MINIEYE TECHNOLOGY CO., LTD

(a joint stock company incorporated in the People's Republic of China with limited liability) Stock Code : 2431

ANNUAL REPORT 2