize their innovative capabilities and contributions to enhancing the Group's core competitiveness.

As a National Intellectual Property Advantage Enterprise and a Guangdong Intellectual Property Demonstration Enterprise, we have built formidable competitiveness in the field of IP. We have also been awarded the China Outstanding Patent Award for two consecutive years. During the Reporting Period, we had been newly granted with 144 patents globally, and as of December 31, 2024, our accumulated total of granted patents reached 583.

PRODUCT QUALITY AND SAFETY

Quality Culture and System Management

Product quality and safety are always the highest priority for the Group. As the key sensor of smart vehicles, the quality and safety of our product LiDAR directly relates to the safety of vehicle. In strict compliance with the Law on Product Quality of the People's Republic of China and other laws and regulations and industry standards in the places of operation, and adhering to the quality policy of "quality first, continuous improvement and providing customers with first-class products and services", we continuously push the LiDAR industry into a normalized and standardized track, create a high quality LiDAR standard system, establish a product quality and safety management system and system with full product life cycle, full process and full participation, ensure that all processes of research, development, production and sales follow strict quality control procedures, help vehicle enterprises improve their ADAS driving ability and competitiveness in the second half of the intelligent field, and escort the safety situation of smart vehicles, so that people's traveling life becomes more convenient and better.

We place special emphasis on enhancing quality awareness among management to build a quality-centric culture across the entire organization. We regularly organize quality awareness initiatives and incorporate quality consciousness evaluations into employee probation assessments. This helps deepen employees' understanding of the importance of quality and ensures continuous improvement in product quality. Through these measures, we are committed to fostering a corporate culture rooted in quality, guaranteeing that our products and services meet customers' high standards.

We regard quality performance as the most critical evaluation metric and have established the "Target Management Procedure" accordingly. We set clear product quality and safety goals and conduct monthly reviews of their achievement. For underperforming targets, responsible personnel are required to conduct root cause analyses and submit improvement plans. Additionally, we continuously monitor the implementation of these plans to ensure objectives are met. In 2024, we set goals of customer satisfaction scores no lower than 94 points and zero safety incidents, both of which were achieved by the end of the Reporting Period.

Annually, we review our existing management systems against the requirements of IATF16949:2016 and ISO9001:2015 to assess compliance with quality standards and ensure proper implementation and maintenance. This enables strategic, multi-faceted planning and constructive improvements for the future development of our management systems. We have trained internal auditors in VDA6.3 and VDA6.5 to enhance their audit skills and expertise for both internal and external evaluations.

As of December 31, 2024, the Group has obtained multiple automotive-grade quality and safety management system certifications, including IATF16949, ISO9001, ISO26262, ISO/SAE21434 and ESD20.20. Furthermore, our products have achieved certifications such as Human Eye Safety, CE-EMC, CE-GPSD, FCC, ICES, RCM, REACH and RoHS, while also complying with reliability testing requirements set by various automotive manufacturers, as well as other automotive-grade certifications and standards.

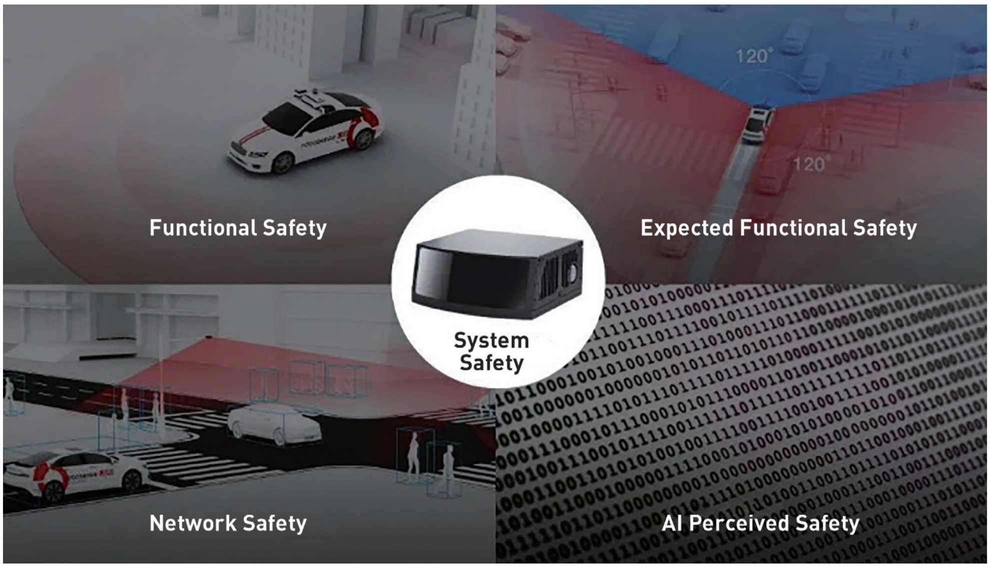
R&D Quality

For quality management in new product development, we have implemented a series of systemic enhancements. Aligned with the VDA-MLA (Verband der Automobilindustrie – Maturity Level Assurance for New Part) requirements, we introduced a PLM (Product Lifecycle Management) system to comprehensively optimize R&D-related processes across all stages—from early conceptual design, project initiation, prototype development, and pilot production management to mass production transition. We developed a quality process guidance framework for R&D teams, integrating APQP (Advanced Product Quality Planning) and VDA-MLA standards into process management. This established a rigorous R&D workflow system that strictly adheres to quality benchmarks. Additionally, we conducted VDA-MLA standard training to ensure project team members gain a deep understanding of these requirements, thereby safeguarding the maturity and quality of new components.

Furthermore, during the Reporting Period, we successfully obtained Volkswagen Group's KGAS certification, signifying that our software R&D quality control processes have reached internationally leading standards, meeting the stringent quality and development capability demands of global mainstream automotive manufacturers.

Production Quality

During the Reporting Period, we implemented comprehensive upgrades in automation and digitalization at our manufacturing base in the Shenshan Cooperation Zone. Throughout the production process, we enforce one inspection per process step and strict input and output controls to ensure producing no defects, accepting no defects, and passing on no defects. Additionally, we effectively applied preventive quality management tools such as MSA (Measurement System Analysis) and SPC (Statistical Process Control) in the manufacturing process to achieve preventive management. We use fully automatic production equipment, realize the whole process of digital tracing for each product from raw material procurement, production management to after-sales service. For the production process, we use visual error prevention, visual recognition, sensor detection and other advanced quality control means, to ensure that each step can meet the requirements of customers. In addition, we have invested in advanced product testing and certification laboratories, whose capabilities cover all the testing and certification projects of LiDAR products, achieving test assurance from research and development to production process. In order to ensure the safety of the LiDAR system, based on the innovative platform and modular product design, we establish the safety technology and system which integrates the "four safety guarantees" including functional safety, expected functional safety, network safety and perceived safety. This system can support the life cycle safety design requirements of the RS-LiDAR-M series (the "M Series") LiDAR from development, testing and validation to production operation and mass production application, and minimize the safety risk brought by product iteration.



Four Safety Guarantees for M Series LiDAR

Additionally, we have implemented a comprehensive ESD (Electro-Static Discharge) management upgrade, including ESD system guidance and certification through ESD20.20 external audits. This system-level enhancement reduces the potential impact of static electricity on product quality during production, further elevating our quality standards.

Comprehensive Quality Improvement Initiative – ESD Specialized Training

In 2024, RoboSense launched ESD-focused training programs for all employees to holistically strengthen quality awareness. These programs were delivered through online and offline courses, hands-on demonstrations, quiz competitions and online ranking challenges, supplemented by a bonus incentive mechanism. The diversified training methods aimed to ignite employees' enthusiasm for learning in an engaging and enjoyable manner, effectively improving their understanding and control capabilities in quality and safety.

After-sales Quality

Guided by the concept of "zero defects" quality management, we formulated the "Process for Handling Quality Problems after Sales" and the "Process for Management of On-site Service of After-Sales Customers" to clarify the duties of relevant departments, regulate the work process of after-sales service and warranty, requiring rapid response, timely follow-up, complete close-loop, and provide customers with the best quality and most efficient service.

We have set up a sound quality problem management mechanism, set up a professional after-sales service and technical support team to be responsible for handling the quality-related problems in the after-sales market, and record the customer feedback of product complaints and problems in the "Customer Complaints Information Collection Form" as soon as possible, to ensure that the production, R&D management from the grass-roots level to the middle and senior management, and then to the senior management can timely respond to and follow up on quality issues. We will never let go of any quality problem. Based on the "8D problem solving method", we will manage it according to the root cause analysis program, identify the scope of adverse effects, dig root causes, implement corrective measures, and track the implementation of the countermeasures and effectiveness until the problem is resolved. In addition, we set up a quality problem re-evaluation mechanism in our internal, and summarized the experience of quality problems. According to the categories and attributes of the causes of product problems, we start from the aspects of product design and development, process design and development, production process quality, and input customer complaints quality experience database, in order to continuously improve product and service quality, prevent the recurrence of problems. Regarding the customer feedback of product failure issues, after confirming that the faulty parts is truly defective, customers can then choose to return the product, and we will provide paid or free repairs according to the circumstances.

As of the end of the Reporting Period, we did not encounter any material product returns, product recalls, product liability claims, warranty expenses or customer complaints. Our quality performance at the client level has consistently ranked at the highest quality performance tier, earning strong recognition and acclaim from our customers.

Leading Industry Standards

RoboSense strides steadily in the field of standards. In addition to improving its own product quality standards, we also assume the responsibility and responsibility of a leader in the industry. Based on the performance requirements, test methods and inspection rules of LiDAR, and the market application basis in the fields of vehicle and vehicle-road coordination, we continuously translate innovative results into industry standards, actively promote the construction of a multi-level standard system in the industry from the whole LiDAR product standards to the core component standards, and contribute corporate efforts, so as to inject solid quality and safety guarantee into the large-scale production and application of LiDAR.

Leading Multiple Standardization Initiatives

During the Reporting Period, RoboSense spearheaded the initiation of one national standard each under TC2 (National Technical Committee on Micro Motors Standardization) and TC336 (National Technical Committee on Micro-Electro-Mechanical Systems Standardization), as well as one industry standard under TC114 (National Technical Committee on Automotive Standardization). Additionally, RoboSense officially joined the International Electrotechnical Commission (IEC) TC76, the global laser safety standards organization, and participated in the development of one international standard.

At the 2024 World Standards Day Commemorative Conference, RoboSense was honored with the title of "R&D and Standardization Synchronization Demonstration Enterprise", setting a new benchmark for standardization in the LiDAR industry.

- **Standards – Participated in Development**

2 International Standards - Participated in development	**10** National Standards – Participated in development
3 Industry Standards – Participated in development	**5** Community Standards – Participated in development

- **Standards – Published**

3 National Standards – Participated in development and published	**1** Industry Standards – Participated in development and published	**9** Community Standards – Participated in development and published

CREATING VALUE FOR CUSTOMERS

"Creating Value for Customers" has always been our marketing orientation. Driven by our commitment to the pursuit of "perfection", we have formulated a series of compliance marketing management norms, such as "Market Research Management Procedures" and "Customer Project Quotation Procedures", which enable us to precisely analyze customers' core needs for our products and services, ensuring accurate product information delivery and alignment with customer requirements throughout the entire process. We strengthen compliance in marketing, channels, and operations to provide customers with reliable, high-quality product information. We offer diverse information access channels, develop and publish promotional materials, and implement a quarterly review system to track and update promotional materials, ensuring the timeliness and accuracy of all promotional materials. This enables customers to access the latest and most accurate information about our product and service, thereby further strengthening customer trust and satisfaction in our brand.

Online

- Official website
- WeChat Official account
- Official Weibo
- Official video channel
- Overseas Youtube, LinkedIn and other social media platforms

Offline

- Paper materials such as product leaflets/picture books provided by official authorized sales networks
- Posters on display at the fair
- Industry press conferences

Product Information Access Channel

To uphold the principles of "customer focus and continuous improvement" under the IATF16949:2016 Quality Management System, we conduct annual customer satisfaction surveys to evaluate our ability to meet client needs and resolve issues client encountered effectively. Based on these insights, we continuously improve to enhance customers' perception of our product quality, service, and the Company's overall performance.

During the Reporting Period, we distributed 60 customer satisfaction questionnaires, covering all mass-supply customers and key target clients. The survey assessed critical factors such as product performance and quality, on-time delivery rates and complaint resolution efficiency. As of December 31, the effective response rate reached 90%, with an average score of 96.57, exceeding the target score of 94. Compared to 2023, seven clients showed an increase in overall satisfaction scores, primarily due to significant improvements in product quality scores, while one client maintained a perfect score of 100 for two consecutive years. For the eight clients whose scores fell below the target, we conducted root cause analyses and developed improvement plans based on their feedback.

Simultaneously, we maintain a cautious approach to marketing scenarios and content, adhering to responsible marketing principles. To achieve this, we have established a comprehensive training system for our marketing team, and periodically organize internal training sessions for sales personnel, which cover topics such as legal and regulatory compliance, product knowledge and marketing methodologies. During the Reporting Period, we organized 24 internal training sessions for sales personnel, covering product information, sales knowledge and skills, business secrets, and business ethics and conduct, aiming to enhance the professional expertise and compliance awareness of our sales team.

RESPONSIBLE SUPPLY CHAIN

We are committed to building a resilient, sustainable and low-carbon supply chain alongside healthy and stable collaborative partnerships. To this end, we have established a comprehensive management process to govern supply chain operations and supplier lifecycle management, which is continuously refined based on evolving business needs. During the Reporting Period, we further optimized and enhanced processes in supplier access, procurement designation and performance evaluations.

Supplier Access and Evaluation

We have established a series of supplier management regulations, including the "Supplier Access Process", the "Supplier Quality Handbook", the"Productive Supplier Management Procedures", the "Process of Designating Suppliers for Productive Material", the "Non-Production Procurement Management Regulations" and the "Tendering Procurement Management Measures". These regulations clarify responsibilities and operational steps for supplier access and elimination, selection and designation, performance evaluation and review, ensuring closed-loop management throughout the supplier lifecycle.

In terms of supplier selection, we conduct preliminary qualification evaluations of prospective suppliers. All automotive suppliers must obtain IATF16949 certificate, and non-automotive suppliers must obtain ISO9001 certificate, while priority is given to suppliers with ISO14001. During the Reporting Period, we updated and released procedural documents such as the "Process of Designating Suppliers for Custom Parts" and "Process of Designating Suppliers for Standard Parts". These documents specify that a cross-functional team comprising representatives from product, project, R&D, quality, and procurement departments participates in designation reviews, to ensure transparency and fairness in supplier selection. Furthermore, a sourcing escalation decision-making group, led by the CEO, was established to oversee procurement activities and resolve escalated issues in sourcing and procurement decisions.

In terms of supplier evaluation, we revised the performance evaluation criteria in the "Productive Supplier Management Procedures". We conduct monthly and annual assessments of existing suppliers across dimensions such as delivery efficiency, quality, cost and service performance. Based on evaluation results, we implement tiered management of suppliers and, when necessary, initiate supplier development programs. This involves collaborating with suppliers to define improvement goals and action plans, driving their implementation and tracking outcomes.

Supplier ESG Management

We are committed to advancing ESG management in collaboration with our suppliers. We require all cooperative suppliers to comply with applicable laws, regulations and national standards, and have set clear red lines requirements on labor rights, safety and health, environmental protection and business ethics. To clarify responsibilities and obligations regarding integrity cooperation, IP rights, business secrets, labor practices, safety and environmental protection, we require suppliers to sign a series of agreements during the qualification process, including the Commitment of Honest Cooperation, the Confidentiality Agreement and Non-use for Prohibited Substances Commitment. In 2024, we further required new suppliers to sign the Corporate Social Responsibility Commitment during the qualification process. During the Reporting Period, we introduced nearly 12 new production suppliers, all of whom completed due diligence and signed Commitment of Honest Cooperation, Confidentiality Agreement, Non-use for Prohibited Substances Commitment, and Corporate Social Responsibility Commitment.

During on-site assessments, we also focus on evaluating potential suppliers across criteria such as quality, technical capability, safety, environmental protection, labor and business ethics.

ESG Dimensions	Requirements
Quality	• Establish an effective quality management system • Automotive suppliers hold IATF16949 certificate and non-automotive suppliers hold ISO9001 certificate
Tech	• R&D system, R&D capability, testing capability, project experience meet the qualification criteria
Security	• No violation of health & safety laws and regulations • Compliance with information security and cybersecurity requirements
Environmental protection	• No violation of environmental protection laws and regulations • Sign Non-use for Prohibited Substances Commitment
Labor	• The enterprise shall fulfill its social responsibilities • Legal employment, with no use of child labor or forced labor
Business ethics	• Anti-corruption policies and documents should be in place and internal training implemented • Sign the Agreement of Business Ethics and Principles and related terms

We adopt a zero-tolerance policy towards any violations of business ethics. Suppliers found to be in violation will be immediately placed on a permanent blacklist in our Supplier Relationship Management (SRM) system. This ensures our supply chain consistently adheres to high standards while upholding ethical and legal frameworks for business collaboration. We issue Integrity and Honest Announcements to suppliers via SRM system before major holidays, reminding them to strictly comply with the Commitment of Honest Cooperation signed by both parties. We also disclose our misconduct reporting channel through SRM system and announcements. In daily operations, we also employ methods such as irregular on-site visits, annual review, questionnaire surveys and public announcements to assess suppliers' business practices and remind them to adhere to business ethics.

Supplier Risk Management

During the Reporting Period, we comprehensively managed potential risks among our partner suppliers, with prioritized controls in areas such as quality, production capacity, delivery and ESG through the following measures:

Risk Management Dimensions	Qualification	Selection and Designation	Development and Approval	Mass Production Monitoring
Quality Risks	• Qualification Requirements • On-site Review	• Clear Requirements in RFQ (Request for Quotation) • Design Review	• On-site Review • PPAP (Production Part Approval Process) Management	• Quality Performance Monitoring • On-site Review
Capacity and Delivery Risks	• Basic Information Survey • On-site Assessment	• Capacity Commitment in RFQ	• Development Progress Monitoring • Capacity Evaluation	• Performance Monitoring • Capacity Survey • Emergency Management
ESG Risks	• On-site Evaluation • Agreement Signing	• Supervision of RFQ Sourcing Process	• On-site Assessment	• Irregular Mutual Visits • On-site Review • Announcement Alerts

We are committed to elevating the overall quality standards of our suppliers by deeply engaging in their product development processes, closely collaborating with them and building stable, efficient, and mutually beneficial partnerships. We also integrate ESG principles into our supply chain risk management strategies, supervising and incentivizing suppliers to enhance their sustainability management capabilities.

During the Reporting Period, we implemented performance upgrade management for 12 suppliers and conducted 15 sessions. Among these, 3 suppliers received targeted systematic guidance, where we formed joint improvement teams and signed project initiation agreements to define scope, objectives and timelines. By the end of the Reporting Period, 2 suppliers successfully concluded their programs with achieved goals, while 1 remained under ongoing guidance. Our procurement and supplier quality management teams spent over 300 person-days conducting on-site review and assessments at supplier facilities, collaboratively identifying potential risks in supplier operations, product development, production processes and business ethics to enhance the quality standards of the supply chain.

Embrace Talents and Race Ahead

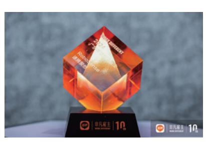
RoboSense treats the talents as the core of our new productive forces, and actively seeks to attract the talents. We have built a competitive remuneration and benefits system, safeguard employee rights, and provide abundant training and career development resources to support employees' personal growth. We also prioritize employee well-being, maintain open communication channels, and strive to create an inclusive, equal, and warm workplace for all our employees.

RECRUITMENT AND EMPLOYMENT

We insist on compliance and equal employment, and are committed to attracting like-minded talents to join us. We comply with relevant laws and regulations, such as Labor Law of the People's Republic of China and Labor Contract Law of the People's Republic of China, and have also established internal recruitment management regulations, such as Management Measures for Recruitment, Management Measures for the Probation Period of New Employees and the Management Measures for Interns. In the process of recruitment, onboarding, training, promotion and rewards, we prohibit discriminatory behavior due to gender, age, race, nationality, religious beliefs or other social/personal factors, ensuring equal opportunities for all employees and candidates. We attach great importance to human rights, adhere strictly to internationally recognized human rights norms, such as the "International Bill of Human Rights"and the "Universal Declaration of Human Rights", explicitly prohibit child and forced labor, and regularly review and assess the labor situation. During the recruitment process, we strictly check the candidates' identity information in order to minimize the employment risk. During the Reporting Period, the Group have not experienced any incidents of child labor or forced labor or any material labor dispute.

We emphasize the development of a diversified talent pool by creating tailored recruitment plans for different positions. Through four channels, namely campus recruitment, social recruitment, internal referrals, and re-hiring of former employees, we continuously recruit high-quality talents with relevant professions, skills and experiences. Based on this, we have established an enterprise talent pool and formed candidate profiles which aligned with our business needs to more efficiently attract and match high-quality candidates. We also offer opportunities for internal job transfers, allowing employees to flexibly choose positions based on their career plans and personal interests. To ensure fairness, we have set up a transparent assessment system for internal job transfers, enabling employees to find a platform where they can realize their self-worth.

During the Reporting Period, we have strengthened our employer brand reputation and industry influence, earning several industry recognitions in talent recruitment and management. We won the "Extraordinary Employer" award from Liepin in 2024, the best employer award of "Favorite Employer of Tech Talents for School Recruitment" from Niuke, and were named to MaiMai's annual "Corporate Influence" list.



REMUNERATION AND BENEFITS

We are committed to creating a comfortable and collaborative working environment for our employees. To this end, we have established a comprehensive and competitive compensation and benefit system. We fully consider the market conditions, individual ability, and contribution of employees to ensure every employee's contribution can be matched with a generous return. Our benefits package includes six types of insurance and one housing fund (pension insurance, unemployment insurance, work injury insurance, maternity insurance, medical insurance, supplementary commercial medical insurance, and housing provident fund). This comprehensive coverage provides employees with adequate protection against various life risks.

To encourage innovation, we offer patent bonus to employees with outstanding performance in technological innovation and invention. In the hot summer, we provide high-temperature subsidies to send care to our employees. We also celebrate festivals with thoughtful gifts to convey our warmth and care.

Each year, we allocate special funds for team-building activities, so as to enhance the spirit of teamwork and cohesion. Additionally, we organize various club activities, such as basketball, photography, calligraphy clubs, offering employees a rich variety of choices in their spare time and promoting their all-round development. We also advocate for a healthy work-life balance to improve their happiness and satisfaction.

We pay special attention to the needs of female employees, ensuring their sense of belonging and empowerment. We strictly abide by the law and provide female employees with prenatal leave, maternity leave, and breastfeeding leave, fully protecting their rights and interests. Every International Women's Day, we prepare exclusive gifts and exciting activities for our female employees, such as an shopping party and "Smiling Goddess" contest. On Children's Day, we also prepare exquisite gifts for the children of our employees, extending our care and warmth to their families.

TRAINING AND DEVELOPMENT

The Group is committed to assisting employees in continuous growth and enhancing their job competency. In 2024, we delivered over 32,000 hours of offline and online training, with an average of 21 training hours per employee, representing a significant increase compared to 2023, which reflects our emphasis and steadfast investment in talent development.

We have established a comprehensive employee training and development system. By tailoring diversified training programs to employees of different categories and levels, we aim to precisely empower each employee, unlock their full potential, and align their personal growth with the Company's development.

For newly recruited employees, we offer a specialized "Acceleration Creation Camp" for campus recruits and targeted onboarding training for experienced hires, helping them quickly adapt to the new environment.

"Acceleration Creation Camp" Training for New Employees

In 2024, for campus recruits, RoboSense launched a "Acceleration Creation Camp" training program. The training program is divided into three phases, including group training, on-the-job training and accelerated development, aiming to accelerate campus recruits' role transition and help them better understand and integrate into the Company.

- Group training phase: Conduct two phases of "Acceleration Creation Camp" group training, including special training contents such as role change, product business, system process, team building, etc. The training time is nearly 40 hours per person.

- On-the-job training phase: Through Mentorship and Learning Plan, new employees are guided to master the essential knowledge and skills for their roles, enabling them to work independently.

- Accelerated development phase: By conducting talent assessments, high-potential talents are identified. IDPs (Individual Development Plans) are developed for theses talents, with a focus on accelerating their professional capabilities and career development.

For newly promoted managers, we have launched the "Departure Class" (啟航班) project, dedicated to supporting their smooth transition to leadership roles and enhancing their leadership capabilities and managerial expertise. In addition, for high-potential talents, we have designed a specialized training program to accelerate their growth and development.

We pay close attention to the career development of each employee and have established a comprehensive promotion system. Regular performance-based promotion evaluations are conducted annually to expand employees' career growth opportunities. We have also established an internal talent mobility mechanism and launched competitive recruitment for key positions, to enable outstanding talents stand out. During the Reporting Period, we introduced a new internal talent mobility system, enabling employees to apply for positions that better suit their skills and interests. This initiative, combined with internal transfer and competitive hiring opportunities for roles such as project technical management and product manager, fully unlocks employees' potential, promotes rational talent flow, enhances organizational efficiency, and fosters a more positive and dynamic workplace environment.

In 2025, we will focus on building departmental knowledge repositories and upgrading our online learning platforms to facilitate knowledge retention and provide employees with richer, and high-quality, and more accessible knowledge resources, thereby improving their learning experience. At the same time, we plan to strengthen the management of our leadership pipeline and high-potential talent pool to solidify the Company's talent foundation.

HEALTH & SAFETY

The Group adheres to the occupational health and safety policy of "people-oriented, law-abiding and safety-first". We place the highest priority on the health, safety, and well-being of our employees, ensuring their lives and occupational health are always safeguarded. In 2024, despite the expanding scale of production and management, we maintained safe and orderly operations at production and operation sites across all regions, and successfully accomplished the occupational health and safety work objectives of "Five Zeroes and One 100%" in 2024.

"Five Zeroes and One 100%" Occupational Health and Safety Work Objectives
Zero serious injuries or accidents
Zero occupational diseases recognized in the year
Zero environmental accidents
Zero incidents with direct economic losses from fires or property losses from security issues exceeding RMB100,000
Zero penalties imposed by fire, safety supervision, environmental protection, health supervision, public security and other government departments
100% licensed rate for special positions

We strictly comply with relevant laws and regulations, such as Work Safety Law of the People's Republic of China, and Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases. We have formulated series of work safety and health protection rules and regulations covering all employees and related parties, including Work Safety Management Regulations, Provisions on the Management of Occupational Health, Provisions on the Management of Fire Safety, Provisions on the Management of Special Operations and Personnel, Provisions on the Administration of Hazardous Operations, Provisions on the Management of Labor Protection Supplies, HSE (Health, Safety, Environment) Management Procedures for Related Parties, and Management Rules for the Safety of External Construction, so as to establish an improved health management system.

We have organized heads of department to sign the HSE Responsibility Statement, abided by the national safety production policy of "Safety First, Prevention-oriented, and Comprehensive Management" and the principles of "production and operation overseers must oversee safety", "whoever is in charge is responsible" and "territorial administration" to implement the safety responsibility system at all levels. At the same time, in accordance with policies such as Measures for the Management of the HSE Responsibility System, Measures for the Management of HSE Target Indicators and Performance, and Managerial Rules for HSE Inspection and Hidden Danger Rectification, we have formulated health and safety objectives, specified safety responsibilities at all levels, and conducted regular supervision, inspection and evaluation to ensure the implementation of safety systems. Shenzhen Suteng has obtained the ISO45001 Occupational Health and Safety Management System Certification.

By fully automating our product assembly production process, we are actively realizing the inherent safety of our manufacturing process, reducing or eliminating the potential for personnel exposure to hazardous or harmful environments during production. Through smart manufacturing, we are replacing human labor with machines to eliminate the health and safety risks associated with the product manufacturing process.

- Engaging third-party professional testing organizations to conduct regular safety inspections of our product development and manufacturing sites every year;

- Implementing safety measures, such as ventilator hoods, for positions or processes that may involve hazardous or harmful substances;

- Employees involved in positions or processes that may involve hazardous or harmful substances would undergo annual health check-ups conducted by professional medical institutions.

We continuously improve our safety emergency response capabilities, respond promptly to safety incidents, and have established "Incident Report, Investigation and Handling Procedure" to standardize incident handling and follow-up management optimization. This helps prevent significant impacts on employees' lives, health and property safety. We also continuously refine these procedures based on our actual implementation conditions to enhance organizational capabilities in safety and health protection and create a safe and healthy working environment for our employees.

Safety Emergency Management Measures
Regularly organize each department to carry out the company-wide fire protection, electricity and equipment safety inspection.
Regularly conduct fire drills and chemical leak site emergency response drills, and prepare drill plans and drill summaries to ensure the safety of personal and the Company's property.
Conduct safety acceptance inspection of the new equipment and establish maintenance standards to ensure the safe operation of the equipment.
Identify and rapidly address hazardous sources, chemicals and high-risk areas within the Company to mitigate potential risks.
Investigate and connect the Company and its surrounding areas' emergency resources for work safety incidents to enhance the Company's ability to deal with emergencies.
Regularly monitor climate change and send climate change notices to remind employees to step up their preventive measures.
Reserve emergency facilities such as flood and wind control facilities to enhance the office's ability to cope with extreme weather and equip each floor with commonly used medicine boxes to meet employees' emergency need.

In order to continuously enhance safety awareness of employees, we have developed the HSE Responsibility Management Measures. Through our online learning platform, we regularly provide health education and safety-themed training. In parallel, we implement health care benefits including annual physical examination for all employees, provide high-temperature subsidies and heatstroke prevention medicines, and offer flexible arrangements such as days off or remote work during extreme weather, so as to protect the health of employees in an all-round way.

EMPLOYEE COMMUNICATIONS

We respect employees' rights to know, expression, participation and supervision, listen carefully to employees' voices, maintain open communication channels, and ensure employees' concerns are addressed, all while continuously improving their employee experience.

We organize monthly "RoboSense Lectures Hall" for all employees, in which the founders and management of the Group discuss strategic planning, business models, and cultural values to help employees understand the Company's current status and development strategy, and to encourage their active participation in decision-making and improvement process. Management also engages in periodic face-to-face interactions with employees to listen to their suggestions and opinions in a respectful and accommodating manner, thereby enhancing their sense of belonging and ownership.

We have formulated the Provisions on Organizational Atmosphere Survey and Management and carry out annual, company-wide organizational climate survey. Using anonymous questionnaires, we collect opinions and suggestions from employees on the management, remuneration and benefits, training development, office environment, and more. These insights serve as key references and guiding directions for the continuous improvement of the Company's management.

In addition, we have set up the role of HRBP (Human Resource Business Partner) to closely engage with our business units, directly connect with our employees. We have also launched a Human Resources Service Platform to provide a convenient channel for real-time communication.

Low-carbon, Environmentally Friendly, and Green Development

Adhering to the model of innovation, recycling, ecology, low carbon and sustainability, RoboSense has formulated and followed the environmental protection policy of "Commitment to environmental protection, treasure resources, and continuous improvement". We focus on reducing pollution emissions, enhancing energy and water efficiency, and properly disposing waste during operations to build a clean, eco-friendly, green, and low-carbon enterprise. We proactively take on the social responsibility of protecting the ecological environment. We have established and improved our environmental management system, continuously enhanced our capabilities in environmental management and resource utilization, enhanced environmental responsibility awareness among all employees, and focused on strengthening the implementation and supervision of environmental protection measures, contributing to the realization of the sustainable development goals.

ENVIRONMENTAL MANAGEMENT SYSTEM

As a practitioner of green development, the Group strictly complies with Environmental Protection Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Air Pollution Prevention and Control Law of the People's Republic of China, Noise Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes. We are committed to building an environmental management system for green development, establishing a sound internal management and supervision mechanism for environmental protection, formulating internal rules and regulations such as Environmental Protection Management Requirements and Procedures for Environmental Management of Infrastructures and Processes, and regularly reviewing compliance with laws and regulations and internal rules and regulations. During the Reporting Period, Suteng Innovation obtained the ISO14001 Environmental Management System Certification and the Group has not been subject to any penalties for environmental pollution.

EMISSION MANAGEMENT

The waste gas pollutants generated by the Group are mainly volatile organic chemicals. During the Reporting Period, the main sources of the waste gas pollutants were volatile organic solvents used in workshops and emissions from vehicle exhaust. Wastewater generated mainly comes from domestic water and waste liquids from laboratory experiments. The waste generated by the Group mainly consist of non-hazardous wastes, including domestic garbage, and hazardous wastes, such as waste empty containers and waste dustless cloths, generated from the use of organic solvents in the production process.

We strictly comply with relevant laws and regulations and local emission standards, and regularize the management of various types of emissions. We have formulated Regulations on the Management of Dangerous Wastes and Environmental Protection Management Requirements. These cover waste classification, collection, storage, and disposal, clarify environmental management responsibilities, and ensure proper handling of operational emissions. In addition, we also engage qualified third-party organizations to conduct emission tests in accordance with the "HSE Monitoring and Testing Management Procedures" to ensure that the emission standards are met. In November 2024, our manufacturing base in the Shenzhen-Shantou Cooperation Zone passed environmental protection acceptance.

During the Reporting Period, the Group did not experience any major environmental violations and penalties.

Wastewater Management

The Group strictly controls the discharge of wastewater in accordance with national standards and follows stringent wastewater treatment procedures. Wastewater generated by the Group mainly comes from domestic and laboratory wastewater, of which laboratory wastewater mainly arises from the unpacking and dissolution process. We strictly prohibit such wastewater from being directly discharged into the sewage system and require laboratory wastewater to be stored in wastewater storage containers and regularly treated by a third-party wastewater treatment organization with the requisite qualifications, so as to ensure compliance and prevent water pollution. In addition, we actively introduce advanced manufacturing processes and strive to achieve zero wastewater discharge.

Exhaust Gas Management

We strictly follow the emission standards, control at source and strictly monitor the emission standards of our operations. During the Reporting Period, we added three VOCs (Volatile Organic Compounds) treatment facilities at our manufacturing base in the Shenzhen-Shantou Cooperation Zone. We also engage third-party agency to test for VOCs and other substances in our emissions, in accordance with "The determination of particulates and sampling methods of gaseous pollutants emitted from exhaust gas of stationary source" (GB/T 16157-1996) and "Technical specifications for emission monitoring of stationary source" (HJ/T 16157-1996) standards. Based on the test results, we make reasonable adjustments and controls to better protect the atmosphere and reduce pollutant generation and emissions. During operation, we prioritize the use of trams for cargo operation within the park to reduce exhaust gas emissions.

Waste Management

The Group sorts, collects, stores, transfers, and disposes waste in compliance with laws and regulations to ensure proper treatment and recycling. Our non-hazardous waste mainly consists of general industrial solid waste such as waste paper and packaging, as well as office and domestic waste. For non-hazardous waste, recyclable parts are sold and processed externally, while non-recyclable parts are handed over to the environmental sanitation department for regular removal treatment. For office and domestic wastes, we have formulated and implemented the "HSE Labeling Management Provisions" to enhance employees' awareness of waste sorting and recycling and to promote resource recycling.

For hazardous waste, we strictly follow the Regulations on the Management of Dangerous Wastes to manage the names, sources, characteristics, and treatment measures of all types of hazardous waste, and implement emergency drills for hazardous waste leakage regularly. The Group's production process may generate hazardous waste such as empty containers, activated carbon, waste engine oil, and laboratory waste liquid. We dispose of hazardous chemicals and contaminated containers in accordance with statutory requirements for hazardous waste. In addition, we have established a hazardous waste storage area where waste is sorted and stored as required, and ultimately handed over to qualified third-party organization for compliant treatment.

In 2024, RoboSense has reached the target rate of 100% compliance of the three-waste emission standard.

Noise Emission Management

The Group rationally plans the layout of the workshops and prioritizes the use of low-noise equipment to reduce noise levels. Regular equipment maintenance is conducted to address issues promptly and prevent noise generation. During the Reporting Period, noise level within our factories was controlled at approximately 68dB(A), which was in compliance with emission standards.

RESOURCE MANAGEMENT

The Group is committed to promoting the systematic construction of energy management, focusing on energy-saving management, energy-saving technological upgrades, and the construction of "Green Factory" to enhance the efficiency of resource utilization and adhere to the concept of sustainable development in an environmentally friendly manner. During the Reporting Period, our annual energy consumption amounted to approximately 1.7 million tons of standard coal, achieving a year-on-year energy saving of approximately 22%.

Energy-saving Management	Implement environmental temperature control, with the temperature of clean workshops ⩾24°C in summer and ⩽23°C in winter, and that of other areas ⩾26°C in summer and ⩽20°C in winter. Shut down large energy-consuming facilities on holidays, using energy-efficient equipment with Grade 1 efficiency for independent process environment supply in some areas. Quarterly, monthly and daily energy-saving audits are organized at different levels.
Energy-saving Technological Upgrades	Adjust the control method of the cleanroom air-conditioning system to realize energy saving. Cover roofs with greenery, achieving a coverage rate of over 70%. Replace electrode humidification with high-pressure mist humidification. The chilled water system is equipped with the function of setting the temperature and turning on/off the system to realize energy saving.
"Green Factory"	We have initiated the application for "Green Factory" certification, using this opportunity to further promote the construction of our energy management system.

We attach importance to the conservation and recycling of water resources, actively practice water-saving measures and make every effort to improve water efficiency, avoid aggravating the environmental problem of shortage of water resources. Aiming at improving the utilization efficiency of water resources, and promoting the effective implementation of water-saving requirements, we advocate water-saving, strengthen the maintenance and upgrade of water-using equipment, recycle condensate water of central air-handling units and cooling water of ovens, and regularly evaluate water-using data. Our water mainly comes from municipal water supply, there is no difficulty in obtaining water source.

TACKLING CLIMATE CHANGE

The Group, as a socially responsible enterprise, closely monitors climate change issues and progress, studies the proposals of the Task Force on Climate-Related Financial Disclosures, and actively addresses climate change challenges. We aim to take practical actions to help achieve the climate goals.

In order to prevent the impact of extreme weather on our production and operations, we have formulated Typhoon Emergency Disposal Plan, Emergency Plan Control Program and other relevant procedural documents. We have also set up a natural disasters emergency response team to take full responsibility for the emergency command and coordination of natural disasters such as typhoons, as well as evacuation and rescue teams responsible for the implementation of the various tasks.

We regularly monitor weather conditions and timely remind and reserve emergency facilities for flood prevention and wind control to improve the ability of offices and production sites to cope with extreme climates. Going forward, we will continuously track changing climate conditions and trends, and plan to incorporate climate change risk analysis into our risk assessment process, thereby implementing necessary improvement measures to reduce the likelihood of potential risks as well as working with all parties to jointly implement climate actions.

During the Reporting Period, there were no significant climate related issues affecting the Group.

Perceiving Temperature, Sharing Together

Guardian of ADAS Driving, and Leader of Trends

Since 2017, RoboSense has been actively supporting major ADAS driving and smart connected industry competitions around the world, providing sponsorship support for major global competitions including the CIVC Intelligent Connected Vehicle Race and the German Formula Student Competition, in order to accelerate the implementation of cutting-edge technologies such as smart sensing in the industry. During the Reporting Period, we also sponsored the 2024 World ADAS Driving Challenge, providing advanced LiDAR technology and intelligent sensing solutions to ensure the stability and safety of participating vehicles in complex and changing driving environments. We believe that such collaborations not only demonstrate the cutting-edge achievements of our LiDAR technology to the global ADAS driving enthusiasts but also help to promote the advancement and commercialization of ADAS driving and smart connected vehicle technology.

Appendix I: Content Index of the Environmental, Social and Governance Reporting Guide

ESG index		Disclosure	Corresponding Section
A1 General Disclosure	Information on the policies and 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.	Disclosed	Low-carbon, Environmentally Friendly, and Green Development
A1.1	The types of emissions and respective emissions data.	Disclosed	Appendix II
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix II
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix II
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix II
A1.5	Description of emission target(s) set and steps taken to achieve them.	Disclosed	Low-carbon, Environmentally Friendly, and Green Development
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.	Disclosed	Low-carbon, Environmentally Friendly, and Green Development
A2 General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	Low-carbon, Environmentally Friendly, and Green Development

ESG index		Disclosure	Corresponding Section
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix II
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix II
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	Low-carbon, Environmentally Friendly, and Green Development
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.	Disclosed	Low-carbon, Environmentally Friendly, and Green Development
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Disclosed	Appendix II
A3 General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	Low-carbon, Environmentally Friendly, and Green Development
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	Low-carbon, Environmentally Friendly, and Green Development
A4 General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Disclosed	Low-carbon, Environmentally Friendly, and Green Development
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.	Disclosed	Low-carbon, Environmentally Friendly, and Green Development

ESG index		Disclosure	Corresponding Section
B1 General Disclosure	Information on the policies and 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.	Disclosed	Embrace Talents and Race Ahead
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Disclosed	Appendix II
B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	Appendix II
B2 General Disclosure	Information on the policies and 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.	Disclosed	Embrace Talents and Race Ahead
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	Appendix II
B2.2	Lost days due to work injury.	Disclosed	Appendix II
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	Embrace Talents and Race Ahead
B3 General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	Embrace Talents and Race Ahead
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	Appendix II
B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	Appendix II
B4 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Disclosed	Embrace Talents and Race Ahead

ESG index		Disclosure	Corresponding Section
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	Embrace Talents and Race Ahead
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	Embrace Talents and Race Ahead
B5 General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	RESPONSIBLE SUPPLY CHAIN
B5.1	Number of suppliers by geographical region.	Disclosed	Appendix II
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.	Disclosed	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.	Disclosed	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.	Disclosed	RESPONSIBLE SUPPLY CHAIN
B6 General Disclosure	Information on the policies and 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.	Disclosed	Smart Sensor, Safer World
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Disclosed	Appendix II
B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	Appendix II
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	INTELLECTUAL PROPERTY PROTECTION

ESG index		Disclosure	Corresponding Section
B6.4	Description of quality assurance process and recall procedures.	Disclosed	PRODUCT QUALITY AND SAFETY
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	INFORMATION SECURITY AND PRIVACY
B7 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Disclosed	ETHICS AND COMPLIANCE
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.	Disclosed	Appendix II
B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Disclosed	ETHICS AND COMPLIANCE
B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	Appendix II
B8 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.	Disclosed	Perceiving Temperature, Sharing Together
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	Perceiving Temperature, Sharing Together
B8.2	Resources contributed (e.g. money or time) to the focus area.	Disclosed	Perceiving Temperature, Sharing Together

Appendix II: Key Performance Indicators Index

MAIN CATEGORIES A. ENVIRONMENT[(1)(2)]

Serial No.	Key Performance Indicators	Unit	2024[(1)(2)]	2023
A1.1	Air pollutant[(3)]	mg/m^3	7.89	1.11
	Volatile organic compounds	kg	204.74	39.06
	Sulphur oxide (Sox)	kg	0.73	0.28
A1.2	Total greenhouse gas emission	ton CO_2 equivalent	9,449.79	6,378.53
	Greenhouse gas emission intensity (total greenhouse gas emissions/operating income)[(8)]	ton CO_2 equivalent/ million yuan	5.73	5.69
	Direct greenhouse gas emissions (Scope 1)[(4)]	ton CO_2 equivalent	132.86	51.43
	Energy indirect greenhouse gas emissions (Scope 2)[(3)]	ton CO_2 equivalent	9,316.93	6,327.10
A1.3	Total hazardous waste produced[(5)]	ton	12.04	2.86
	Hazardous waste intensity (total hazardous waste produced/operating income)[(8)]	ton/million yuan	0.007	0.003
A1.4	Non-hazardous waste produced[(6)]	ton	12.86	10.00
	General industrial solid waste intensity (total general industrial solid waste produced/ operating income)[(8)]	ton/million yuan	0.008	0.009
A2.1	Total energy consumption[(4)]	kWh in '000s	16,779.32	11,265.66
	Energy intensity (total energy consumption/ operating income)[(8)]	kWh in '000s/ million yuan	10.18	10.06
	(direct) Consumption of non-renewable fuel	kWh in '000s	442.44	171.32
	Total petrol consumption	kWh in '000s	442.44	171.32
	Purchased energy (indirect) consumption	kWh in '000s	16,336.89	11,094.34
	Electricity consumption	kWh in '000s	16,336.89	11,094.34
A2.2	Total water consumption[(7)]	cubic meter	47,093.00	31,285.77
	Water consumption intensity (total water consumption/operating income)[(8)]	cubic meter/ million yuan	28.56	27.93
	Municipal water consumption	cubic meter	47,093.00	31,285.77
A2.5	Packaging material	ton	97.89	69.81
	Packaging material intensity (total packaging material/operating income)[(8)]	ton/million yuan	0.06	0.06

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Description of environmental key performance indicators:

(1) The time frame for the disclosure of environmental key performance indicators covers the period from January 1, 2024 to December 31, 2024.

(2) Among the environmental KPIs: water and electricity consumption in 2024 include Shenzhen Suteng, Suteng Zhizao, Shanghai Suteng, Tianjin Lubo and Suzhou Xijing MEMS; waste and air pollutant emissions include Shenzhen Suteng and Suzhou Xijing MEMS.

(3) Sources of atmospheric pollutants: total non-methane hydrocarbons in plant monitoring emission detection ports.

(4) Sources of emission factor: In the calculation of greenhouse gas emissions, the emission factor of electric power shall refer to the "Notice on Doing a Good Job in 2023-2025 Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises" issued by the Ministry of Ecology and Environment of the People's Republic of China, and the emission factor of other energies shall refer to the "Reporting Guidelines on Environmental KPIs" issued by the Stock Exchange. In 2024, greenhouse gas emissions (Scope 1) came from the direct combustion of automobile petrol; Greenhouse gas emissions (Scope 2) came from indirect greenhouse gas emissions generated by purchased electricity. The conversion factor of various energy consumption units shall refer to "The accounting methods and reporting guidelines of greenhouse gas emission for electronic equipment manufacturing enterprises" issued by the National Development and Reform Commission.

(5) Hazardous waste mainly includes chemical containers, glue tubes, alcohol bottles, wiping rags, etc. used in the production process.

(6) General industrial solid waste mainly includes plastic boxes, paper sheets, etc. used in the production process.

(7) The total water consumption comes from municipal water supply.

(8) Greenhouse gas emission intensity, hazardous waste intensity, general industrial solid waste intensity, energy consumption intensity, water consumption intensity and package materials intensity shall be calculated based on the denominator of the Group's operating revenue (unit: million yuan).

MAJOR CATEGORY B. SOCIETY[(1)(2)]

B1 Employment

B1.1 Total number of employees by gender, employment type, age group and region		Unit	2024	2023
Total employees	Total	Person	1,534	1,324
By gender	Male	Person	1,150	1,000
	Female	Person	384	324
By employment type	Research and development	Person	637	563
	Supply and manufacturing	Person	635	517
	Sales and marketing	Person	135	124
	Management and administrative	Person	127	120
By age group	30 years old and under	Person	732	632
	31 to 50 years old	Person	797	686
	Over 50	Person	5	6
By region	Mainland China	Person	1,525	1,313
	Overseas	Person	9	11

B1 Employment

B1.2 Ratio of staff turnover by gender, age group and region		2024 Employee turnover ratio	2024 Number of employees who left (Unit: Person)	2023 Employee turnover ratio	2023 Number of employees who left (Unit: Person)
Total employee turnover ratio and number		26.53%	554	29.65%	558
By gender	Male	26.19%	408	28.83%	405
	Female	27.55%	146	32.08%	153
By age group	Under 30	30.35%	319	29.93%	270
	30 to 50 years old	22.70%	234	29.50%	287
	50 years old and above	16.67%	1	14.29%	1
By region	Mainland China	26.44%	548	29.71%	555
	Overseas	40.00%	6	21.43%	3

B2 Health and Safety

B.2.1 Proportion of work-related fatalities in the past three years	Number of deaths due to work-related injuries (Unit: Person)	Rate of deaths due to work injuries
2024	0	0%
2023	0	0%
2022	0	0%

B2.2 Lost days due to work-related injuries	Units	2024	2023
Lost days due to work-related injuries	days	30	195
Number of fire drills	times	3	2

B3 Development and Training		2024		2023	
B3.1 Percentage of trainees by gender and employment type		**% of Trainees**	**Number of trainees (Unit: Person)**	**% of Trainees**	**Number of trainees (Unit: Person)**
Number of trainees	Total	100%	1,534	100%	1,324
By gender	Male	100%	1,150	100%	1,000
	Female	100%	384	100%	324
By employment type	Research and development	100%	637	100%	563
	Supply and manufacturing	100%	635	100%	517
	Sales and marketing	100%	135	100%	124
	Management and administrative	100%	127	100%	120
B3.2 Average training hours completed per employee by gender and employment type		**Average training hours (Unit: hours/person)**	**Training hours (Unit: hours)**	**Average training hours (Unit: hours/person)**	**Training hours (Unit: hours)**
Average employee training hours	Total	21.39	32,815	16.76	22,185.00
By gender	Male	20.99	24,133	17.19	17,193.82
	Female	22.61	8,682	15.40	4,991.18
By employment type	Research and development	16.22	10,331	12.57	6,026.50
	Supply and manufacturing	25.56	16,231	7.20	2,758.50
	Sales and marketing	27.53	3,717	11.57	1,204.00
	Management and administrative	19.97	2,536	21.30	2,333.00

B5 Supply Chain Management	2024		2023	
B5.1 Number of suppliers by region	**Number of suppliers**	**Proportion to total quantity**	**Number of suppliers**	**Proportion to total quantity**
Total	184	100%	180	100%
Mainland China	169	91.8%	166	92%
Hong Kong, Macau and Taiwan	15	8.2%	14	8%

B6 Product Responsibility	Units	2024	2023
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0	0
B6.2 Number of products and service related complaints received	pieces	368	398

B7 Anti-Corruption		2024	2023
B7.1 Number of concluded litigation cases regarding corrupt practices brought against the Group or its employees during the reporting period and the outcomes of the cases			
Number of litigation cases (units: pieces)		0	0
Outcomes of the cases		Not applicable	Not applicable
B7.3 Anti-corruption training provided to directors and staff	**Training hours (Unit: hours)**	871	1,009

Description of the key social performance indicators:

(1) Unless otherwise specified, the KPIs for the social sector cover all entities included in the Group's listing coverage for the year 2024.

(2) Unless otherwise specified, the standards, calculation methods, assumptions and/or calculation tools used in the KPIs for the social sector are all in accordance with "Appendix 3: Reporting Guidance on Social KPIs " of the "How to Prepare an ESG Report" issued by the Hong Kong Stock Exchange in March 2021.

INDEPENDENT AUDITOR'S REPORT

羅兵咸永道

To the Shareholders of RoboSense Technology Co., Ltd
(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of RoboSense Technology Co., Ltd (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 134 to 238, comprise:

- the consolidated balance sheet as of December 31, 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards 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 International Standards on Auditing ("**ISAs**"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("**IESBA Code**"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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 these matters.

The key audit matter identified in our audit is related to assessment of expected credit losses ("**ECL**") of trade receivables.

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Assessment of ECL of trade receivables Refer to Note 3.1(b) "credit risk", Note 4 "Critical accounting estimates and judgments", and Note 20 "Trade and notes receivables" to the consolidated financial statements. As of December 31, 2024, the gross carrying amount of trade receivables amounted to RMB410,611,000, which represented approximately 9.9% of the total assets of the Group. Management has assessed the ECL of trade receivables and provided an allowance of RMB20,934,000. The Group applied a simplified approach prescribed by IFRS 9 to measure ECL which uses a lifetime expected loss allowance for all trade receivables. Management's estimation of ECL has taken into consideration of all reasonable and reliable information, including the publicly available information, aging of closing balance, existence of disputes and historic payments, as well as current conditions and the forward-looking factors in line with macro-economic environment and other factors.	We have performed the following procedures in respect of the assessment of ECL of trade receivables: • Obtained an understanding of management's internal control and assessment process of ECL of trade receivables, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias; • Evaluated and tested the key control in place on management's assessment on the ECL of trade receivables; • With the assistance of our internal experts, evaluated the appropriateness of the model, tested the completeness and accuracy of underlying data used in the model, challenged and assessed the reasonableness of significant assumptions used by management related to the default rates and the lifetime recovery by corroborating management's assessment with publicly available information, existence of disputes and historic payments and other supporting evidence;

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
The assessment of ECL of trade receivables is considered as a key audit matter given the significance of the trade receivables balance. In addition, the judgements and estimations in relation to assessment of ECL are subject to a relatively higher degree of uncertainty and subjectivity. This in turn led to a high degree of auditor judgment, subjectivity and audit effort in performing procedures and evaluating audit evidence obtained relating to management's judgments about credit risk characteristics and expected loss rates.	• Evaluated management's assessment on the forward-looking factors with reference to our understanding of the Group's business, industry and external macro-economic data; • Tested, on a sample basis, the accuracy of aging analysis of trade receivables prepared by management to the related supporting documents; • Checked the mathematical accuracy of the ECL calculation for the loss allowance on trade receivables; and • Assessed the adequacy of the disclosures related to ECL of trade receivables. Based on our work, we considered that the significant judgments and estimates made by management in relation to the ECL of trade receivables were supportable by the evidence obtained and procedures performed.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of 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 Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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 Audit Committee is responsible for overseeing the Group's financial reporting process.

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. We report our opinion 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 ISAs 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment 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 consolidated 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.

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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 Lam Wai Nang.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 31, 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended December 31, 2024 RMB'000	2023
Revenue	5	**1,648,902**	1,120,149
Cost of sales	8	**(1,365,349)**	(1,026,509)
Gross profit		**283,553**	93,640
Research and development expenses	8	**(615,434)**	(635,112)
Sales and marketing expenses	8	**(110,284)**	(86,010)
General and administrative expenses	8	**(163,960)**	(345,943)
Net impairment losses on financial assets		**(11,769)**	(2,288)
Other income	6	**52,515**	45,427
Other losses – net	7	**(18,826)**	(10,296)
Operating loss		**(584,205)**	(940,582)
Finance income	10	**104,621**	80,951
Finance costs	10	**(4,915)**	(2,865)
Finance income – net		**99,706**	78,086
Share of net profit of an associate accounted for using the equity method	16b	**10,473**	4,457
Fair value changes in financial instruments issued to investors	31	**(2,799)**	(3,471,058)
Loss before income tax		**(476,825)**	(4,329,097)
Income tax expenses	11	**(4,980)**	(1,869)
Net loss		**(481,805)**	(4,330,966)
(Loss)/profit attributable to:			
Owners of the Company		**(481,827)**	(4,336,629)
Non-controlling interests		**22**	5,663
		(481,805)	(4,330,966)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended December 31, 2024 RMB'000	2023
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Currency translation differences		**(280)**	(1,412)
Items that will not be reclassified to profit or loss			
Currency translation differences		**22,388**	(73,320)
Fair value changes on convertible redeemable preferred shares and convertible notes due to own credit risk	31(a)	**–**	(3,863)
Other comprehensive income/(loss), net of tax		**22,108**	(78,595)
Total comprehensive loss		**(459,697)**	(4,409,561)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(459,719)**	(4,415,224)
Non-controlling interests		**22**	5,663
		(459,697)	(4,409,561)
Loss per share for loss attributable to the owners of the Company:			
Basic and diluted (expressed in RMB per share)	12	**(1.11)**	(44.67)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

	Notes	As of December 31, 2024	As of December 31, 2023	As of January 1, 2023
		RMB'000	RMB'000 (Restated)	RMB'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	13	**271,560**	268,084	208,066
Right-of-use assets	14	**41,144**	14,232	27,536
Intangible assets	15	**48,524**	51,545	52,243
Investment in an associate accounted for using the equity method	16b	**65,238**	55,439	–
Financial assets at fair value through profit or loss	23	**34,197**	30,000	30,000
Other non-current assets	17	**34,460**	25,464	80,226
		495,123	444,764	398,071
Current assets				
Inventories	18	**202,863**	199,211	289,088
Trade and notes receivables	20	**462,189**	678,265	206,983
Prepayments, other receivables and other current assets	21	**114,527**	91,638	66,480
Financial assets at fair value through other comprehensive income	22	**23,254**	22,032	2,469
Financial assets at fair value through profit or loss	23	**–**	–	307,859
Time deposits		**–**	–	84,573
Restricted cash		**5,198**	9,130	530
Cash and cash equivalents	24	**2,835,984**	1,826,413	2,071,381
		3,644,015	2,826,689	3,029,363
Total assets		**4,139,138**	3,271,453	3,427,434
EQUITY				
Share capital	25(a)	**319**	86	81
Other reserves	25(b)	**12,581,298**	(56,719)	(355,509)
Accumulated losses	25(b)	**(9,524,298)**	(9,029,044)	(4,692,005)
Capital and reserves attributable to owners of the Company		**3,057,319**	(9,085,677)	(5,047,433)
Non-controlling interests		**15,860**	15,838	10,175
Total equity/(deficits)		**3,073,179**	(9,069,839)	(5,037,258)

CONSOLIDATED BALANCE SHEET

	Notes	As of December 31, 2024	2023	As of January 1, 2023
		RMB'000	(Restated)	(Restated)
LIABILITIES				
Non-current liabilities				
Borrowings	28	**28,200**	–	–
Lease liabilities	14	**27,791**	1,159	13,151
Government grants	29	**29,269**	35,833	45,270
Other non-current liabilities	30	**69,512**	57,820	28,177
		154,772	94,812	86,598
Current liabilities				
Trade payables	32	**475,825**	490,202	223,849
Contract liabilities	5	**16,379**	16,940	19,651
Borrowings	28	**121,200**	1,003	–
Lease liabilities	14	**15,172**	14,362	17,356
Financial instruments issued to investors	31	**–**	11,449,687	6,996,043
Other payables and accruals	33	**282,611**	274,286	1,121,195
		911,187	12,246,480	8,378,094
Total liabilities		**1,065,959**	12,341,292	8,464,692
Total equity and liabilities		**4,139,138**	3,271,453	3,427,434

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 134 to 238 were approved by the Board of Directors on March 31, 2025 and were signed on its behalf.

Dr. Qiu Chunxin
Chairman of the Board and Executive Director

Mr. Qiu Chunchao
Executive Director and Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Other reserves	Accumulated losses	Total	Non-controlling interests	Total deficits
		Attributable to owners of the Company					
				RMB'000			
		(Note 25(a))	(Note 25(b))	(Note 25(b))			
As of January 1, 2023		81	(355,509)	(4,692,005)	(5,047,433)	10,175	(5,037,258)
Net (loss)/profit		–	–	(4,336,629)	(4,336,629)	5,663	(4,330,966)
Other comprehensive income, net of tax:							
Fair value changes on convertible redeemable preferred shares and convertible notes due to own credit risk	31(a)	–	(3,863)	–	(3,863)	–	(3,863)
Currency translation differences		–	(74,732)	–	(74,732)	–	(74,732)
Total comprehensive (loss)/income		–	(78,595)	(4,336,629)	(4,415,224)	5,663	(4,409,561)
Transactions with owners in their capacity as owners:							
Modification of convertible redeemable preferred shares		–	(106)	106	–	–	–
Issuance of treasury shares to Employee Stock Ownership Plans ("**ESOP**")	25(a)(i)	5	(5)	–	–	–	–
Employee share scheme – value of employee services	27(a)	–	376,980	–	376,980	–	376,980
Total transactions with owners in their capacity as owners		5	376,869	106	376,980	–	376,980
Appropriation to safety reserves		–	516	(516)	–	–	–
As of December 31, 2023		86	(56,719)	(9,029,044)	(9,085,677)	15,838	(9,069,839)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to owners of the Company					
	Notes	Share capital	Other reserves	Accumulated losses	Total	Non-controlling interests	Total deficits
		RMB'000					
		(Note 25(a))	(Note 25(b))	(Note 25(b))			
As of January 1, 2024		86	(56,719)	(9,029,044)	(9,085,677)	15,838	(9,069,839)
Net (loss)/profit		–	–	(481,827)	(481,827)	22	(481,805)
Other comprehensive income, net of tax:							
Currency translation differences		–	22,108	–	22,108	–	22,108
Total comprehensive (loss)/income		–	22,108	(481,827)	(459,719)	22	(459,697)
Transactions with owners in their capacity as owners:							
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs	25(a)(ii)	18	920,446	–	920,464	–	920,464
Issuance of ordinary shares relating to placing, net of underwriting commissions and other issuance costs	25(a)(iv)	7	250,857	–	250,864	–	250,864
Employee share scheme:	27						
– value of employee services		–	83,368	–	83,368	–	83,368
– vesting of restricted shares and restricted share units ("**RSUs**")		–	13,827	–	13,827	–	13,827
Repurchase of ordinary shares	25(b)(i)	–	(150,951)	–	(150,951)	–	(150,951)
Conversion of convertible redeemable preferred shares to ordinary shares	25(a)(iii)	208	11,498,878	(13,943)	11,485,143	–	11,485,143
Total transactions with owners in their capacity as owners		233	12,616,425	(13,943)	12,602,715	–	12,602,715
Reversal to safety reserves		–	(516)	516	–	–	–
As of December 31, 2024		319	12,581,298	(9,524,298)	3,057,319	15,860	3,073,179

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended December 31, 2024 RMB'000	2023
Cash flows from operating activities			
Cash used in operations	34(a)	**(160,580)**	(592,777)
Interest received		**104,621**	80,951
Interest paid		**(4,651)**	(2,114)
Income taxes paid		**(4,491)**	(2,537)
Net cash used in operating activities		**(65,101)**	(516,477)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(90,708)**	(124,079)
Proceeds from disposal of property, plant and equipment		**845**	85
Receipt of government grants related to assets		**6,205**	13,308
Purchase of intangible assets		**(17,278)**	(21,971)
Purchase of financial assets at fair value through profit or loss		**(125,636)**	(107,000)
Proceeds from disposal of financial assets at fair value through profit or loss		**125,751**	415,655
Purchase of time deposits		**(20,000)**	(84,677)
Proceeds from maturity of time deposits		**–**	170,892
Interest received from time deposits		**374**	3,416
Net cash (used in)/generated from investing activities		**(120,447)**	265,629
Cash flows from financing activities			
Proceeds from issuance of financial instruments to investors		**–**	850,250
Proceeds from an employee for granting RSUs	27(a)(iii)	**–**	3,588
Repayment of financing deposits in advance	34(c)	**–**	(850,250)
Proceeds from borrowings		**150,000**	2,005
Repayment of bank borrowings		**(600)**	–
Repurchase of ordinary shares		**(150,951)**	–
Repurchase of restricted shares		**–**	(12,292)
Principal elements of lease payments	34(c)	**(10,806)**	(18,489)
Principal elements of license fees payable	30(b)	**(4,809)**	(6,075)
IPO proceeds from issuance of ordinary shares		**963,370**	–
Issuance of ordinary shares relating to placing, net of underwriting commissions and other issuance costs		**251,581**	–
Payments for listing expenses		**(39,637)**	(3,365)

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended December 31,	
		2024	2023
	Notes	**RMB'000**	
Net cash generated from/(used in) financing activities		**1,158,148**	(34,628)
Net increase/(decrease) in cash and cash equivalents		**972,600**	(285,476)
Cash and cash equivalents at the beginning of the year		**1,826,413**	2,071,381
Effects of exchange rate changes on cash and cash equivalents		**36,971**	40,508
Cash and cash equivalents at the end of year	24	**2,835,984**	1,826,413

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

RoboSense Technology Co., Ltd (the "**Company**") and its subsidiaries (together, the "**Group**") are principally engaged in (i) developing and producing LiDAR products for applications in advanced driver assistance systems ("**ADAS**"), as well as robotics and others, (ii) LiDAR perception solutions, combing LiDAR hardware and AI perception software, and (iii) services in the People's Republic of China (the "**PRC**").

The Company is an investment holding company and was incorporated in the Cayman Islands on June 23, 2021 as an exempted company with limited liability. The address of the Company's registered office is the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Suteng Innovation Technology Co., Ltd. ("**Shenzhen Suteng**"), an indirect wholly owned subsidiary of the Company, was incorporated in the PRC in August 2014. The business of the Group was mainly carried out by Shenzhen Suteng and its subsidiaries.

On April 21, 2023, Dr. Qiu Chunxin, Dr. Zhu Xiaorui, and Mr. Liu Letian (collectively the "**Founders**") entered into the Concert Party Confirmation, to formalize and confirm that they have been parties acting in concert in exercising directors and shareholders' rights of the Group and aligning their votes in the board and shareholders' meetings of the Group since the Founders become shareholders or directors of the relevant member of the Group (whichever is earlier).

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since January 5, 2024.

These financial statements are presented in thousands of Renminbi Yuan ("**RMB**"), unless otherwise stated.

2 Summary of material accounting policies

This note provides a list of material accounting policies adopted in the preparation of the consolidated financial statements are set out as below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with International Financial Reporting Accounting Standards ("IFRS")

The consolidated financial statements of the Group have been prepared in accordance with IFRS issued by the International Accounting Standards Board. IFRS comprise the following authoritative literature:

- International Financial Reporting Accounting Standards,
- International Accounting Standards ("**IAS Standards**"), and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), that are measure at fair value.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the financial period beginning on January 1, 2024:

Amendments	Subject of Amendments
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 1 (Note (i))	Classification of Liabilities as Current or Non-current
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

(i) According to the Amendments to IAS 1 - Classification of Liabilities as Current or Non-current effective since January 1, 2024, the financial instruments issued to investors is expected to be classified as a current liability as convertible redeemable preferred shares ("**Preferred Shares**") of the Group are convertible by the holders at any time. On January 5, 2024, all Preferred Shares were automatically converted into ordinary shares upon listing.

Due to the abovementioned change in the Group's accounting policy on financial instruments issued to investors, the Preferred Shares have been reclassified as a current liability retrospectively by restating the balances as of December 31, 2023 and January 1, 2023 as follows:

	As previously reported RMB'000	**Effect of change in accounting policy** RMB'000	**As restated** RMB'000
As of December 31, 2023			
Financial instruments issued to investors – current	10,050,724	1,398,963	11,449,687
Financial instruments issued to investors – non-current	1,398,963	(1,398,963)	–
As of January 1, 2023			
Financial instruments issued to investors – current	6,212,044	783,999	6,996,043
Financial instruments issued to investors – non-current	783,999	(783,999)	–

Other than the Amendment to IAS 1 – Classification of Liabilities as Current or Non-current, the adoption of above amendments does not have material impact on the results and financial position of the Group.

2 Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(b) New and amended standards and interpretations not yet adopted by the Group

Certain amendments to standards have been issued but are not yet effective and have not been early adopted by the Group during the period. According to the assessment made by the directors, these amendments are not expected to have a material impact on the Group when they become effective.

Amendments	**Subject of amendments**	**Effective for accounting periods beginning on or after**
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Annual improvements to IFRS – Volume 11	Annual improvements	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

2 Summary of material accounting policies (continued)

2.2 Principles of consolidation and equity accounting

2.2.1 Subsidiaries

Subsidiaries are all entities (including a structured entity) over which the Group has control. The Group controls an entity when 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 over the entity. Subsidiaries are consolidated fully from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized 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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheets, respectively.

2.2.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates in the form of ordinary shares are accounted for using the equity method of accounting (Note 2.2.3), after initially being recognized at cost. The Group's investments in these associates include goodwill identified on acquisition, net of any accumulated impairment loss. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is treated as goodwill.

2 Summary of material accounting policies (continued)

2.2 Principles of consolidation and equity accounting (continued)

2.2.3 Equity method of accounting

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivables from associates are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of profit in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.8.

2.3 Separate financial statements

The Company initially measures its investment in subsidiaries at cost.

Investments in subsidiaries are subsequently 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 receivables.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income 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.

2 Summary of material accounting policies (continued)

2.4 Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer 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 is United States Dollars ("**USD**"). The Company's primary subsidiaries are incorporated in the PRC and these subsidiaries consider RMB as their functional currency. The Group determined to present its consolidated financial statements in RMB.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Foreign exchange gains and losses that relate to borrowings or financing activities are presented in the consolidated statements of comprehensive income, within "finance income – net". Foreign exchange gains and losses that relate to financial instruments issued to investors are presented in the statements of profit or loss within "fair value changes in financial instruments issued to investors". All other foreign exchange gains and losses impacting profit or loss are presented in the consolidated statements of comprehensive income within "other losses – net".

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

2 Summary of material accounting policies (continued)

2.5 Foreign currency translation (continued)

(c) Group companies (continued)

- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognized in other comprehensive income or loss.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in other comprehensive income or loss. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2.6 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognized 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 the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial 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 case of leasehold improvements, the shorter lease term, as follows:

Machinery and equipment	5-10 years
Mold and tooling	1-3 years
Computer, electronic equipment and others	3-5 years
Vehicles	4 years
Leasehold improvements	Lesser of the term of the lease or the estimated useful lives of the assets

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

2 Summary of material accounting policies (continued)

2.6 Property, plant and equipment (continued)

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "other losses – net" in the consolidated statements of comprehensive income.

Construction in progress represents unfinished construction and equipment under construction or pending for installation, and is stated at cost less accumulated impairment losses, if any. Cost includes construction costs, installation costs and other costs necessary to bring the construction in progress ready for their intended use. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and are available for intended use. When the construction activities necessary to prepare the assets for their intended use are completed, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in the preceding paragraphs.

2.7 Intangible assets

(a) Software

Acquired software is recognized at historical cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses. The Group's software is amortized on a straight-line basis over their estimated useful lives of 3-5 years.

(b) Patent

Patents are shown at cost when acquired. Patents have a finite useful life and are carried at cost less accumulated amortization and impairment, if any. Amortization is calculated using the straight-line method to allocate the cost of patents over their estimated useful lives of 10 years.

(c) License rights

License rights are stated at historical cost less accumulated amortization. They are initially measured at the present value of the consideration given to acquire the license at the time of the acquisition, which represents historical cost comprising the capitalized present values of the fixed minimum periodic payments to be made on date of acquisition and in the subsequent years in respect of the acquisition of the license rights. License rights are amortized as a fixed overhead expenditure using the straight-line method to allocate the cost of the licenses over the period of the respective contractual rights of 9 years.

2 Summary of material accounting policies (continued)

2.7 Intangible assets (continued)

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

Research expenditure is recognized as an expense as incurred. Costs incurred on research and development projects are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the research and development project so that it will be available for the Group;
- management intends to complete the research and development project and use or sell it;
- there is an ability to use or sell the research and development project;
- it can be demonstrated how the research and development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the research and development project are available; and
- the expenditure attributable to the research and development project during its development can be reliably measured.

Directly attributable costs which are eligible to be capitalized 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 recognized as an expense as incurred.

Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

For the years ended December 31, 2024 and 2023, there were no internally generated development costs meeting these criteria and capitalized as intangible assets.

2 Summary of material accounting policies (continued)

2.8 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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 other comprehensive income ("**OCI**") or through profit or loss); and

- Those to be measured at amortized cost.

The classification depends on the entity'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 be recorded either in profit or loss or in 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 present subsequent changes in fair value in other comprehensive income or loss.

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

If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

The Group's financial assets comprise trade and notes receivables, time deposits, other receivables, financial assets measured at fair value through profit or loss ("**FVTPL**"), financial assets measured at fair value through other comprehensive income ("**FVOCI**"), cash and cash equivalents and restricted cash.

2 Summary of material accounting policies (continued)

2.9 Financial assets (continued)

(b) Recognition and derecognition

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

(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 FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at FVTPL are expensed in profit or loss.

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. The Group held debt instruments classified as financial assets at amortized costs, FVTPL and FVOCI.

- Amortized 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 amortized 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 recognized directly in profit or loss and presented in "other losses – net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of comprehensive income.

- 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 losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. 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 losses – net" and impairment expenses are presented as a separate line item in the consolidated statements of comprehensive income.

- FVTPL: Assets that do not meet the criteria for amortized cost or financial assets at FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within "other losses – net" in the period in which it arises.

2 Summary of material accounting policies (continued)

2.9 Financial assets (continued)

(d) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3 details how the Group determines whether there has been a significant increase in credit risk.

Impairment on other financial assets measure at amortized cost is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheets where the Group has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.11 Trade and notes receivables

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

Trade and notes receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value. The Group holds the trade and notes receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

See Note 3.1(b)(i) for a description of the Group's impairment policies.

2 Summary of material accounting policies (continued)

2.12 Cash and cash equivalents and restricted cash

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, demand 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.

Cash that is restricted from withdrawal, from use or from being pledged as security is reported separately on the face of the consolidated balance sheets, and is not included in the total cash and cash equivalents in the consolidated statements of cash flows.

2.13 Inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realizable 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 realizable 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 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade and other payables

Trade and other payables represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less of the reported period (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

All other trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2 Summary of material accounting policies (continued)

2.16 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.

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

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

2.17 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.

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.

2.18 Financial instruments issued to investors

Financial instruments issued to investors represent preferred shares.

The Group entered into a series of share purchase agreements with financial investors and issued various series of preferred shares (Note 31). The Group designated the preferred shares as financial liabilities at fair value through profit or loss.

Financial liabilities at fair values through profit or loss is subsequently measured at fair value. The changes in the fair value of the financial liability related to changes in own credit risk shall be presented in other comprehensive income, and the remaining amount of changes in the fair value of the liabilities shall be presented in profit or loss. Amounts recorded in other comprehensive income related to own credit risk are not subject to recycling in profit or loss, but are transferred to accumulated loss when realized.

The preferred shares were classified as current liabilities unless the Group has the unconditional right to defer the redemption of the preferred shares for at least 12 months after the end of the reporting period.

2 Summary of material accounting policies (continued)

2.19 Current and deferred income tax

The income tax expenses or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred 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 and its subsidiaries and associates 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 either 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 tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not recognized 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 difference. 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 realized or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current 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 realize the asset and settle the liability simultaneously.

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

2 Summary of material accounting policies (continued)

2.20 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual 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 recognized 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 balance sheets.

(b) Pension costs – defined contribution plans

The Group contributes on a monthly basis to a defined contribution plan organized by the relevant governmental authorities based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these plans is limited to the contributions payable in each period. Other than the monthly contributions, the Group has no further payment obligations once the contributions have been paid. The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

(c) Bonus plans

The expected cost of bonuses is recognized 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.

(d) 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 monthly contributions payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

2 Summary of material accounting policies (continued)

2.20 Employee benefits (continued)

(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 recognizes 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 recognizes 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 compensation

The Group operates certain equity-settled share-based compensation plans (Note 27), under which the Group receives service from its eligible employees as consideration for the equity instruments of the Group. The fair value of the employee services in exchange for the grant of equity instruments is recognized as an expense over the vesting period with a corresponding increase in equity. The fair value of the equity instruments granted is determined:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The fair value of the employee services received is measured by reference to the fair value of the shares at grant date. The total expense is recognized over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied, using graded vesting method. At the end of each period, the entity revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. For awards with performance conditions, share-based compensation expenses are recognized if and when the Group concludes that it is probable that the performance condition will be achieved. The estimates shall be reassessed and revised in subsequent periods, if necessary.

2 Summary of material accounting policies (continued)

2.21 Share-based compensation (continued)

The Group may modify the terms and conditions on which share-based compensation plans were granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognized for the services received over the remainder of the vesting period.

If the Group modifies the vesting conditions in a manner that is beneficial to the employee, for example, by reducing the vesting period or by modifying or eliminating a performance condition (other than a market condition), the modification is accounted for retrospectively, to reflect the best estimate available (as of that date) of awards that are expected to vest.

A grant of share-based compensation plans, that is cancelled or settled during the vesting period, is treated as an acceleration of vesting. The Group immediately recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date.

2.22 Provisions

Provisions are recognized 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 has been reliably estimated. Provisions are not recognized 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 recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2 Summary of material accounting policies (continued)

2.22 Provisions (continued)

The portion of the warranty provisions expected to be incurred within the next 12 months is included within other payables and accruals, while the remaining balance is included within other non-current liabilities in the consolidated balance sheets. Warranty expense is recorded as a component of cost of sales in the consolidated statements of comprehensive income.

Warranties

The Group provides standard warranty for all LiDARs sold. The Group considers that the standard warranty is not providing incremental service to customers rather an assurance to the quality of the LiDAR, and therefore is not a separate performance obligation and should be accounted for as an assurance-type standard warranty.

The Group records warranty liabilities at the time of sale for the estimated costs that will be incurred according to the warranty policy provided to customers and reassesses its estimates on a quarterly basis to assess the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary.

2.23 Revenue recognition

The Group generates revenue primarily from the sales of products, solutions, as well as the provision of services and others. The Group enters into contracts that may involve multiple performance obligations among which the Group allocates the transaction price on the basis of the standalone selling prices of each performance obligation. Standalone selling prices are generally determined based on the prices charged to customers. If it is not directly observable, the standalone selling price is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information, the data utilized, and considering the Group's pricing policies and practices in making pricing decisions.

Sales revenue are recorded based on the price stated in the sales contracts, net of the sales rebates and discounts.

Revenue is recognized when or as the control of the goods or services is transferred to customers. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

When either party to a contract has performed, the Group presents the contract in the consolidated balance sheets as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

2 Summary of material accounting policies (continued)

2.23 Revenue recognition (continued)

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. An accounts receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded, whichever is earlier. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration, or an amount of consideration is due, from the customer.

(a) Product revenue

Product revenue is derived from sales of various types of hardware.

Sales of hardware are essentially sales of LiDAR sensor systems incorporating hardware together with in-house developed software applications that are licensed on a perpetual or term basis. The embedded software applications are not considered to be dominant and distinct performance obligations as the license forms part of the hardware and is integral of the functionality of the hardware so that the customers can obtain economic benefit from the LiDAR sensor systems as a whole. Thus, the sales of LiDAR sensor system are identified as one performance obligation.

Revenue from sales of hardware is recognized at a point in time when control of the goods is transferred to the customers, generally upon delivery or upon acceptance by the customers depending on the terms of the underlying contract.

(b) Solutions revenue

The Group also generates revenue from sales of solutions, which usually include multiple elements of hardware, software and associated services.

The Group mainly provides solutions the customer with a combination of hardware, software, deployment and professional services. As the Group provides significant integration services to integrate the hardware and the software to meet customers' unique specifications, the solutions are accounted for as one performance obligation.

Solutions revenue derived from hardware and software is mainly recognized at a point in time upon delivery or upon acceptance from the customer depending on the underlying contract terms.

2 Summary of material accounting policies (continued)

2.23 Revenue recognition (continued)

(c) Services and others revenue

Services and others revenue mainly generated from provision of technology development services. The revenue generated from the technology development services is recognized at a point in time upon acceptance of such services by the customer given that the customers usually cannot obtain benefit when the Group is performing the services. The cost of fulfilling the technology development services is recognized as an asset when the costs are expected to be recovered and amortized into cost of sales at a point in time when the corresponding revenue is recognized if they meet the capitalization criteria as described under IFRS 15. The fulfillment costs of the technology development services that are not recoverable are recognized as cost of sales.

2.24 Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to owners 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 shares.

(b) Diluted loss per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings 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.

2 Summary of material accounting policies (continued)

2.25 Leases

Lease as lessee

The Group leases various offices and factories. Leases are initially recognized as a right-of-use asset and corresponding liability at the date when the leased asset is available for use by the Group. Each lease payment is allocated between the 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 period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's estimated useful life and the lease term.

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 of 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 lease liabilities.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate, 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.

2 Summary of material accounting policies (continued)

2.25 Leases (continued)

Lease as lessee (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentive received;
- any initial direct costs; and
- restoration costs, if any.

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

2.26 Government grants

The Group's PRC based subsidiaries received government subsidies from certain governments. Subsidies from the government are recognized 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.

The Group's government subsidies consist of specific subsidies and other subsidies. Specific subsidies are subsidies that the government has provided for a specific purpose, such as completion of research and development projects. Other subsidies are the subsidies that the government has not specified its purpose for and are not tied to future trends or performance of the Group, receipt of such subsidy income is not contingent upon any further actions or performance of the Group and the amounts do not have to be refunded under any circumstances.

2 Summary of material accounting policies (continued)

2.26 Government grants (continued)

Specific subsidies relating to cost that are received in advance are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Specific subsidies relating to property, plant and equipment that are received in advance are included in non-current liabilities as government grants and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets. Other subsidies are recognized as other income upon receipt as no condition is attached to these subsidies and no further performance by the Group is required.

Some of the specific subsidies received were refundable as the Group has no reasonable assurance that the Group will comply with all attached conditions. Refundable government grants are recognized as other non-current liabilities upon receipt. Refundable government grants are reclassified from other non-current liabilities to other payables and accruals when the expected acceptance of completion is due in one year and then will be reclassified as government grants upon government's acceptance of completion of the related project development and amortized as other income.

2.27 Interest income

Interest income on financial assets at amortized cost and debt investments measured at FVOCI calculated using the effective interest method is recognized in profit or loss.

Interest income is presented as finance income where it is earned from cash and cash equivalents. Any other interest income is included in other income.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

Management regularly manages and monitors the financial risks of the Group to ensure appropriate measures are implemented in a timely and effective manner. For the years ended December 31, 2024 and 2023, no hedging activity was undertaken by the Group.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument fluctuates because of the changes in foreign exchange rates.

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of the Group's entities. The functional currency of the Company and majority of its overseas subsidiaries is USD whereas the functional currency of the subsidiaries which operate in the PRC is RMB. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB, USD and Hong Kong Dollars ("**HKD**").

The Group currently does not hedge transactions undertaken in foreign currencies but manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As of December 31, 2024 and 2023, the carrying amounts of the Group's monetary assets and liabilities that are denominated in currency other than functional currencies of the respective group entities are as follows:

	December 31, 2024			December 31, 2023	
	RMB	**USD**	**HKD**	RMB	USD
			RMB'000		
Cash and cash equivalents	**204,264**	**131,231**	**973,348**	239	100,071
Trade and notes receivables	**–**	**4,228**	**–**	–	4,070
Trade payables	**–**	**(10,949)**	**–**	–	(22,263)
Other payables and accruals	**(5,395)**	**(11,451)**	**(1,066)**	(21,517)	(13,301)
Other non-current liabilities	**–**	**(12,989)**	**–**	–	(17,827)
Financial instruments issued to investors	**–**	**–**	**–**	(11,449,687)	–

For the PRC subsidiaries whose functional currencies are RMB, if USD had strengthened/weakened by 5% against RMB with all other variables held constant, Group's net loss for the year ended December 31, 2024 would have been approximately RMB4,241,000 (2023: RMB2,157,000) lower/higher, mainly as a result of net foreign exchange gains/losses on translation of net monetary assets denominated in USD.

For group companies outside of the PRC whose functional currencies are USD, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, Group's net loss for the year ended December 31, 2024 would have been approximately RMB9,917,000 lower/higher (2023: RMB573,394,000 higher/lower), mainly as a result of net foreign exchange gains/losses (2023: losses/gains) on translation of net monetary assets (2023: liabilities) denominated in RMB.

For group companies outside of the PRC whose functional currencies are USD, if HKD had strengthened/weakened by 5% against USD with all other variables held constant, Group's net loss for the year ended December 31, 2024 would have been approximately RMB47,133,000 (2023: nil) lower/higher, mainly as a result of net foreign exchange gains/losses on translation of net monetary assets denominated in HKD.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk

The Group's interest rate risk primarily arises from cash and cash equivalents and borrowings. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

The Group has no significant interest-bearing assets and liabilities except cash and cash equivalents and borrowings.

If the interest rate of cash and cash equivalents had been 50 basis points higher/lower, the loss before income tax for the year ended December 31, 2024 would have been RMB249,000 (2023: RMB154,000) lower/higher respectively. If the interest rate of borrowings had been 50 basis points higher/lower, the loss before income tax for the year ended December 31, 2024 would have been RMB747,000 (2023: nil) higher/lower respectively.

The fair value interest rate risk that arises from financial assets and liabilities carried at fixed rates is not significant for the Group.

The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate movements.

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, time deposits, restricted cash, trade and notes receivables, other receivables and financial assets at FVOCI. The carrying amounts of above items represent the Group's maximum exposure to credit risk in relation to financial assets.

Credit risk is managed on a group basis. Time deposits are mainly placed with reputable financial institutions in the PRC, which management considers being of high credit quality. For accounts receivables, the Group assesses the credit quality of the receivables by taking account of various factors, including past operational and financial performance and other factors.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets

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

- Trade receivables;
- Notes receivables;
- Financial assets at FVOCI;
- Other receivables;
- Time deposits;
- Cash and cash equivalents; and
- Restricted cash.

(i) Trade receivables

The Group applies the simplified approach prescribed by IFRS 9 to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables. Trade and notes receivables are grouped based on shared credit risk characteristics and aging period for the measuring of expected credit losses.

The Group divided trade receivables into two categories to measure the expected credit loss rates. Category 1 is for customers who have a relatively low credit risk and no default history. Also, these customers are financially capable of settling the outstanding amount. Category 2 is for customers who have a relatively higher credit risk. With different types of customers, the Group calculated the expected credit loss rates respectively. The expected loss rates are determined based on the credit rating of counter parties, and adjusted to reflect the current conditions and the forward-looking information on the macroeconomic environment that may affect the ability of counterparties to settle the receivables. The Group has identified the Gross Domestic Product and Consumer Price Index to be the most relevant factors.

As of December 31, 2024 and 2023, the loss allowance provision for the trade receivables was determined as follows. The expected credit losses below also incorporated forward-looking information.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

(i) Trade receivables (continued)

	Category 1	Category 2	Total
As of December 31, 2023			
Gross carrying amount (RMB'000)	669,309	3,117	672,426
Expected credit loss rates	1.04%	71.32%	1.36%
Loss allowance (RMB'000)	(6,942)	(2,223)	(9,165)
Net carrying amount (RMB'000)	662,367	894	663,261
As of December 31, 2024			
Gross carrying amount (RMB'000)	**388,496**	**22,115**	**410,611**
Expected credit loss rates	**1.30%**	**71.75%**	**5.10%**
Loss allowance (RMB'000)	**(5,066)**	**(15,868)**	**(20,934)**
Net carrying amount (RMB'000)	**383,430**	**6,247**	**389,677**

Movements on the Group's allowance for credit loss of trade receivables are as follows:

	Trade receivables RMB'000
As of January 1, 2023	7,154
Net impairment losses on financial assets	2,288
Receivables written off during the year as uncollectible	(277)
As of December 31, 2023	9,165
As of January 1, 2024	**9,165**
Net impairment losses on financial assets	**11,769**
As of December 31, 2024	**20,934**

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

(ii) Financial asset at FVOCI and notes receivables

The Group applies the simplified approach to measure expected credit loss of financial asset at FVOCI and notes receivables under IFRS 9. As of December 31, 2024 and 2023, management considers that the credit risk is low and the expected credit loss is immaterial.

(iii) Financial asset at FVTPL

The Group is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure as of December 31, 2024 is the carrying amount of the debt investment (Note 23), amounting to approximately RMB34,197,000 (2023: RMB30,000,000).

(iv) Other financial assets at amortized cost

Credit risk also arises from restricted cash, time deposits, cash and cash equivalents and other receivables. The carrying amount of each class of these financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage risk arising from cash and cash equivalents and time deposits, the Group mainly transacts with state-owned or reputable financial institutions in the PRC and reputable international banks outside of the PRC. 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.

For impairment on other receivables, it is measured as either 12-months expected credit losses or lifetime expected credit loss, depending on whether there has been significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit loss. Management makes periodic collective assessments as well as individual assessment on these financial assets based on historical settlement records and past experience.

The expected credit loss on other financial assets at amortized cost is insignificant to the Group.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due, resulting from amount and maturity mismatches of assets and liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding. Due to the nature of the underlying businesses, the Group's management responsible for treasury function aims to maintain flexibility in funding by keeping sufficient cash available.

The table below analyzes the financial liabilities of the Group into relevant maturity groupings based on the remaining period at the date of the consolidated balance sheets to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
			RMB'000		
Financial liabilities					
As of December 31, 2023					
Trade payables	490,202	–	–	–	490,202
Other payables and accruals (excluding non-financial liabilities)	147,645	–	–	–	147,645
Other non-current liabilities (excluding non-financial liabilities)	–	5,875	32,353	9,158	47,386
Lease liabilities (including interest to be paid)	14,600	1,203	20	–	15,823
	652,447	7,078	32,373	9,158	701,056
Financial liabilities					
As of December 31, 2024					
Trade payables	**475,825**	**-**	**-**	**-**	**475,825**
Borrowings (including interest to be paid)	**124,675**	**28,346**	**-**	**-**	**153,021**
Other payables and accruals (excluding non-financial liabilities)	**129,306**	**-**	**-**	**-**	**129,306**
Other non-current liabilities (excluding non-financial liabilities)	**-**	**39,517**	**8,328**	**7,183**	**55,028**
Lease liabilities (including interest to be paid)	**14,468**	**11,638**	**7,833**	**9,664**	**43,603**
	744,274	**79,501**	**16,161**	**16,847**	**856,783**

The Group also has Preferred Shares that are subject to liquidity risk, details of which are disclosed in Note 31(a).

3 Financial risk management (continued)

3.2 Capital risk management

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

In order to maintain or adjust the capital structure, the Group could adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. In the opinion of the management of the Company, the Group's capital risk is low.

3.3 Fair value estimation

The Group analyzes its financial instruments' fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

The following table presents the Group's assets and liabilities that are measured at fair value.

	Level 3
	RMB'000
As of December 31, 2023	
Assets	
Financial assets at FVOCI (Note 22)	22,032
Financial assets at FVTPL (Note 23)	30,000
	52,032
Liabilities	
Financial instruments issued to investors (Note 31)	11,449,687
As of December 31, 2024	
Assets	
Financial assets at FVOCI (Note 22)	**23,254**
Financial assets at FVTPL (Note 23)	**34,197**
	57,451

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

(a) The changes in level 3 instruments of financial instruments issued to investors for the years ended December 31, 2024 and 2023 are presented in the Note 31.

The following table presents the changes in level 3 items of financial assets at FVOCI and financial assets at FVTPL for the years ended December 31, 2024 and 2023, respectively:

	Year ended December 31,	
	2024	2023
	RMB'000	
Financial assets at FVOCI		
At the beginning of the year	**22,032**	2,469
Additions	**565,671**	58,257
Disposals	**(564,449)**	(38,694)
At the end of the year	**23,254**	22,032
Financial assets at FVTPL		
At the beginning of the year	**30,000**	337,859
Additions	**–**	107,000
Disposals	**–**	(415,655)
Change in fair value	**4,197**	796
At the end of the year	**34,197**	30,000
Net unrealized gains for the year	**–**	–

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

(b) Valuation techniques used to determine fair values

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case-by-case basis. External valuation experts will be involved when necessary.

The valuation of the level 3 instruments mainly included financial instruments issued to investors (Note 31), financial assets at FVOCI (Note 22) and financial assets at FVTPL (Note 23). As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including:

- For financial assets measured at FVTPL or FVOCI, discounted cash flow model is used and unobservable inputs are involved, mainly including assumptions of expected future cash flows and discount rate; and

- For the valuation of financial instruments issued to investors, equity allocation model is used and significant unobservable inputs are involved, including discount rate for lack of marketability ("**DLOM**"), expected volatility, risk-free interest rate, terminal growth rate, etc.

There was no change to valuation techniques for the years ended December 2024 and 2023.

Major assumptions used in the valuation for financial instruments issued to investors are presented in Note 31.

The following tables summarize the quantitative information about the significant unobservable inputs used in the recurring level 3 fair value measurements for notes receivables measured at FVOCI and wealth management products measured at FVTPL.

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

(b) Valuation techniques used to determine fair values (continued)

Description	Fair value As of December 31, 2024 RMB'000	Fair value As of December 31, 2023 RMB'000	Valuation technique	Unobservable input	Range of unobservable inputs	Relationship of unobservable inputs to fair value	Reasonable change in key assumptions	Fair value (decreased)/increased by As of December 31, 2024 RMB'000	Fair value (decreased)/increased by As of December 31, 2023 RMB'000
Financial assets at FVOCI – Notes receivables	**23,254**	22,032	Discounted cash flow	Expected return rate	Year ended December 31, 2023 1.80%-2.06% Year ended December 31, 2024 0.70%-1.65%	The higher the expected return rate, the lower the fair value.	(1) Expected return rate increases by 1%	**(92)**	(95)
							(2) Expected return rate decreases by 1%	**93**	95
Financial assets at FVTPL – Investment in an unlisted company (Note 23(a))	**34,197**	30,000	Market approach	DLOM	Not applicable ("**N/A**")	The higher the DLOM, the lower the fair value.	(1) DLOM increases by 1%	**(477)**	N/A
							(2) DLOM decreases by 1%	**477**	N/A
				Revenue	N/A	The higher the revenue, the higher the fair value.	(1) Revenue increases by 1%	**3,805**	N/A
							(2) Revenue decreases by 1%	**(3,809)**	N/A

There were no other changes in valuation techniques for the years ended December 31, 2024 and 2023.

There was no transfer between level 1, 2 and 3 of fair value hierarchy classification for the years ended December 31, 2024 and 2023.

4 Critical accounting estimates and judgments

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will likely differ from actual results. Management also needs to exercise judgment in applying the Group's accounting policies. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are addressed below.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that might have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Provision for expected credit losses of trade receivables

The loss allowances for trade receivables are based on assumptions about risk of defaults and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(b).

(b) Current and deferred income tax

The Group recognizes 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 utilized. 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 have tax losses. No deferred income tax asset has been recognized in respect of such tax losses due to the unpredictability of future taxable income and details of unrecognized tax losses have been set out in Note 11.

(c) Estimation of provision for warranty claims

Provision for product warranties granted by the Group in respect of certain products are recognized based on sales volume and past experience of the level of repair and returns, discounted to their present values as appropriate. Factors that affect the Group's warranty liability include the number of products sold under warranty, historical and anticipated rates of warranty claim on those products, and cost per claim to satisfy the warranty obligation. The estimation basis is reviewed on an on-going basis and revised where appropriate.

4 Critical accounting estimates and judgments (continued)

(d) Inventory provision

Inventories are stated at the lower of cost and net realizable value as stated in Note 2.13. The net realizable 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. Even though the management of the Group has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situations.

5 Revenue and segment information

(a) Segment information

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the CODM who is the Chief Executive Officer of the Company. As a result of this evaluation, the CODM considers that the Group's operations are operated and managed as a single segment. Accordingly, no segment information is presented.

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC and earns the revenue from customers in the PRC and other geographic locations as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	
Revenue from:		
PRC	**1,580,869**	1,059,224
Others	**68,033**	60,925
	1,648,902	1,120,149

As of December 31, 2024 and 2023, substantially all of the non-current assets of the Group were located in the PRC.

5 Revenue and segment information (continued)

(b) Disaggregation of revenue

The breakdown of revenue for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	
Revenue from:		
Products		
For ADAS	**1,335,285**	777,070
For robotics and others	**198,455**	186,473
	1,533,740	963,543
Solutions	**97,970**	110,074
Services and others	**17,192**	46,532
	1,648,902	1,120,149

Timing of revenue recognition for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	
Revenue recognized at a point in time	**1,648,898**	1,120,045
Revenue recognized over time	**4**	104
	1,648,902	1,120,149

5 Revenue and segment information (continued)

(c) Revenue from major customers

The major customers who contributed 10% or more of the Group's revenue for the years ended December 31, 2024 and 2023 are set out below:

	Year ended December 31,	
	2024	2023
	RMB'000	
Customer A	**571,854**	*
Customer B	**253,270**	*
Customer C	**199,815**	*
Customer D	**177,191**	*
Customer E	**173,835**	*
Customer F	*	367,284
Customer G	*	142,716

* Represents less than 10% of the Group's total revenue.

All the revenue derived from other single external customers were less than 10% of the Group's total revenue for the years ended December 31, 2024 and 2023.

(d) Contract liabilities

The Group has recognized the following contract liabilities related to contracts with customers:

	As of December 31,	
	2024	2023
	RMB'000	
Contract liabilities	**16,379**	16,940

(i) Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying goods or services are yet to be provided. A majority portion of contract liabilities balance at the beginning of the year will be recognized into revenue next year.

5 Revenue and segment information (continued)

(d) Contract liabilities (continued)

(ii) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from long-term technology development services contracts:

	As of December 31, 2024 RMB'000	2023
Aggregate amount of the transaction price allocated to long-term services contracts that are partially or fully unsatisfied	**18,628**	41,403

Management expects that all of the transaction price allocated to the unsatisfied contracts as of December 31, 2024 will be recognized as revenue within one year (2023: RMB33,782,000 of the transaction price allocated to the unsatisfied contracts will be recognized as revenue within one year and RMB7,621,000 will be recognized over one to two years).

All other contracts with customers are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

6 Other income

	Year ended December 31, 2024 RMB'000	2023
Government grants	**38,469**	34,912
Value added tax ("**VAT**") refund and additional input VAT deduction	**13,672**	8,089
Interest income from time deposits	**374**	2,426
	52,515	45,427

7 Other losses – net

	Year ended December 31, 2024 RMB'000	2023
Net fair value gains on financial assets at FVTPL	**4,353**	796
Net foreign exchange losses	**(17,408)**	(10,439)
Net losses on disposal of property, plant and equipment	**(4,690)**	(408)
Others	**(1,081)**	(245)
	(18,826)	(10,296)

8 Expenses by nature

The detailed analysis of cost of sales, research and development expenses, sales and marketing expenses and general and administrative expenses is as follows:

	Year ended December 31, 2024 RMB'000	2023
Changes in inventories of finished goods and work in progress	**(7,632)**	(1,295)
Raw materials and consumables used	**1,210,613**	835,475
Employee benefit expenses (Note 9)	**707,604**	909,195
Depreciation and amortization (Notes 13, 14 and 15)	**114,901**	89,004
Design and development expenses	**72,309**	43,450
Travel, office and freight expenses	**45,510**	34,260
Warranty expenses	**24,760**	21,116
Professional service fees	**24,706**	12,918
Inventory provision (Note18(c))	**10,260**	60,439
Auditor's remuneration		
– Audit service	**9,196**	305
– Non-audit service	**161**	74
Advertising and promotion costs	**7,343**	3,442
Variable license fees	**7,096**	3,760
Listing expenses	**26**	48,695
Other expenses (Note (a))	**28,174**	32,736
	2,255,027	2,093,574

(a) Other expenses mainly include tax and levies, recruitment expenses, insurance expenses, bank charges and other miscellaneous expenses.

9 Employee benefit expenses

	Year ended December 31,	
	2024	2023
	RMB'000	
Wages, salaries and bonuses	**532,830**	457,455
Share-based compensation expenses (Note 27)	**83,368**	376,980
Pension costs – defined contribution plans, housing funds, medical insurances and other social insurances (Note (a))	**69,524**	57,011
Other employee benefits (Note (b))	**21,882**	17,749
	707,604	909,195

(a) Pension costs – defined contribution plans, 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 costs – defined contribution plans, 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 utilized for the years ended December 31, 2024 and 2023 to offset the Group's contribution to the abovementioned retirement benefit schemes.

(b) Other employee benefits

Other employee benefits mainly include termination benefits, team building expenses, meal and traveling allowances.

9 Employee benefit expenses (continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include nil (2023: 1) director whose emoluments were disclosed in Note 36(a). The emoluments paid or payable to the remaining non-director individuals are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	
Wages, salaries and bonuses	**8,294**	7,800
Pension costs – defined contribution plans, housing funds, medical insurances and other social insurances	**389**	374
Share-based compensation expenses	**53,834**	156,143
	62,517	164,317

All of these individuals have not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office for the years ended December 31, 2024 and 2023.

The emoluments fell within the following bands:

	Year ended December 31,	
	2024	2023
Emolument band (in Hong Kong dollars)		
HKD9,500,001 – HKD10,000,000	**1**	–
HKD10,000,001 – HKD10,500,000	**1**	–
HKD13,500,001 – HKD14,000,000	**1**	–
HKD14,500,001 – HKD15,000,000	**1**	–
HKD19,500,001 – HKD20,000,000	**1**	–
HKD20,000,001 – HKD20,500,000	**–**	1
HKD25,500,001 – HKD26,000,000	**–**	1
HKD50,500,001 – HKD61,000,000	**–**	1
HKD85,500,001 – HKD86,000,000	**–**	1
	5	4

10 Finance income – net

	Year ended December 31,	
	2024	2023
	RMB'000	
Finance income:		
Interest income from cash and cash equivalents	**104,621**	80,951
Finance costs:		
Interest expenses on bank borrowings	**(3,434)**	–
Interest expenses on license fees payable (Note 30(b))	**(874)**	(1,105)
Interest expenses on lease liabilities (Note 14)	**(343)**	(1,009)
Net foreign exchange losses	**(264)**	(751)
	(4,915)	(2,865)
Finance income – net	**99,706**	78,086

11 Income tax expenses

(a) Cayman Islands

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Under the current laws of the Cayman Islands, the Company is not subject to tax on either income or capital gain. Additionally, upon payments of dividends to the shareholders, no Cayman Islands withholding tax will be imposed.

(b) British Virgin Islands (the "BVI")

The Company's subsidiaries incorporated in the BVI are exempted from income tax on its foreign-derived income in the BVI. There are no withholding taxes in the BVI.

(c) Hong Kong

When the subsidiary was incorporated in Hong Kong, the subsidiary was subject to Hong Kong profits tax at a rate of 16.5% for taxable income earned in Hong Kong. Commencing on April 1, 2018, the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HKD2,000,000 and 16.5% for any assessable profits in excess of HKD2,000,000. The payments of dividends to shareholders are not subject to withholding tax in Hong Kong.

11 Income tax expenses (continued)

(d) United States

The applicable income tax rate of United States where the Company's subsidiaries having operations for the years ended December 31, 2024 and 2023 is 27.98%, which is a blended state and federal rate.

(e) PRC Enterprise Income Tax

Enterprise income tax ("**EIT**") was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC EIT rate is 25% for the years ended December 31, 2024 and 2023.

Certain subsidiaries of the Company in the PRC have been approved as High and New Technology Enterprises ("**HNTE**") under relevant tax rules and regulations, and accordingly, are subjected to a preferential EIT rate of 15% for the years ended December 31, 2024 and 2023.

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engaged in R&D activities are entitled to claim an additional tax deduction amounting to 75% of the qualified R&D expenses incurred in determining its tax assessable profits for that year ("**Super Deduction**"). Starting from October 1, 2022, the additional deduction ratio was increased to 100%.

Certain subsidiaries of the Company in the PRC were qualified as "Small Low-Profit Enterprise". The entitled subsidiaries are subject to a preferential income tax rate from 2.5% to 5% for the years ended December 31, 2024 and 2023.

11 Income tax expenses (continued)

(f) The PRC withholding tax

Under the EIT Law enacted by the National People's Congress of the PRC, dividends generated after January 1, 2008 and payable by a foreign investment enterprise in the PRC to its foreign investors who are non-resident enterprises are subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding arrangement. Under the taxation arrangement between the PRC and Hong Kong, a qualified Hong Kong tax resident which is the "beneficial owner" and directly holds 25% or more of the equity interest in a PRC resident enterprise is entitled to a reduced withholding tax rate of 5%. The Cayman Islands, where the Company was incorporated, does not have a tax treaty with the PRC.

In accordance with accounting guidance, all undistributed earnings are presumed to be transferred to the parent company and are subject to the withholding taxes. All foreign-invested enterprises are subject to the withholding tax from January 1, 2008. The presumption may be overcome if the Group has sufficient evidence to demonstrate that the undistributed dividends will be re-invested and the remittance of the dividends will be postponed indefinitely. The Group did not record any dividend withholding tax, as it has no retained earnings for any of the year presented.

The income tax expenses of the Group for the years ended December 31, 2024 and 2023 are analyzed as below:

	Year ended December 31,	
	2024	2023
	RMB'000	
Current income tax	**4,980**	1,869
Deferred income tax	**–**	–
Income tax expenses	**4,980**	1,869

11 Income tax expenses (continued)

(f) The PRC withholding tax (continued)

Reconciliations of the income tax expenses computed by applying the PRC statutory income tax rate of 25% to the Group's income tax expenses of the year presented are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	
Loss before income tax	**(476,825)**	(4,329,097)
Income tax credit computed at the PRC statutory income tax rate of 25%	**(119,206)**	(1,082,274)
Effect of change in tax rate	**13,342**	–
Effect of different tax rate of different jurisdictions	**(13,907)**	862,358
Effect of preferential tax rate	**51,573**	82,012
Share of net profit of an associate accounted for using the equity method	**(1,571)**	(669)
Expenses not deductible for income tax purposes	**18,451**	59,559
Effect of super deduction for qualified R&D expenses	**(76,644)**	(61,999)
Tax losses and deductible temporary differences for which no deferred tax asset was recognized	**133,040**	143,302
Utilization of previously unrecognized tax losses	**(98)**	(420)
Income tax expenses	**4,980**	1,869

11 Income tax expenses (continued)

(f) The PRC withholding tax (continued)

Deductible tax losses that are not recognized for deferred income tax assets will be expired as follows:

	As of December 31,	
	2024	2023
	RMB'000	
2024	**–**	2,452
2025	**2,442**	3,197
2026	**8,923**	22,480
2027	**28,077**	47,904
2028	**62,205**	160,939
2029	**141,925**	132,059
2030	**84,302**	83,547
2031	**145,872**	132,315
2032	**636,436**	616,609
2033	**894,541**	796,199
2034	**988,608**	–
No expiry year	**40,172**	24,888
	3,033,503	2,022,589

(i) As of December 31, 2024, the Group had unused tax losses of approximately RMB3,033,503,000 (2023: RMB2,022,589,000) that can be carried forward against future taxable income, respectively. No deferred income tax asset has been recognized in respect of such tax losses due to the unpredictability of future taxable income.

(ii) 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 Shenzhen Suteng, which is qualified as HNTE, from 2019 had been extended from 5 years to 10 years. Shenzhen Suteng re-applied for HNTE status in 2022 and the approval was obtained in December 2022.

12 Loss per share

(a) Basic loss per share

Basic loss per shares is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding for the years ended December 31, 2024 and 2023.

In determining the weighted average number of ordinary shares in issue, the unvested restricted shares are excluded:

	Year ended December 31,	
	2024	2023
Loss attributable to the owners of the Company (RMB'000)	**(481,827)**	(4,336,629)
Weighted average number of ordinary shares outstanding	**434,594,019**	97,082,430
Basic loss per share (in RMB)	**(1.11)**	(44.67)

(b) Diluted losses per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the years ended December 31, 2024, the Company had one category of potential ordinary shares: share-based awards granted to employees (2023: three categories of potential ordinary shares: preferred shares, warrants and share-based awards granted to employees (Notes 31 and 27)). As the Company incurred losses for the years ended December 31, 2024 and 2023, these potential ordinary shares were not included in the calculation of loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2024 and 2023 are the same as basic loss per share.

13 Property, plant and equipment

	Machinery and equipment	Mold and tooling	Computer, electronic equipment and others	Vehicles	Leasehold improvements	Construction in progress	Total
				RMB'000			
Year ended December 31, 2023							
Opening net book amount	62,645	6,262	18,206	2,326	39,447	79,180	208,066
Additions	26,245	10,413	39,017	3,310	6,588	36,862	122,435
Disposals	(532)	(235)	(1,181)	(46)	–	(469)	(2,463)
Transfers	35,554	5,185	9,982	–	3,054	(53,775)	–
Foreign currency translation adjustments	–	–	1	3	–	–	4
Depreciation charge	(13,735)	(4,510)	(14,041)	(1,028)	(26,644)	–	(59,958)
Closing net book amount	110,177	17,115	51,984	4,565	22,445	61,798	268,084
At December 31, 2023							
Cost	137,146	22,377	74,989	7,039	66,195	61,798	369,544
Accumulated depreciation	(26,969)	(5,262)	(23,005)	(2,474)	(43,750)	–	(101,460)
Net book amount	110,177	17,115	51,984	4,565	22,445	61,798	268,084
Year ended December 31, 2024							
Opening net book amount	**110,177**	**17,115**	**51,984**	**4,565**	**22,445**	**61,798**	**268,084**
Additions	**9,076**	**12,564**	**20,407**	**3,562**	**7,220**	**42,924**	**95,753**
Disposals	**(395)**	**(3,379)**	**(1,166)**	**(9)**	**(195)**	**(22)**	**(5,166)**
Transfers	**30,917**	**209**	**8,659**	**694**	**8,562**	**(49,041)**	**-**
Foreign currency translation adjustments	**-**	**-**	**2**	**4**	**-**	**-**	**6**
Depreciation charge	**(25,152)**	**(17,004)**	**(20,179)**	**(2,209)**	**(22,573)**	**-**	**(87,117)**
Closing net book amount	**124,623**	**9,505**	**59,707**	**6,607**	**15,459**	**55,659**	**271,560**
At December 31, 2024							
Cost	**175,644**	**29,377**	**102,426**	**11,164**	**81,782**	**55,659**	**456,052**
Accumulated depreciation	**(51,021)**	**(19,872)**	**(42,719)**	**(4,557)**	**(66,323)**	**-**	**(184,492)**
Net book amount	**124,623**	**9,505**	**59,707**	**6,607**	**15,459**	**55,659**	**271,560**

13 Property, plant and equipment (continued)

Depreciation expenses have been charged to the consolidated statements of comprehensive income as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	
Cost of sales	**41,312**	30,495
Research and development expenses	**39,214**	23,823
General and administrative expenses	**5,547**	4,528
Sales and marketing expenses	**1,044**	1,112
	87,117	59,958

14 Leases

(a) Amounts recognized in the consolidated balance sheets

	As of December 31,	
	2024	2023
	RMB'000	
Right-of-use assets		
Offices and factories	**41,144**	14,232
Lease liabilities		
Current	**15,172**	14,362
Non-current	**27,791**	1,159
	42,963	15,521

Additions to the right-of-use assets for the year ended December 31, 2024 was RMB38,662,000 (2023: RMB3,378,000). The early termination of lease contracts of certain leased buildings in the right-of-use assets was RMB346,000 for the year ended December 31, 2024 (2023: Nil).

14 Leases (continued)

(b) Amounts recognized in the consolidated statements of comprehensive incomes

The consolidated statements of comprehensive income include the following amounts relating to leases:

	Year ended December 31,	
	2024	2023
	RMB'000	
Depreciation charge of right-of-use assets	**11,409**	16,738
Expense relating to short-term leases (included in cost of sales, research and development expenses, sales and marketing expenses, and general and administrative expenses)	**2,092**	327
Interest expenses (included in finance costs)	**343**	1,009
	13,844	18,074

The total cash outflow for short-term leases for the year ended December 31, 2024 was RMB2,092,000 (2023: RMB327,000).

The total cash outflows for leases except for short-term leases for the years ended December 31, 2024 and 2023 are as below:

	Year ended December 31,	
	2024	2023
	RMB'000	
Principal elements of lease payments (presented as financing cash flow)	**10,806**	18,489
Related interest paid (presented as operating cash flow)	**343**	1,009
	11,149	19,498

The Group does not have lease contracts that have not yet commenced as of December 31, 2024 and 2023.

The weighted average incremental other borrowing rate applied to the lease liabilities was 3.58% for the year ended December 31, 2024 (2023: 4.63%).

14 Leases (continued)

(c) The Group's leasing activities and how these are accounted for

The Group leases certain offices and factories. Rental contracts are typically made for fixed periods of one year to five 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.

15 Intangible assets

	Software	Patent	License rights	Total
		RMB'000		
As of January 1, 2023				
Cost	25,327	3,000	35,211	63,538
Accumulated amortization	(3,234)	(888)	(7,173)	(11,295)
Net book amount	22,093	2,112	28,038	52,243
Year ended December 31, 2023				
Opening net book amount	22,093	2,112	28,038	52,243
Additions	11,610	–	–	11,610
Amortization charge	(8,096)	(300)	(3,912)	(12,308)
Closing net book amount	25,607	1,812	24,126	51,545
As of December 31, 2023				
Cost	36,903	3,000	35,211	75,114
Accumulated amortization	(11,296)	(1,188)	(11,085)	(23,569)
Net book amount	25,607	1,812	24,126	51,545
Year ended December 31, 2024				
Opening net book amount	**25,607**	**1,812**	**24,126**	**51,545**
Additions	**13,354**	**–**	**–**	**13,354**
Amortization charge	**(12,163)**	**(300)**	**(3,912)**	**(16,375)**
Closing net book amount	**26,798**	**1,512**	**20,214**	**48,524**
As of December 31, 2024				
Cost	**50,257**	**3,000**	**35,211**	**88,468**
Accumulated amortization	**(23,459)**	**(1,488)**	**(14,997)**	**(39,944)**
Net book amount	**26,798**	**1,512**	**20,214**	**48,524**

15 Intangible assets (continued)

Amortization expenses have been charged to the consolidated statements of comprehensive income as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	
Research and development expenses	**11,067**	6,909
Cost of sales	**4,138**	4,250
General and administrative expenses	**1,062**	981
Sales and marketing expenses	**108**	168
	16,375	12,308

16a Subsidiaries

The Company has direct or indirect interests in the following principal subsidiaries for the years ended December 31, 2024 and 2023.

Name	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Registered/ issued capital	Equity interest held (%) As of December 31, 2024	2023	Principal activities and place of operation
Direct Interests						
RoboSense Limited	The BVI, limited liability company	June 25, 2021	USD50,000	**100%**	100%	Investment holding in the BVI
Indirect Interests						
Suteng Innovation Technology Co., Ltd. (深圳市速騰聚創科技有限公司)*	The PRC, limited liability company	August 28, 2014	RMB540,344,000	**100%**	100%	Manufacturing and sales of LiDAR products in the PRC
Optixpan Semiconductors Inc. (深圳市涵光半導體有限公司)*	The PRC, limited liability company	October 19, 2016	RMB5,800,000	**100%**	100%	Technology development in the PRC

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16a Subsidiaries (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Registered/ issued capital	Equity interest held (%) As of December 31, 2024	2023	Principal activities and place of operation
Indirect Interests						
Suzhou Xijing MEMS Technology Co., Ltd. (蘇州希景微機電科技有限公司) *(i)	The PRC, limited liability company	November 29, 2017	RMB1,088,889	**55%**	55%	Manufacturing and sales of LiDAR related materials in the PRC
RoboSense Inc.	United States ("**U.S.**"), limited liability company	December 21, 2017	USD100,000	**100%**	100%	Marketing services in U.S.
Shanghai Suteng Innovation Technology Co., Ltd. (上海速騰聚創科技有限公司) *	The PRC, limited liability company	December 4, 2018	RMB1,000,000	**100%**	100%	Technology development and sales of LiDAR products in the PRC
Shenzhen Suteng Zhizao Technology Co., Ltd. (深圳市速騰智造科技有限公司) *	The PRC, limited liability company	July 19, 2019	RMB1,000,000	**100%**	100%	Manufacturing LiDAR products in the PRC
RoboSense EMEA GmbH	Germany, limited liability company	November 26, 2020	Euro ("**EUR**") 25,000	**100%**	100%	Technology development in Germany
RoboSense HongKong Limited	Hong Kong, limited liability company	July 16, 2021	HKD10,000	**100%**	100%	Investment holding in Hong Kong
RoboSense Beijing Technology Co., Ltd. (北京路泊盛世科技有限公司) *	The PRC, limited liability company	September 2, 2021	USD100,000	**100%**	100%	Sales of LiDAR products in the PRC
RoboSense Shenzhen Zhigan Technology Co., Ltd. (深圳速騰智感科技有限公司) *	The PRC, limited liability company	September 6, 2021	USD50,000,000	**100%**	100%	Investment holding in the PRC
Tianjin Lubo Shengshi Technology Co., Ltd. (天津路泊盛世科技有限公司) *	The PRC, limited liability company	November 9, 2022	RMB1,000,000	**100%**	100%	Sales of LiDAR products in the PRC
Shenzhen Suteng Mars Technology Co., Ltd. (深圳市速騰馬爾斯科技有限公司) *	The PRC, limited liability company	June 3, 2024	USD439,550	**100%**	–	Manufacturing LiDAR products in the PRC

16a Subsidiaries (continued)

* The English name of certain subsidiaries represented the best effort by the management of the Group in translating their Chinese names as they do not have official English names.

(i) In accordance with the Article of Association of Suzhou Xijing MEMS Technology Co., Ltd. ("**Suzhou Xijing MEMS**"), the Company has the power to control the board of directors of Suzhou Xijing MEMS to unilaterally govern the operating, financing and investing policies of Suzhou Xijing MEMS. Therefore, the Group consolidates this entity.

16b Investment in an associate accounted for using the equity method

	Year ended December 31,	
	2024	2023
	RMB'000	
Investment in an associate		
At the beginning of the year	**55,439**	–
Addition (Note (i))	**–**	49,000
Share of net profit (Note (a))	**9,799**	6,439
At the end of the year	**65,238**	55,439

(i) As of December 31, 2024, the Group has interests in an associate, Dongguan Luxsense Innovation Electronics Co., Ltd ("**Luxsense**"), that are accounted for using the equity method.

In February 2023, Shenzhen Suteng invested in Luxsense. The paid-in capital of Luxsense is RMB100,000,000. Shenzhen Suteng owns 49% equity interest of Luxsense and has significant influence over Luxsense through its shareholding of Luxsense.

Luxsense is a manufacturer of modules. The country of incorporation in the PRC is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

16b Investment in an associate accounted for using the equity method (continued)

The amounts recognised in the consolidated statement of comprehensive income are as follows:

	Year ended December 31, 2024 RMB'000	2023
Share of net profit of an associate accounted for using the equity method (Note (ii))	**10,473**	4,457
Elimination of unrealised profit/(loss) from upstream transactions for the period (Note (ii))	**674**	(1,982)

(ii) Unrealised profits or losses resulting from upstream transactions are eliminated. For the year ended December 31, 2024, unrealised profits resulting from upstream transactions are recognised in the share of net profit of an associate accounted for using the equity method.

(a) Summarized financial information for Luxsense

Set out below is the Group's share of Luxsense's result.

	Year ended December 31, 2024 RMB'000	2023
Net profit	**9,799**	6,439
Other comprehensive income	**–**	–
Total comprehensive income	**9,799**	6,439

16b Investment in an associate accounted for using the equity method (continued)

(b) Reconciliation to carrying amount of the investment in an associate:

	Year ended December 31,	
	2024	2023
	RMB'000	
Opening net assets as of January 1, 2024 and February 27, 2023 of the investee	**89,106**	75,966
Total comprehensive income for the year	**19,998**	13,140
Closing net assets	**109,104**	89,106
Group's share in %	**49%**	49%
Group's share of net assets in RMB	**53,462**	43,663
Adjustment for notional goodwill	**11,776**	11,776
Carrying amount	**65,238**	55,439

17 Other non-current assets

	As of December 31,	
	2024	2023
	RMB'000	
Time deposit (Note (a))	**20,374**	–
Prepayments for long-term assets (Note (b))	**9,159**	24,551
Long-term deposits (Note (c))	**4,569**	793
Right to returned goods (Note (d))	**358**	120
	34,460	25,464

(a) As of December 31, 2024, time deposit was denominated in RMB and the initial terms of the Group's time deposit was three years. The annual interest rate of the Group's time deposit held in bank throughout the year ended December 31, 2024 was 2.80% per annum.

(b) Prepayments for long-term assets represented the amount prepaid for procurement of machinery and equipment, vehicles, leasehold improvements and intangible assets.

(c) Long-term deposits primarily consisted of deposits for offices and factories which will not be collectable within one year.

(d) Right to returned goods represented the non-current portion of the balance of the products expected to be returned or exchanged.

18 Inventories

	As of December 31,	
	2024	2023
	RMB'000	
Raw materials (Note (a))	58,605	72,315
Work-in-progress (Note (a))	42,973	101,144
Finished goods (Note (b))	109,788	77,361
Fulfillment cost	12,628	11,756
	223,994	262,576
Less: provision for inventories (Note (c))	(21,131)	(63,365)
– Raw materials (Note (c))	(8,375)	(22,485)
– Work-in-progress (Note (c))	(1,164)	(24,491)
– Finished goods (Note (c))	(11,592)	(16,389)
	202,863	199,211

(a) Raw materials and work-in-progress primarily consist of materials mainly for volume production as well as materials used for trial production.

(b) Finished goods primarily consist of products that are ready for sale at production factories or in transit to fulfil customer orders.

(c) Provision for inventories is recognized for the amount by which the carrying amount of the inventories exceeds the net recoverable amount, and is recorded in cost of sales in the consolidated statements of comprehensive income. The provision for inventories as recognized for the year ended December 31, 2024 amounted to approximately RMB10,260,000 (2023: RMB60,439,000).

(d) The cost of inventories recognized as cost of sales for the year ended December 31, 2024 amounted to RMB1,333,670,000 (2023: RMB1,020,852,000).

(e) As of December 31, 2024 and 2023, no inventories were pledged as collaterals.

19 Financial instruments by category

	As of December 31,	
	2024	2023
	RMB'000	
Financial assets		
Financial assets measured at amortized cost		
– Trade and notes receivables (Note 20)	**462,189**	678,265
– Prepayments, other receivables and other current assets, excluding non-financial assets (Note 21)	**16,722**	10,780
– Other non-current assets, excluding non-financial assets (Note 17)	**24,943**	793
– Cash and cash equivalents (Note 24)	**2,835,984**	1,826,413
– Restricted cash	**5,198**	9,130
Financial assets measured at fair value		
– FVOCI (Note 22)	**23,254**	22,032
– FVTPL (Note 23)	**34,197**	30,000
	3,402,487	2,577,413
Financial liabilities		
Financial liabilities measured at amortized cost		
– Trade payables (Note 32)	**475,825**	490,202
– Other payables (excluding non-financial liabilities)	**128,659**	146,775
– Other non-current liabilities (excluding non-financial liabilities)	**52,553**	45,856
– Borrowings	**149,400**	1,003
– Lease liabilities (Note 14)	**42,963**	15,521
Financial liabilities measured at fair value		
– Financial instruments issued to investors (Note 31)	**–**	11,449,687
	849,400	12,149,044

20 Trade and notes receivables

	As of December 31,	
	2024	2023
	RMB'000	
Trade receivables	**410,611**	672,426
Notes receivables	**72,512**	15,004
	483,123	687,430
Less: Credit loss allowances	**(20,934)**	(9,165)
	462,189	678,265

As of December 31, 2024 and 2023, the aging analysis of the trade and notes receivables based on recognition date is as follows:

	As of December 31,	
	2024	2023
	RMB'000	
Up to 6 months	**438,405**	638,404
6 months to 1 year	**17,924**	29,844
1 to 2 years	**19,264**	15,318
Over 2 years	**7,530**	3,864
	483,123	687,430
Less: Credit loss allowances	**(20,934)**	(9,165)
Trade and notes receivables – net	**462,189**	678,265

The Group's trade and notes receivables are mainly denominated in RMB and their carrying amounts approximated their fair value.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. For details, please refer to Note 3.1(b).

21 Prepayments, other receivables and other current assets

	As of December 31,	
	2024	2023
	RMB'000	
Other receivables		
– Amounts due from employees	**12,947**	1,985
– Deposits	**2,027**	5,868
– Withholding individual income tax	**1,539**	1,547
– Others	**209**	1,380
	16,722	10,780
Prepayments for		
– Products and services procurement (Note (a))	**22,909**	14,842
– Deferred listing expenses	**–**	8,135
	22,909	22,977
VAT recoverable	**69,764**	51,097
Right to returned goods (Note (b))	**5,132**	3,992
Others	**–**	2,792
	114,527	91,638

The Group's prepayments, other receivables and other current assets were mainly denominated in RMB.

(a) Prepayments for products and services procurement primarily consisted of prepayments for raw materials, exhibition fees, consulting and other services to be provided by suppliers.

(b) Right to returned goods were recognized for the products expected to be returned or exchanged within one year.

22 Financial assets at fair value through other comprehensive income

	As of December 31,	
	2024	2023
	RMB'000	
Notes receivable	**23,254**	22,032

Notes receivable held both by collecting contractual cash flows and selling of these assets are classified as FVOCI. All the aging of notes receivable is within one year.

23 Financial assets at fair value through profit or loss

	As of December 31,	
	2024	2023
	RMB'000	
Non-current assets		
Investment in puttable shares (Note (a))	**34,197**	30,000

(a) In July 2022, the Group made investment in Vertilite Co., Ltd. ("**Vertilite**") with total consideration RMB30,000,000 without control, joint control or significant influence. The Group has the right to require Vertilite to redeem equity interest held by the Group upon certain conditions, and accordingly, this investment is accounted for as financial investments at fair value through profit or loss.

Vertilite is a company specializing in the development of high power and high-speed vertical-cavity surface-emitting laser and module solutions.

The change in fair values of the investment during the year ended December 31, 2024 was approximately RMB4.2 million (2023: insignificant).

24 Cash and cash equivalents

	As of December 31, 2024 RMB'000	2023
Cash at banks	**277,869**	395,573
Time deposits with initial terms within three months	**2,558,115**	1,430,840
	2,835,984	1,826,413

Cash and cash equivalents were denominated in the following currencies:

	As of December 31, 2024 RMB'000	2023
RMB	**415,011**	255,598
USD	**1,447,077**	1,570,613
EUR	**465**	199
HKD	**973,431**	3
	2,835,984	1,826,413

As of December 31, 2024 and 2023, the Group's cash and cash equivalents includes cash at banks, time deposits with initial terms of three months or less.

The weighted average effective interest rate on bank deposits of the Group with initial terms within three months as of December 31, 2024 was 4.28% (2023: 5.32%).

25 Share capital and reserves

(a) Share capital

	Number of shares	Share capital USD'000
Authorized:		
As of December 31, 2024 and 2023	500,000,000	50

	Number of ordinary shares	Equivalent nominal value of ordinary share USD'000	Share capital RMB'000
Issued:			
As of January 1, 2023	125,708,372	13	81
Issuance of ordinary shares to ESOP (Note (a)(i))	6,884,210	1	5
As of December 31, 2023	132,592,582	14	86
As of January 1, 2024	**132,592,582**	**14**	**86**
Issuance relating to initial public offering (Note (a)(ii))	**24,637,500**	**2**	**18**
Conversion of Preferred Shares to ordinary shares (Note (a)(iii))	**293,709,341**	**29**	**208**
Issuance relating to placing (Note (a)(iv))	**10,000,000**	**1**	**7**
As of December 31, 2024	**460,939,423**	**46**	**319**

(i) In May 2023, the Company re-issued 6,884,210 equity interests in legal form of restricted share units under a platform of ESOP B scheme.

(ii) In January 2024, the Company successfully completed its Hong Kong public offering and international offering ("**Global Offering**") of 22,909,800 shares at HK$43 per share on the Main Board of The Stock Exchange of Hong Kong Limited. In February 2024, the underwriters of the Global Offering partially exercised the over-allotment option, and an aggregate of 1,727,700 shares were newly allotted and issued by the Company. Netting off underwriting commissions and other issuance costs through equity with amount of RMB42,906,000, the Group received RMB920,464,000. Excluding the par value, the amount was recorded as share premium.

(iii) All the 293,709,341 Preferred Shares of the Company were converted into 293,709,341 ordinary shares at offering price HK$43 per share upon the completion of Global Offering and were reclassified from liabilities to equity accordingly. The difference between HK$43 and the par value of each share were capitalized as share premium. In addition, the cumulative fair value changes on Preferred Shares due to own credit risk were transferred from other reserve to accumulated losses on the same date.

(iv) On December 18, 2024, the Company successfully completed the placing ("**Placing**") of 10,000,000 shares at HK$27.75 per placing share to not less than six placees. The total gross proceeds from the Placing are approximately RMB256.7 million and the net proceeds after deducting the underwriting commissions and other issuance costs are approximately RMB250.9 million.

25 Share capital and reserves (continued)

(b) Reserves movement of the Group

	Notes	Treasury shares	Capital reserve	Share-based compensation reserve	Own credit risk reserve	Foreign currency translation reserve	Safety reserve	Subtotal	Accumulated losses	Total
						RMB'000				
As of January 1, 2023		(18)	(67,112)	19,925	(9,974)	(298,330)	–	(355,509)	(4,692,005)	(5,047,514)
Loss for the year		–	–	–	–	–	–	–	(4,336,629)	(4,336,629)
Fair value changes on Preferred Shares and convertible notes due to own credit risk	31(a)	–	–	–	(3,863)	–	–	(3,863)	–	(3,863)
Currency translation differences		–	–	–	–	(74,732)	–	(74,732)	–	(74,732)
Modification of Preferred Shares		–	–	–	(106)	–	–	(106)	106	–
Issuance of treasury shares to ESOP	25(a)(i)	(5)	–	–	–	–	–	(5)	–	(5)
Employee share scheme – value of employee services		–	–	376,980	–	–	–	376,980	–	376,980
Appropriation to safety reserves		–	–	–	–	–	516	516	(516)	–
As of December 31, 2023		(23)	(67,112)	396,905	(13,943)	(373,062)	516	(56,719)	(9,029,044)	(9,085,763)

25 Share capital and reserves (continued)

(b) Reserves movement of the Group (continued)

	Notes	Treasury shares	Share premium	Capital reserve	Share-based compensation reserve	Own credit risk reserve	Foreign currency translation reserve	Safety reserve	Subtotal	Accumulated losses	Total
						RMB'000					
As of January 1, 2024		(23)	-	(67,112)	396,905	(13,943)	(373,062)	516	(56,719)	(9,029,044)	(9,085,763)
Loss for the year		-	-	-	-	-	-	-	-	(481,827)	(481,827)
Currency translation differences		-	-	-	-	-	22,108	-	22,108	-	22,108
Employee share scheme											
– value of employee services		-	-	-	83,368	-	-	-	83,368	-	83,368
– vesting of restricted shares and RSUs		18	407,571	-	(393,762)	-	-	-	13,827	-	13,827
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs		-	920,446	-	-	-	-	-	920,446	-	920,446
Issuance of ordinary shares relating to placing, net of underwriting commissions and other issuance costs		-	250,857	-	-	-	-	-	250,857	-	250,857
Repurchase of ordinary shares	25(b)(i)	(150,951)	-	-	-	-	-	-	(150,951)	-	(150,951)
Conversion of Preferred Shares to ordinary shares		-	11,484,935	-	-	13,943	-	-	11,498,878	(13,943)	11,484,935
Reversal of safety reserves		-	-	-	-	-	-	(516)	(516)	516	-
As of December 31, 2024		(150,956)	13,063,809	(67,112)	86,511	-	(350,954)	-	12,581,298	(9,524,298)	3,057,000

(i) The board of directors of the Company has resolved to repurchase ordinary shares of the Company in the open market on The Stock Exchange of Hong Kong Limited from time to time for an aggregate amount of up to HKD200 million in value pursuant to the general mandate granted to the directors of the Company and approved by the shareholders of the Company at the annual general meeting held on June 27, 2024.

During the year ended December 31, 2024, the Company repurchased 11,038,200 of its own shares from the market. The shares were repurchased at prices ranging from HKD11.18 to HKD17.07 per share, with an average price of HKD14.94 per share. The total consideration of approximately RMB150,951,000 paid, including the transaction costs of the equity transaction, is deducted from equity attributable to owners of the Company as treasury shares.

26 Dividends

No dividends have been paid or declared by the Company for the year ended December 31, 2024 (2023: nil).

27 Share-based compensation

	Year ended December 31,	
	2024	2023
	RMB'000	
Share-based compensation expenses-related to ESOP	**83,368**	376,980

A limited liability partnership ("**ESOP LLP**"), was established in August 2015 and holds ordinary shares of Shenzhen Suteng on behalf of Shenzhen Suteng for the purpose of ESOP. In May 2021, Shenzhen Suteng approved a share incentive plan ("**Suteng ESOP**") to grant certain amounts of equity interests in the ESOP LLP to certain directors, executive officers and employees with vesting commencement date in December 2020. The awards include both service conditions and the occurrence of a qualified IPO as performance conditions. All of the RSUs shall become vested 36 months post the occurrence of a qualified IPO. Employees are required to provide continued services through the occurrence of a qualified IPO in order to retain the award.

During the reorganization, the pre-IPO share incentive scheme A (the "**ESOP A scheme**") and the pre-IPO share incentive scheme B (the "**ESOP B scheme**") have been established and approved pursuant to the Shareholders' resolutions dated on December 30, 2021. On December 31, 2021, the Company issued 18,299,626 equity shares in proportion to ESOP LLP's equity interests holding in Shenzhen Suteng. On the same day, the Company issued 17,210,526 shares for another new share incentive plan.

In addition, a post-IPO share incentive plan ("**ESOP C scheme**") was approved pursuant to the Shareholders' resolutions dated on October 27, 2022.

The Group's ESOP platforms of the share incentive plans were designed and operated to grant equity interests in the form of restricted shares and RSUs with certain service conditions and/or performance conditions to eligible employees. Once the vesting conditions for the underlying restricted shares and RSUs are met, the shares will be released or exchanged to employees. The Group accounts for such awards in accordance with IFRS 2, Share-based payments.

27 Share-based compensation (continued)

(a) ESOP A scheme

Movements in the number of equity awards granted under ESOP A scheme are as follows:

	Number of restricted shares	Number of RSUs	Total number of equity awards	Weighted average grant date fair value RMB
Outstanding as of January 1, 2023	13,450	14,979,847	14,993,297	6.46
Granted during the year (Note (i), (ii))	–	3,928,516	3,928,516	24.02
Cancelled during the year (Note (iii))	–	(622,187)	(622,187)	6.27
Outstanding as of December 31, 2023	13,450	18,286,176	18,299,626	10.37
Outstanding as of January 1, 2024	**13,450**	**18,286,176**	**18,299,626**	**10.37**
Vested during the year	**(13,450)**	**(17,936,926)**	**(17,950,376)**	**10.06**
Outstanding as of December 31, 2024	**–**	**349,250**	**349,250**	**19.22**

(i) In January 2023, the Company granted 299,000 RSUs under the platforms of ESOP A scheme to this employee at a consideration of RMB12.00 per share, with both four years' service conditions and the occurrence of an IPO as performance conditions. The difference of RMB2,861,000 between total consideration and the grant date fair value would be recognized over the vesting period.

If the employee leaves the Group during the vesting period, the prepayment for the non-vested portion will be refunded. The Group recorded the cash received by the Group as other payables and accruals and would transfer the portion to equity account upon vesting of each tranche. As of December 31, 2023 and 2024, the payables in relation to these grants (Note 33(b)(i)) amounted to RMB7,338,000 and RMB4,566,000, respectively.

(ii) In January 2023, the Group granted 2,059,985 RSUs under the platforms of ESOP A scheme to an eligible employee at nil consideration, with the occurrence of a qualified IPO as performance conditions.

In October 2023, the Group granted another 1,569,531 RSUs under the platforms of ESOP A scheme to an eligible employee at nil consideration, with the occurrence of a qualified IPO as performance conditions.

(iii) In September 2023, 622,187 RSUs which were granted to an employee in May 2021 with the occurrence of an IPO as performance condition were cancelled by the Group. Such cancellation was accounted for as an acceleration of vesting.

Since the IPO has become probable in June 2023 and the IPO was completed on January 5, 2024, an expense of RMB5,061,000 were recognized for the year ended December 31, 2024 (an expense of RMB178,129,000 were recognized for the year ended December 31, 2023). The remaining expenses amounting to RMB623,000 is expected to be recognized for the future service over a weighted average period of 1.60 year since December 31, 2024, taking into consideration the projected forfeiture rate. The vesting period varied from 0.18 year to 4.00 years based on the IPO date.

27 Share-based compensation (continued)

(b) ESOP B scheme

Movements in the number of equity awards granted under ESOP B scheme are as follows:

	Number of restricted shares	Number of RSUs	Total number of equity awards	Weighted average grant date fair value
				RMB
Outstanding as of January 1, 2023	17,210	2,001,945	2,019,155	13.43
Granted during the period (Note (i),(ii))	–	13,181,283	13,181,283	24.79
Forfeited during the year	–	(284,649)	(284,649)	14.99
Outstanding as of December 31, 2023	17,210	14,898,579	14,915,789	23.44
Outstanding as of January 1, 2024	**17,210**	**14,898,579**	**14,915,789**	**23.44**
Vested during the period	**(17,210)**	**(9,599,343)**	**(9,616,553)**	**22.71**
Forfeited during the year	**–**	**(751,773)**	**(751,773)**	**25.10**
Outstanding as of December 31, 2024	**–**	**4,547,463**	**4,547,463**	**24.70**

(i) In January 2023, 214,713 RSUs with only performance conditions to be vested immediately upon the consummation of a qualified IPO were granted under a platform of ESOP B scheme to eligible employees, who agreed on the cancellation of their outstanding bonus amounting to RMB7,916,000 for the year ended December 31, 2022 in exchange for the RSUs granted.

As a result, the consideration of the RSUs granted were equal to the amount of the bonus payable cancelled. As such, the Group has recorded the consideration of the RSUs as liability in relation to ESOP (Note 33) and expects to transfer it from liability to equity upon vesting on the completion date of a qualified IPO. If the eligible employees leave the Group prior to the consumption of a qualified IPO, the consideration which is equal to the bonus payable will be paid back to the eligible employees in cash and the RSUs granted will be forfeited concurrently. As of December 31, 2023 and 2024, the payables in relation to these repurchase obligations (Note 33(b)(ii)) amounted to RMB11,244,000 and nil, respectively.

(ii) In January 2023, 6,060,732 RSUs were granted under a platform of ESOP B scheme to eligible employees at nil consideration for their future services from the grant date. The equity shares include both service conditions and the occurrence of an IPO as performance conditions.

In October 2023, another 6,905,838 RSUs were granted under a platform of ESOP B scheme to eligible employees at nil consideration for their future services from the grant date. The equity shares include both service conditions and the occurrence of an IPO as performance conditions.

Since the IPO has become probable in June 2023 and the IPO was completed on January 5, 2024, an expense of RMB76,794,000 were recognized for the year ended December 31, 2024 (an expense of RMB198,851,000 were recognized for the year ended December 31, 2023). The remaining expenses amounting to RMB39,592,000 is expected to be recognized for the future service over a weighted average period of 1.33 years since December 31, 2024, taking into consideration the projected forfeiture rate. The vesting period varied from 0.18 years to 4.28 years starting from the IPO date.

27 Share-based compensation (continued)

(c) The discounted cash flow method and back-solve method were used to determine the underlying equity fair value of the Company and the fair value of the restricted shares and RSUs granted under the platforms of ESOP A scheme and ESOP B scheme or shares transfer among shareholders. The key assumptions in the model other than the underlying equity fair value of the Company at the date of grant were as follows:

Grant date	Discount rate	DLOM	Expected volatility	Risk-free interest rate	Terminal growth rate
January 3, 2023	19.00%	10.00%	53.91%	1.81%	2.00%
January 13, 2023	19.00%	10.00%	53.91%	1.81%	2.00%
January 20, 2023	19.00%	10.00%	53.91%	1.81%	2.00%
October 20, 2023	19.00%	5.00%	48.81%	2.23%	2.00%
October 31, 2023	19.00%	5.00%	48.81%	2.23%	2.00%

(d) ESOP C scheme

Movements in the number of equity awards granted under ESOP C scheme are as follows:

	Number of RSUs	Total number of equity awards	Weighted average grant date fair value
			RMB
Outstanding as of January 1, 2024	**–**	**–**	**–**
Granted during the period (Notes (i))	**216,607**	**216,607**	**14.62**
Forfeited during the period	**(9,760)**	**(9,760)**	**14.62**
Outstanding as of December 31, 2024	**206,847**	**206,847**	**14.62**

(i) In July 2024, 216,607 RSUs were granted under a platform of ESOP C scheme to eligible employees at nil consideration for their one year's service conditions from the grant date. The grant date fair value of the RSUs granted was determined based on the share price of the Company's shares at the grant date and would be recognized over the vesting period.

An expense of RMB1,512,000 were recognized during the year ended December 31, 2024. The remaining expenses amounting to RMB1,512,000 is expected to be recognized for the future service over a weighted average period of 0.51 years since December 31, 2024, taking into consideration the projected forfeiture rate. The vesting period is 1 year based on the grant date.

28 Borrowings

	As of December 31,	
	2024	2023
	RMB'000	
Included in non-current liabilities		
– Non-current portion of long-term bank borrowings, unsecured	**28,200**	–
Included in current liabilities		
– Bank borrowings, unsecured	**120,000**	1,003
– Current portion of long-term bank borrowings, unsecured	**1,200**	–
	121,200	1,003
	149,400	1,003

At of 31 December, 2024, the Group's borrowings were repayable as follows:

	2024
	RMB'000
Within 1 year	**121,200**
Between 1 and 2 years	**28,200**
	149,400

(a) As of December 31, 2024, the Group's unsecured bank borrowings were denominated in RMB with an effective interest rate of 3.00% to 3.10% per annum.

(b) Compliance with loan covenants

The Company has complied with the financial covenants of its bank borrowings during the year ended December 31, 2024.

(c) As of December 31, 2024, the carrying amounts of borrowings approximated their fair values.

29 Government grants

	As of December 31,	
	2024	2023
	RMB'000	
Government grants	**29,269**	35,833

Movement of government grants is as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	
At the beginning of the year	**35,833**	45,270
Additions	**4,775**	10,725
Recognition of income	**(11,339)**	(20,162)
At the end of the year	**29,269**	35,833

30 Other non-current liabilities

	As of December 31,	
	2024	2023
	RMB'000	
Refundable government grants	**38,850**	27,820
Warranty provision (Note (a))	**16,959**	11,964
License fees payable (Note (b))	**12,989**	17,827
Refund liabilities	**596**	209
Other payable	**118**	–
	69,512	57,820

(a) The Group provides warranties for certain LiDAR 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 historical experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and is revised when appropriate.

30 Other non-current liabilities (continued)

(a) (continued)

The movements of the Group's warranty provisions are analyzed as follows:

	Year ended December 31, 2024	2023
	RMB'000	
At the beginning of the year	**19,313**	7,177
Provisions	**24,760**	21,116
Amounts utilized	**(8,959)**	(8,980)
At the end of the year	**35,114**	19,313
Current portion of warranty provision (Note 33)	**18,155**	7,349
Non-current portion of warranty provision	**16,959**	11,964

(b) The Group entered into a license agreement with Velodyne Lidar Inc. ("**Velodyne**") in September 2020 to obtain cross-license of patent from February 2021 to February 2030. Pursuant to the agreement, a license fee calculated based on the net sales of the licensed products shall be paid by the Group in tranches during the lives of the license. For each year starting from February 2021, the payment of the license fee is determined to be the greater of fixed minimum annual payments and the amount calculated based on a tiered percentage of net sales of the licensed products.

The license rights are recognized as intangible assets initially measured at a total amount of the present value of the fixed minimum annual payments to be made in subsequent years and are amortized using the straight-line method to allocate the cost of the licenses over the period of the respective contractual rights of 9 years.

License fees payable is initially recorded at the fair value, which represents the present value of the fixed minimum annual payments to be made in subsequent years. They are subsequently stated at amortized cost using the effective interest method less payments made. Interests incurred on license fees payable are charged to the consolidated statement of comprehensive loss as interest expense. The variable payment exceeds the fixed minimum annual payments will directly recognized as cost of sales.

Movement in license fees payable is as follows:

	Year ended December 31, 2024	2023
	RMB'000	
At the beginning of the year	**22,623**	28,172
Payment of license fees	**(5,683)**	(7,180)
Interest expenses	**874**	1,105
Adjustment for exchange difference	**279**	526
At the end of the year	**18,093**	22,623
Current portion of the license fees payable (Note 33)	**5,104**	4,796
Non-current portion of license fees payable	**12,989**	17,827

The license fees payable is denominated in USD.

31 Financial instruments issued to investors

	As of December 31, 2024 RMB'000	2023 (Restated)
Current		
Preferred Shares (Note (a))	–	11,449,687

All Preferred Shares were automatically converted into ordinary shares upon listing on January 5, 2024 and rights related to Preferred Shares were terminated accordingly.

(a) Preferred Shares

Issuance of Preferred Shares

The following table summarizes the issuances of Preferred Shares by series with proceeds up to December 31, 2023, after giving effect to the share subdivision and on an as if basis:

Series	Date of issuance	Issue price per share (in RMB)	Issued shares	Net proceeds from issuance RMB'000
Angel	January 10, 2015	0.07	27,647,451	2,000
Seed	October 22, 2015	0.54	27,647,451	15,000
A	March 10, 2016	0.93	9,700,864	9,000
A+	November 28, 2016	1.96	10,211,438	20,000
B	August 18, 2017	2.75	14,522,929	40,000
B	August 18, 2017	1.93	3,630,737	7,000
B	August 18, 2017	2.23	4,538,403	10,125
C	August 21, 2018	4.41	49,128,341	216,500
D	October 11, 2020	12.23	10,054,493	123,000
D-2	January 25, 2021	12.23	13,896,456	170,000
E	December 31, 2021 and January 19, 2022	20.00	27,000,000	540,000
F	April 29, 2022 and October 21, 2022	26.44	53,894,003	1,424,813
G-1	April 14, 2023	35.17	11,374,415	400,000
G-2	October 27, 2022, November 17, 2022 and April 14, 2023	38.68	16,822,979	650,769

31 Financial instruments issued to investors (continued)

(a) Preferred Shares (continued)

The key terms of the Preferred Shares are summarized as follows:

Conversion feature

Each Preferred Share shall automatically be converted into ordinary shares at the then-effective conversion price upon the closing of a qualified IPO. The initial conversion ratio of Preferred Shares to ordinary shares shall be 1:1, which is subject to subsequent adjustment upon fulfillments of predetermined conditions.

Redemption feature

At the option of the holders of the Preferred Shares (other than Series Angel Preferred Shares and Series Seed Preferred Shares), the Company and the Founders shall be jointly and severally liable to redeem the Preferred Shares held by such preferred shareholder any time after the earliest to occur of: (i) if the Company fails to complete a qualified IPO by December 31, 2024 (after modification on June 29, 2023) or a later date approved by general meeting; (ii) if any of the Company, the Founder parties or other Shareholders fails to approve an IPO application provided that the Company satisfies the requirements of the IPO approved by the general meeting; (iii) violation of certain obligations under various agreements or documents set forth in the shareholder agreement by the Company, Founders and/or certain key employees; (iv) any of the Group companies or the Founders is subject to major administrative penalties or criminal punishments due to violation of laws which results in failure of an IPO of the Company, or causes material adverse effect to the interests of the holders of the Preferred Shares; or (v) any of the shareholders redeem all or partial of their shares by the Company and/or the Founders. The Founders' obligation in redeeming the shareholders should be limited to the fair value corresponding to all the equity of the Company held by the Founders at that time.

The redemption amount payable for each Preferred Shares, upon exercise of the redemption option by the holder, will be an amount equal to the greater of (a) the investment amount, which include all the investment and share transfer corresponding to such shareholder's holding of the Company's shares, plus compounded accrued interest at a rate of 10% per annum and all declared but unpaid dividends thereon up to the date of redemption, and (b) net asset value on a book basis in proportion to the shareholding percentage.

The Preferred Shares were also redeemable by the Company and the Founder upon certain deemed liquidation events (including the occurrence of a change in control), which is not solely within the control of the Company.

31 Financial instruments issued to investors (continued)

(a) Preferred Shares (continued)

Liquidation preferences

In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the assets and funds of the Company legally available for distribution shall be distributed among the holders of the issued and outstanding shares in the following order and manner:

The holders of Preferred Shares shall be entitled to receive a liquidation amount per share equal to 120% of the issue price per share and plus all dividends and distributions accrued but unpaid. If the liquidation amount of the holders of Preferred Shares could not be paid in full, Founders have the obligation to pay such shareholders the shortfall (if any).

The liquidation preference amount will be paid to the preferred shareholders in the following order: first to holders of Series G-2 and Series C Preferred Shares held by Cainiao, second to holders of Series G-1 Preferred Shares, third to holders of Series F Preferred Shares, fourth to holders of Series E Preferred Shares, fifth to holders of Series C Preferred Shares (except for those held by Cainiao), Series D-2 Preferred Shares and Series D Preferred Shares, sixth to holders of Series D-1 Preferred Shares, seventh to holders Series B Preferred Shares and two certain preferred shareholders and, eighth to holders of Series A+ Preferred Shares, ninth to holders of Series A Preferred Shares, tenth to holders of Series Angel Preferred Shares, and lastly to holders of Series Seed Preferred Shares. After distribution to the holders of Preferred Shares the amount of preference, all remaining assets and funds of the Company available for distribution to the shareholders shall be distributed ratably among all the ordinary shareholders and preferred shareholders on a fully diluted basis.

Dividends rights

Each preferred shareholder and ordinary shareholder shall be entitled to receive dividends for each share held by such holder, payable out of funds or assets when and as such funds or assets become legally available therefor pari passu with each other on a pro rata basis. Such dividends shall be payable only when, as, and if declared by the board of directors and shall be cumulative.

No dividends on Preferred Shares and ordinary shares have been declared since the issuance date until December 31, 2023.

31 Financial instruments issued to investors (continued)

(a) Preferred Shares (continued)

Voting rights

Each Preferred Share confers the right to receive notice of, attend and vote at any general meeting of members on an as-converted basis. The holders of the Preferred Shares vote together with the ordinary shareholders, and not as a separate class or series, on all matters put before the shareholders.

Classification and Measurement

The Preferred Shares are either redeemable at the holders' option any time if the Company fails to complete a qualified IPO by a specified date or are contingently redeemable upon the occurrence of certain events outside of the Company's control.

Modification of Preferred Shares

The Group had several transactions which involved modification of contractual terms of certain Preferred Shares.

The Group also had redesignations of shares previously issued to facilitate investments from new investors. The terms of shares held by existing shareholders were amended by the Group. Concurrently, such amended shares were transferred to the new investors.

(i) In March 2020, an investor transferred 8,242,387 Series A+ Preferred Shares and 4,538,403 Series B Preferred Shares to its related party with modification made to the redemption price and liquidation preference of such Preferred Shares transferred. The Group recorded the incremental change in fair value of RMB1,710,000 and RMB673,000 due to such modification during the transfer as fair value losses for the aforementioned Series A+ Preferred Shares and Series B Preferred Shares, respectively.

(ii) In January 2021, the Group redesignated certain ordinary shares and Preferred Shares in connection with the Series D-1 Preferred Shares issuance to several new investors.

Firstly, the Company amended the terms of 726,299 ordinary shares held by founders of the Company to match the terms of the Series D-1 Preferred Shares, which were immediately then transferred to a new investor for a total consideration of RMB7,108,000. The Group recognized 1) the difference of RMB4,337,000 between the fair value and the book value of the ordinary shares as a debit to capital reserve and 2) the difference of RMB2,771,000 between consideration of the Series D-1 Preferred Shares of RMB7,108,000 and the fair value of the ordinary shares of RMB4,337,000 as share-based compensation expenses.

31 Financial instruments issued to investors (continued)

(a) Preferred Shares (continued)

Voting rights (continued)

Modification of Preferred Shares (continued)

(ii) (continued)

Concurrently, the Group also amended the terms of 2,178,471 Series B Preferred Shares and 3,065,402 Series C Preferred Shares to match the terms of Series D-1 Preferred Shares, which were then transferred to the new investor for consideration of RMB21,320,000 and RMB30,000,000, respectively. The Group recognized 1) the incremental change in fair value of the Series B Preferred Shares and Series C Preferred Shares, amounting to RMB3,603,000 and RMB5,191,000, respectively, as fair value losses; 2) the difference of RMB2,409,000 between the consideration of the Series D-1 Preferred Shares and the fair value of Series B Preferred Shares immediately before the redesignation as share-based compensation expenses.

The Company also amended the terms of 132,008 treasury shares and redesignated them as Series D-1 Preferred Shares, which were then immediately transferred to a new investor at a total consideration of RMB1,292,000 paid to the Group. This transaction was accounted for as an issuance of Series D-1 Preferred Shares to the investor.

(iii) In November 2021, the Company committed to repurchase 3,600,000 ordinary shares from the Founders and to amend the terms of these ordinary shares to match the terms of the Series D-2 Preferred Shares to be transferred to certain new investors for a consideration of RMB60,000,000 upon the completion of the Reorganization and the success in obtaining the necessary regulatory approvals as stipulated in the agreements. The Company recognized a financial liability of RMB70,627,000 for its obligation to purchase its own ordinary shares. The difference of RMB25,192,000 between the fair value Series D-2 of RMB70,627,000 and the fair value of the ordinary shares of RMB45,435,000 was recognized as share-based compensation expenses.

Such transaction was subsequently completed in January 2022. Upon the redesignation, a recognition of the issuance of Series D-2 Preferred Shares at an amount of RMB70,627,000.

31 Financial instruments issued to investors (continued)

(a) Preferred Shares (continued)

Voting rights (continued)

Modification of Preferred Shares (continued)

(iv) In December 2021, as part of the issuance of Series E Preferred Shares, the existing preferred shareholders (other than those of Series Angel and Series Seed Preferred Shares) agreed to amend the exercisable date of redemption right upon failure to complete a qualified IPO from August 30, 2023 to December 31, 2023 in order to align with that of Series E Preferred Shares. The Company evaluated and concluded this amendment should be accounted for as a modification of the applicable Preferred Shares with fair value changes recognized in profit or loss.

(v) In October 2022, for a portion of the Series G-2 financing, the Company committed to amend the terms of 4,882,604 Series C Preferred Shares in order to redesignate them into Series G-2 Preferred Shares when the investors successfully obtain the necessary regulatory approvals. On behalf of the Company, the Series G-2 incoming investor agreed to pay a higher transfer price to the holder of Series C Preferred Shares to facilitate the deal. As a result, the Company recognized RMB27,276,000 as share-based compensation expenses (Note 28(b)). In December 2022 and April 2023, 1,399,191 and 3,483,413 Series C Preferred Shares were redesignated to Series G-2 Preferred Shares at an amount of RMB32,266,000 and RMB81,816,000, respectively.

(vi) In June 2023, all preferred shareholders (other than those of Series Angel and Series Seed Preferred Shares) agreed to postpone the exercisable date of redemption right upon failure to complete a qualified IPO from December 31, 2023 to December 31, 2024.

31 Financial instruments issued to investors (continued)

(a) Preferred Shares (continued)

The Group's Preferred Shares activities are summarized as below:

	Series Angel Preferred Shares		Series Seed Preferred Shares		Series A Preferred Shares		Series A+ Preferred Shares		Series B Preferred Shares		Series C Preferred Shares	
	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000
Balances of January 1, 2023	15,995,501	345,255	19,971,731	438,744	15,521,371	358,447	10,511,598	236,153	31,859,744	712,444	55,705,679	1,284,274
Issuance of Series G-1 Preferred Shares upon exercise of Series G-1 Warrants (Note (b))	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Series G-2 Preferred Shares upon exercise of Series G-2 Warrants (Note (b))	-	-	-	-	-	-	-	-	-	-	-	-
Modification of Series C Preferred Shares to Series G-2 Preferred Shares	-	-	-	-	-	-	-	-	-	-	(3,483,413)	(82,112)
Change in fair value	-	272,006	-	331,976	-	240,513	-	169,491	-	517,018	-	813,869
Includes: change in fair value due to own credit risk	-	-	-	-	-	101	-	42	-	130	-	351
Currency translation differences	-	4,814	-	6,168	-	5,165	-	3,357	-	10,108	-	16,225
Balances of December 31, 2023	15,995,501	622,075	19,971,731	776,888	15,521,371	604,125	10,511,598	409,001	31,859,744	1,239,570	52,222,266	2,032,256
Balances of January 1, 2024	**15,995,501**	**622,075**	**19,971,731**	**776,888**	**15,521,371**	**604,125**	**10,511,598**	**409,001**	**31,859,744**	**1,239,570**	**52,222,266**	**2,032,256**
Change in fair value	**-**	**1,633**	**-**	**1,864**	**-**	**1,095**	**-**	**875**	**-**	**2,729**	**-**	**4,030**
Currency translation differences	**-**	**1,776**	**-**	**2,218**	**-**	**1,724**	**-**	**1,167**	**-**	**3,538**	**-**	**5,801**
Conversion of Preferred Shares into ordinary shares	**(15,995,501)**	**(625,484)**	**(19,971,731)**	**(780,970)**	**(15,521,371)**	**(606,944)**	**(10,511,598)**	**(411,043)**	**(31,859,744)**	**(1,245,837)**	**(52,222,266)**	**(2,042,087)**
Balances of December 31, 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	Series D Preferred Shares		Series D-1 Preferred Shares		Series D-2 Preferred Shares		Series E Preferred Shares		Series F Preferred Shares		Series G-1 Preferred Shares		Series G-2 Preferred Shares		Total	
	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000
Balances of January 1, 2023	10,054,493	257,790	6,102,180	149,686	17,496,456	453,582	27,000,000	781,950	53,894,003	1,744,933	-	-	6,582,785	232,785	270,695,541	6,996,043
Issuance of Series G-1 Preferred Shares upon exercise of Series G-1 Warrants (Note (b))	-	-	-	-	-	-	-	-	-	-	11,374,415	421,087	-	-	11,374,415	421,087
Issuance of Series G-2 Preferred Shares upon exercise of Series G-2 Warrants (Note (b))	-	-	-	-	-	-	-	-	-	-	-	-	11,639,385	450,250	11,639,385	450,250
Modification of Series C Preferred Shares to Series G-2 Preferred Shares	-	-	-	-	-	-	-	-	-	-	-	-	3,483,413	81,816	-	(296)
Change in fair value	-	130,113	-	85,780	-	221,432	-	259,274	-	332,026	-	13,691	-	67,152	-	3,454,341
Includes: change in fair value due to own credit risk	-	138	-	65	-	246	-	539	-	1,372	-	371	-	508	-	3,863
Currency translation differences	-	3,901	-	2,216	-	6,892	-	12,446	-	29,116	-	10,603	-	17,251	-	128,262
Balances of December 31, 2023	10,054,493	391,804	6,102,180	237,682	17,496,456	681,906	27,000,000	1,053,670	53,894,003	2,106,075	11,374,415	445,381	21,705,583	849,254	293,709,341	11,449,687
Balances of January 1, 2024	**10,054,493**	**391,804**	**6,102,180**	**237,682**	**17,496,456**	**681,906**	**27,000,000**	**1,053,670**	**53,894,003**	**2,106,075**	**11,374,415**	**445,381**	**21,705,583**	**849,254**	**293,709,341**	**11,449,687**
Change in fair value	**-**	**246**	**-**	**258**	**-**	**327**	**-**	**(872)**	**-**	**(4,618)**	**-**	**(1,867)**	**-**	**(2,901)**	**-**	**2,799**
Currency translation differences	**-**	**1,118**	**-**	**678**	**-**	**1,945**	**-**	**3,004**	**-**	**6,001**	**-**	**1,268**	**-**	**2,419**	**-**	**32,657**
Conversion of Preferred Shares into ordinary shares	**(10,054,493)**	**(393,168)**	**(6,102,180)**	**(238,618)**	**(17,496,456)**	**(684,178)**	**(27,000,000)**	**(1,055,802)**	**(53,894,003)**	**(2,107,458)**	**(11,374,415)**	**(444,782)**	**(21,705,583)**	**(848,772)**	**(293,709,341)**	**(11,485,143)**
Balances of December 31, 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(b) Warrants

In October 2022, the Company issued warrants to certain new investors to purchase Series G-1 and Series G-2 Preferred Shares at the purchase price of RMB35.17 and RMB38.68 per share for an aggregate purchase price of RMB850,250,000 once the necessary regulatory approvals have been obtained. The Series G-1 and Series G-2 Preferred Shares into which warrants are exercisable into are financial liabilities and the Company accounted for the Series G-1 and Series G-2 Warrants as derivatives. As of December 31, 2022, the warranty liability in relation to the Series G warrants was immaterial and none of the Series G-1 and Series G-2 Warrants have been exercised.

The Series G-1 and G-2 Warrants were subsequently exercised by the investors in April 2023, upon which, the Company derecognized the Series G-1 and Series G-2 Warrants and recognized Series G-1 and Series G-2 Preferred Shares at the fair value of RMB421,087,000 and RMB450,250,000 initially.

31 Financial instruments issued to investors (continued)

(b) Warrants (continued)

The Group's Warrants liabilities activities are summarized as below:

	Warrants RMB'000
As of January 1, 2023	–
Change in fair value for Series G-1 and Series G-2 Warrants	20,876
Exercise of Series G-1 and Series G-2 Warrants	(21,087)
Currency translation differences	211
As of December 31, 2023	–
As of January 1, 2024 and December 31, 2024	**–**

32 Trade payables

	As of December 31, 2024	2023
	RMB'000	
Trade payables	**475,825**	490,202

The carrying amounts of trade payables approximate as their fair value due to their short-term maturity in nature.

As of December 31, 2024 and 2023, the aging analysis of the trade payables based on the date of the goods and services received are as follows:

	As of December 31, 2024	2023
	RMB'000	
Up to 6 months	**473,330**	485,280
Between 6 months and 1 year	**307**	1,769
Over 1 year	**2,188**	3,153
	475,825	490,202

33 Other payables and accruals

	As of December 31,	
	2024	2023
	RMB'000	
Salaries and welfare payables	**123,692**	109,537
Accrued expenses	**48,334**	60,495
Payables for long-term assets	**32,278**	46,549
Payable for customer rebates	**20,975**	–
Warranty provision (Note 30(a))	**18,155**	7,349
Amounts due to a related party (Note 35(b))	**8,814**	–
Tax payables	**8,561**	9,531
Refund liabilities (Note (a))	**8,158**	6,268
License fees payable (Note 30(b))	**5,104**	4,796
Payables in relation to ESOP (Note (b))	**4,566**	18,582
Government grants received on behalf of joint applicants	**–**	8,942
Other payables	**3,974**	2,237
	282,611	274,286

As of December 31, 2024 and 2023 other payables and accruals were mainly denominated in RMB and the carrying amounts of other payables and accruals approximated their fair values.

(a) Refund liabilities represented the variable consideration in relation to the estimated sales return and sales exchange with a corresponding adjustment to revenue.

(b) The outstanding balances in relation to equity-settled share-based payment transaction are as below.

(i) As of December 31, 2024, the liability to an employee in relation to the grant of 349,250 RSUs (2023: 549,000 RSUs) under ESOP A scheme (Note 27(a) – ESOP A scheme (i)) amounted to RMB4,566,000 (2023: RMB7,338,000).

(ii) As of December 31, 2023, the liability in relation to the repurchase obligation under the ESOP B scheme (Note 27(b) – ESOP B scheme (i)) amounted to RMB11,244,000. The liability was reclassified into other reserves upon IPO on January 5, 2024.

34 Note to the consolidated statements of cash flows

(a) Cash used in operations

	Year ended December 31, 2024 RMB'000	2023
Cash flows from operating activities		
Loss before income tax	**(476,825)**	(4,329,097)
– Depreciation of property and equipment	**87,117**	59,958
– Amortization of intangible assets	**16,375**	12,308
– Depreciation of right-of-use assets	**11,409**	16,738
– Loss on disposal of long-term assets	**4,598**	900
– Amortization of government grants	**(11,339)**	(20,162)
– Credit loss allowances on financial assets	**11,769**	2,288
– Inventory provision	**10,260**	60,439
– Foreign exchange loss	**17,672**	11,190
– Share of profit of equity investment	**(10,473)**	(4,457)
– Share-based compensation	**83,368**	376,980
– Fair value losses on financial instruments issued to investors	**2,799**	3,471,058
– Finance income – net	**(99,970)**	(78,837)
– Interest income on time deposits	**(374)**	(2,426)
– Fair value gains on financial assets at fair value through profit or loss	**(3,896)**	(796)
Operating loss before changes in working capital	**(357,510)**	(423,916)
Changes in working capital:		
– Trade and notes receivables	**119,093**	(474,572)
– Prepayments, other receivables and other current assets	**(31,471)**	(16,283)
– Inventories	**(13,238)**	27,456
– Restricted cash	**3,932**	(8,600)
– Other non-current assets	**(4,759)**	5,178
– Trade payables	**69,834**	266,353
– Contract liabilities	**(561)**	(2,711)
– Government grants	**3,930**	9,888
– Other payables and accruals	**38,056**	22,102
– Other non-current liabilities	**13,336**	21,891
– Financial assets at fair value through other comprehensive income	**(1,222)**	(19,563)
Net cash used in operations	**(160,580)**	(592,777)

34 Note to the consolidated statements of cash flows (continued)

(b) Non-cash investing activities

Non-cash transaction of acquisition of right-of-use assets during the 2024 financial year was disclosed in Note 14(a).

(c) Net debt reconciliation

The following table provides a reconciliation for the movement of liabilities arising from financing activities for the years ended December 31, 2024 and 2023.

			Liabilities from financing activities			
	Borrowings	Financial instruments issued to investors	Lease liabilities	License fees payable (included in other payables and accruals and other non-current liabilities)	Other payables and accruals (excluding non-financing nature)	Total
			RMB'000			
As of January 1, 2023	–	(6,996,043)	(30,507)	(28,172)	(870,072)	(7,924,794)
Financing cash flows	(2,005)	(850,250)	18,489	6,075	858,954	31,263
New leases	–	–	(3,378)	–	–	(3,378)
Changes in fair values	–	(3,474,921)	–	–	–	(3,474,921)
Currency translation differences	–	(128,473)	(125)	(526)	–	(129,124)
Other changes						
– Payables in relation to ESOP	–	–	–	–	(7,464)	(7,464)
– Interest expenses	–	–	(1,009)	–	–	(1,009)
– Interest payments (presented as operating cash flows)	–	–	1,009	–	–	1,009
– Other changes	1,002	–	–	–	–	1,002
As of December 31, 2023	(1,003)	(11,449,687)	(15,521)	(22,623)	(18,582)	(11,507,416)

34 Note to the consolidated statements of cash flows (continued)

(c) Net debt reconciliation (continued)

			Liabilities from financing activities			
	Borrowings	Financial instruments issued to investors	Lease liabilities	License fees payable (included in other payables and accruals and other non-current liabilities)	Other payables and accruals (excluding non-financing nature)	Total
			RMB'000			
As of January 1, 2024	(1,003)	(11,449,687)	(15,521)	(22,623)	(18,582)	(11,507,416)
Financing cash flows	(149,400)	–	10,806	4,809	–	(133,785)
New leases	–	–	(38,662)	–	–	(38,662)
Changes in fair values	–	(2,799)	–	–	–	(2,799)
Currency translation differences	–	(32,657)	(26)	(279)	–	(32,962)
Other changes						
– Payables in relation to ESOP	–	–	–	–	14,016	14,016
– Interest expenses	–	–	(343)	(874)	–	(1,217)
– Interest payments (presented as operating cash flows)	–	–	343	874	–	1,217
– Conversion of Preferred Shares into ordinary shares	–	11,485,143	–	–	–	11,485,143
– Other changes	1,003	–	440	–	–	1,443
As of December 31, 2024	(149,400)	–	(42,963)	(18,093)	(4,566)	(215,022)

35 Related party transactions

The following is a summary of the transactions carried out between the Group and its related parties for the years ended December 31, 2024 and 2023, and balances with related party transactions as of December 31, 2024 and 2023.

(a) Name and relationship with related parties

The following individuals/companies are related parties of the Group that had significant balances and/or transactions with the Group as of/or for the years ended December 31, 2024 and 2023.

Name of related parties	Relationship with the Group
Luxsense	Associate of the Group
Mr. Qiu Chunchao	Executive director
Dr. Qiu Chunxin	Founding shareholder
Mr. Liu Letian	Founding shareholder
Dr. Zhu Xiaorui	Founding shareholder

(b) Significant transactions and balances with related parties

	Year ended December 31,	
	2024	2023
	RMB'000	
Purchase of goods and services		
Luxsense	**481,761**	195,868
Purchase of property, plant and equipment		
Luxsense	**10,615**	–

	As of December 31,	
	2024	2023
	RMB'000	
Trade payables		
Luxsense	**192,606**	249,705
Other payables		
Luxsense	**8,814**	–

35 Related party transactions (continued)

(c) Key management compensation

Key management includes directors and senior managements. The compensation paid or payable to key management for employee services is shown below:

	Year ended December 31,	
	2024	2023
	RMB'000	
Wages, salaries and bonuses	**6,616**	6,649
Pension costs – defined contribution plans, housing funds, medical insurances and other social insurances	**306**	301
Share-based compensation expenses	**8,825**	136,829
Other employee benefits	**372**	–
	16,119	143,779

36 Benefits and interests of directors

(a) Directors' emoluments

Details of the emoluments paid or payable to the directors are set out as follows:

	Fees	Wages, salaries and bonuses	Share-based compensation	Pension costs – defined contribution plans, housing funds, medical insurances and other social insurances	Other employee benefits	Total
				RMB'000		
Year ended December 31, 2024						
Name of executive directors:						
Dr. Qiu Chunxin (Note (a)(i))	–	1,659	–	102	372	2,133
Mr. Liu Letian (Note (a)(ii))	–	1,361	–	102	–	1,463
Mr. Qiu Chunchao (Note (a)(iii))	–	1,600	1,446	102	–	3,148
Name of a non-executive director:						
Dr. Zhu Xiaorui (Note (a)(iv))	–	–	–	–	–	–
Name of independent non-executive directors:						
Mr. Feng Jianfeng (Note (a)(vi))	250	–	–	–	–	250
Dr. Lu Cewu (Note (a)(vi))	21	–	–	–	–	21
Mr. Ng Yuk Keung (Note (a)(vi))	250	–	–	–	–	250
Mr. Liu Ming (Note (a)(vi))	229	–	–	–	–	229
	750	4,620	1,446	306	372	7,494

36 Benefits and interests of directors (continued)

(a) Directors' emoluments (continued)

	Fees	Wages, salaries and bonuses	Share-based compensation	Pension costs – defined contribution plans, housing funds, medical insurances and other social insurances	Total
			RMB'000		
Year ended December 31, 2023					
Name of executive directors:					
Dr. Qiu Chunxin (Note (a)(i))	–	1,666	–	100	1,766
Mr. Liu Letian (Note (a)(ii))	–	1,391	–	100	1,491
Mr. Qiu Chunchao (Note (a)(iii))	–	1,590	120,779	100	122,469
Name of a non-executive director:					
Dr. Zhu Xiaorui (Note (a)(iv))	–	–	–	–	–
Name of resigned directors:					
Mr. Wang Huan (Note (a)(v))	–	–	–	–	–
Mr. Zhou Quan (Note (a)(v))	–	–	–	–	–
Mr. Zhou Shaojun (Note (a)(v))	–	–	–	–	–
	–	4,647	120,779	300	125,726

(i) Dr. Qiu Chunxin was appointed as a director on June 23, 2021 and was re-designated as an executive director on June 28, 2023.

(ii) Mr. Liu Letian was appointed as a director on December 31, 2021 and was re-designated as an executive director on June 28, 2023 and June 27, 2024.

(iii) Mr. Qiu Chunchao was appointed as a director on December 31, 2021 and was re-designated as an executive director on June 28, 2023.

(iv) Dr. Zhu Xiaorui was appointed as a director on December 31, 2021 and was re-designated as a non-executive director on June 28, 2023 and June 27, 2024.

(v) Mr. Wang Huan, Mr. Zhou Shaojun and Mr. Zhou Quan were appointed as directors on December 31, 2021 and resigned from the Company with effect from April 26, 2023, April 27, 2023 and June 28, 2023, respectively.

(vi) Mr. Feng Jianfeng, Dr. Lu Cewu and Mr. Ng Yuk Keung were appointed as independent non-executive directors of the Company on June 28, 2023, the term of their appointment took effect from the listing date. Dr. Lu Cewu has resigned and Mr. Liu Ming has been appointed as an independent non-executive director of the Company from February 9, 2024. Mr. Feng Jianfeng, Mr. Liu Ming and Mr. Ng Yuk Keung were re-elected as independent non-executive directors of the Company on June 27, 2024.

All of these individuals have not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office.

36 Benefits and interests of directors (continued)

(b) Directors' retirement and termination benefits

For the year ended December 31, 2024, there were no termination benefit nor no additional retirement benefit received by the directors except for the attributions to a retirement benefit scheme in accordance with the rules and regulations in the PRC (2023: nil).

(c) Consideration provided to the third parties for making available directors' services

For the years ended December 31, 2024 and 2023, the Group did not pay consideration to any third parties for making available directors' services.

(d) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

For the years ended December 31, 2024 and 2023, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favor of director.

(e) Directors' 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 of the Company had a material interest, whether directly or indirectly, subsisted as of December 31, 2024 and 2023 or at any time for the years ended December 31, 2024 and 2023.

37 Commitments

Significant capital expenditure contracted as at the end of the reporting period but not recognized as liabilities is as follows:

	As of December 31,	
	2024	2023
	RMB'000	
Contracted but not provided for		
– Property, plant and equipment	**5,982**	5,475
– Intangible assets	**5,808**	1,726
	11,790	7,201

38 Contingencies

As of December 31, 2024 and 2023, the Group did not have any significant contingent liabilities.

39 Event occurring after the reporting period

On March 5, 2025, the Company successfully completed the Placing of 22,000,000 shares at HKD46.15 per placing share to not less than six placees. The total gross proceeds from the Placing are approximately HKD1,105.3 million and the net proceeds after deducting the underwriting commissions and other issuance costs are approximately HKD988.9 million.

40 Balance Sheet and Reserve Movement of the Company

(a) Balance sheet of the Company

	Notes	As of December 31, 2024	As of December 31, 2023	As of January 1, 2023
			RMB'000	
			(Restated)	(Restated)
ASSETS				
Non-current assets				
Investments in subsidiaries		**4,365,037**	4,206,422	3,769,471
Amounts due from subsidiaries		**3,211,616**	–	–
		7,576,653	4,206,422	3,769,471
Current assets				
Prepayments, other receivables and other current assets		**2,456**	3,045,459	2,262,905
Cash and cash equivalents	40(a)(i)	**1,848,250**	873,765	707,002
		1,850,706	3,919,224	2,969,907
Total assets		**9,427,359**	8,125,646	6,739,378
EQUITY				
Share capital		**319**	86	81
Other reserves	40(b)	**14,462,890**	1,761,261	1,386,814
Accumulated losses	40(b)	**(5,064,403)**	(5,122,164)	(1,666,581)
Total equity/(deficits)		**9,398,806**	(3,360,817)	(279,686)
LIABILITIES				
Current liabilities				
Financial instruments issued to investors	31	**–**	11,449,687	6,996,043
Other payables and accruals		**28,553**	36,776	23,021
		28,553	11,486,463	7,019,064
Total liabilities		**28,553**	11,486,463	7,019,064
Total equity and liabilities		**9,427,359**	8,125,646	6,739,378

The balance sheet of the Company was approved by the Board of Directors on March 31, 2025 and was signed on its behalf:

Dr. Qiu Chunxin
Chairman of the Board and Executive Director

Mr. Qiu Chunchao
Executive Director and Chief Executive Officer

40 Balance Sheet and Reserve Movement of the Company (continued)

(a) Balance sheet of the Company (continued)

(i) Cash and cash equivalents mainly include time deposits with initial terms within three months and are denominated in USD.

(b) Reserves movement of the Company

	Notes	Treasury shares	Capital reserve	Share-based compensation reserve	Own credit risk reserve	Foreign currency translation reserve	Subtotal	Accumulated losses	Total
					RMB'000				
As of January 1, 2023		(18)	1,312,945	18,769	(5,692)	60,810	1,386,814	(1,666,581)	(279,767)
Loss for the year		–	–	–	–	–	–	(3,455,689)	(3,455,689)
Fair value changes on Preferred Shares and convertible notes due to own credit risk	31(a)	–	–	–	(3,863)	–	(3,863)	–	(3,863)
Currency translation differences		–	–	–	–	1,441	1,441	–	1,441
Modification of Preferred Shares		–	–	–	(106)	–	(106)	106	–
Issuance of treasury shares to ESOP	25(a)(i)	(5)	–	–	–	–	(5)	–	(5)
Employee share scheme – value of employee services		–	–	376,980	–	–	376,980	–	376,980
As of December 31, 2023		(23)	1,312,945	395,749	(9,661)	62,251	1,761,261	(5,122,164)	(3,360,903)

40 Balance Sheet and Reserve Movement of the Company (continued)

(b) Reserves movement of the Company (continued)

	Notes	Treasury shares	Share Premium	Capital reserve	Share-based compensation reserve	Own credit risk reserve	Foreign currency translation reserve	Subtotal	Accumulated losses	Total
						RMB'000				
As of January 1, 2024		**(23)**	**-**	**1,312,945**	**395,749**	**(9,661)**	**62,251**	**1,761,261**	**(5,122,164)**	**(3,360,903)**
Profit for the year		-	-	-	-	-	-	-	57,761	57,761
Employee share scheme:										
– value of employee services		-	-	-	83,368	-	-	83,368	-	83,368
– vesting of restricted shares and RSUs		18	407,571	-	(393,762)	-	-	13,827	-	13,827
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs		-	920,446	-	-	-	-	920,446	-	920,446
Issuance of ordinary shares relating to placing, net of underwriting commissions and other issuance costs		-	250,857	-	-	-	-	250,857	-	250,857
Repurchase of ordinary shares	25(b)(i)	(150,946)	-	-	-	-	-	(150,946)	-	(150,946)
Conversion of Preferred Shares to ordinary shares		-	11,484,935	-	-	9,661	-	11,494,596	-	11,494,596
Currency translation differences		-	-	-	-	-	89,481	89,481	-	89,481
As of December 31, 2024		**(150,951)**	**13,063,809**	**1,312,945**	**85,355**	**-**	**151,732**	**14,462,890**	**(5,064,403)**	**9,398,487**

DEFINITIONS AND GLOSSARY

In this annual report, unless the context otherwise requires, the following terms and expressions have the meanings as set forth below.

"ADAS"	advanced driver assistance systems, the groups of electronic technologies that assist drivers in driving and parking functions; it also refers to levels 1 to 3 assistance driving as defined by the Society of Automotive Engineers
"AGM" or "Annual General Meeting"	the annual general meeting to be held on June 13, 2025 or any adjournment thereof
"AI"	artificial intelligence
"Audit Committee"	the audit committee of the Company
"Auditor"	PricewaterhouseCoopers, the independent auditor of the Company
"automotive OEMs"	the original equipment manufacturer, which assembles and installs automotive parts during the construction of a new vehicle
"Beijing Surui"	Beijing Surui Consulting Services Co., Ltd. (北京速銳諮詢服務有限公司), a company incorporated under the laws of the PRC on June 4, 2021, and an indirectly wholly-owned subsidiary of the Company
"Board"	the board of Directors of the Company
"Board Committee(s)"	the board committee(s) of the Company, namely the Audit Committee, Remuneration Committee, Nomination Committee and ESG Committee
"Chief Executive Officer"	the chief executive officer of the Company
"Company" or "our Company" or "the Company"	RoboSense Technology Co., Ltd (速騰聚創科技有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2498)
"Companies Ordinance"	Companies Ordinance, Chapter 622 of Laws of Hong Kong

DEFINITIONS AND GLOSSARY

"Concert Party Confirmation"	the concert party confirmation dated April 21, 2023 executed by Dr. Qiu Chunxin, Dr. Zhu Xiaorui and Mr. Liu Letian to confirm that they have been parties acting in concert in exercising shareholders' rights of the Group since the they become shareholders or directors of the relevant member of the Group (whichever is earlier)
"connected person(s)"	has the meanings ascribed to it under the Listing Rules
"Corporate Governance Code" or "CG Code"	Corporate Governance Code, as set out in Appendix C1 to the Listing Rules
"December 2024 Placing"	the placing of 10,000,000 new Shares by the Company at a placing price of HK$27.75 per placing share, the details of which are set out in the announcements of the Company dated December 11, 2024 and December 18, 2024
"Director(s)"	director(s) of the Company
"Dr. Qiu"	Qiu Chunxin (邱純鑫), our co-founder, chairman of the Board, executive Director and chief scientist
"Dr. Zhu"	Zhu Xiaorui (朱曉蕊), our co-founder, non-executive Director and scientific advisor
"ESOP Holding Entities"	Robust Limited, Ruby International Limited, and Hoping Dream International Limited
"ESG"	environmental, social and governance
"ESG Committee"	the environmental, social and governance committee of the Company
"ESG Guide"	Environmental, Social and Governance Reporting Guide, as set out in Appendix C2 to the Listing Rules
"February 2025 Placing"	the placing of 22,000,000 new Shares by the Company at a placing price of HK$46.15 per placing share, the details of which are set out in the announcements of the Company dated February 26, 2025 and March 5, 2025
"Global Offering"	the Hong Kong public offering and the international offering of the Company, details of which are set out in the Prospectus

DEFINITIONS AND GLOSSARY

"Group" or "our Group" or "the Group" or "RoboSense" or "we" or "us" or "our"	the Company and its subsidiaries from time to time
"HKD" or "HK$"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong Suteng"	HongKong Suteng Innovation Technology Co. Limited (香港速騰聚創科技有限公司), a company incorporated under the laws of Hong Kong on February 7, 2018, and an indirect wholly-owned subsidiary of the Company
"IFRS"	IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and interpretation issued by the International Accounting Standards Committee
"Independent Third Party(ies)"	third party(ies) which is/are independent of the Company and its connected persons
"Latest Practicable Date"	April 18, 2025, being the latest practicable date for the purpose of ascertaining certain information in this annual report prior to its publication
"LiDAR"	a remote sensing method that uses light to measure the distance or range of objects
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on January 5, 2024
"Listing Date"	January 5, 2024, the date on which our Shares are listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Luxsense"	Dongguan Luxsense Innovation Electronics Co., Ltd. (東莞立騰創新電子有限公司), a company incorporated under the laws of the PRC, and an entity held by Suteng Innovation Technology Co., Ltd. (深圳市速騰聚創科技有限公司), a wholly-owned subsidiary of the Company, as to 49% and Dongguan Cowell Optic Electronics Co., Ltd. (東莞高偉光學電子有限公司), an independent third party, as to 51%

DEFINITIONS AND GLOSSARY

"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 to the Listing Rules
"Mr. Liu"	Liu Letian (劉樂天), our co-founder, executive Director and chief technology officer
"Mr. Qiu"	Qiu Chunchao (邱純潮), our executive Director and Chief Executive Officer
"Nomination Committee"	the nomination committee of our Company
"Optixpan Semiconductors"	Optixpan Semiconductors Inc. (深圳市涵光半導體有限公司), a company incorporated under the laws of the PRC on October 16, 2016, and an indirectly wholly-owned subsidiary of the Company
"perception solution"	visual, LiDAR or fusion solution that provides perception capabilities based on information collected from cameras, LiDARs or other sensors
"Post-IPO Share Incentive Scheme"	the post-IPO share incentive scheme of the Company adopted and approved by the Shareholders with effect from June 29, 2023, the principal terms of which are set out in Prospectus
"PRC" or "Mainland China" or "China"	the People's Republic of China, which, for the purpose of this annual report and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Preferred Shares"	convertible redeemable preferred shares of the Company, all of which were converted into ordinary shares upon Listing
"Pre-IPO Share Incentive Scheme A"	the pre-IPO share incentive scheme of the Company adopted and approved by the then Shareholders with effect from December 30, 2021, the principal terms of which are set out in the Prospectus
"Pre-IPO Share Incentive Scheme B"	the pre-IPO share incentive scheme of the Company adopted and approved by the then Shareholders with effect from December 30, 2021, the principal terms of which are set out in the Prospectus
"Prospectus"	the prospectus of the Company dated December 27, 2023 in relation to the Global Offering and the Listing
"Remuneration Committee"	the remuneration committee of our Company

DEFINITIONS AND GLOSSARY

"Reporting Period"	the year ended December 31, 2024
"RMB"	Renminbi, the lawful currency of the PRC
"RoboSense BVI"	RoboSense Limited, a company incorporated under the laws of the BVI on June 25, 2021, and a wholly-owned subsidiary of the Company
"RoboSense HK"	RoboSense HongKong Limited, a company incorporated under the laws of Hong Kong, and an indirectly wholly-owned subsidiary of the Company
"R&D"	research and development
"Securities and Futures Ordinance" or "SFO"	Securities and Futures Ordinance, Chapter 571 of Laws of Hong Kong
"Shanghai Suteng"	Shanghai Suteng Innovation Technology Co., Ltd. (上海速騰聚創科技有限公司), a company incorporated under the laws of the PRC on December 4, 2018, and an indirectly wholly-owned subsidiary of the Company
"Share(s)" or "Ordinary Share(s)"	the ordinary shares in the share capital of the Company
"Shareholder(s)"	the holder(s) of Share(s)
"Shenzhen Suteng"	Suteng Innovation Technology Co., Ltd. (深圳市速騰聚創科技有限公司), a company incorporated under the laws of PRC, on August 28, 2014 and an indirectly wholly-owned subsidiary of the Company
"SOP"	start of production, which signifies the transition from the development and testing phase to manufacturing and commercialization, when the product is ready for mass production and delivery
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Suteng Zhigan Technology"	RoboSense Shenzhen Zhigan Technology Co., Ltd. (深圳速騰智感科技有限公司), a company incorporated under the laws of the PRC on September 6, 2021, and an indirectly wholly-owned subsidiary of the Company

DEFINITIONS AND GLOSSARY

"Suteng Zhizao"	Shenzhen Suteng Zhizao Technology Co., Ltd. (深圳市速騰智造科技有限公司), a company incorporated under the laws of the PRC on July 19, 2019, and an indirectly wholly-owned subsidiary of the Company
"Suzhou Xijing MEMS"	Suzhou Xijing MEMS Technology Co., Ltd. (蘇州希景微機電科技有限公司), a company incorporated under the laws of the PRC on November 29, 2017, and a subsidiary of the Company, which is owned as to 55% indirectly by the Company and 45% by Ms. ZHANG Xiaohong (張小紅), who is an Independent Third Party other than being the substantial shareholder of Suzhou Xijing MEMS
"Tianjin Lubo"	Tianjin Lubo Shengshi Technology Co., Ltd (天津路泊盛世科技有限公司), a company incorporated under the laws of the PRC on November 9, 2022
"Tier-1 supplier"	a company that supplies parts or systems directly to automotive OEMs
"Treasury Shares"	has the meaning ascribed to it under the Listing Rules
"U.S. dollar(s)" or "USD"	United States dollars, the lawful currency of the United States of America
"V2X"	communication between a vehicle and any object, such as road, traffic lights and roadside signals that may affect, or may be affected by, the vehicle

In this annual report, certain amounts and percentage figures included have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, governmental authorities, institutions, natural persons, laws or regulations have been included in this annual report in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translation of the official Chinese names are for identification purpose only.

This annual report contains certain forward-looking statements. These forward-looking statements are based on information currently available to the Group or the current belief, expectations and assumptions of the Board. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements. In light of the risks and uncertainties, the inclusion of forward-looking statements in this annual report should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and Shareholders and investors of the Company should not place undue reliance on such statements.

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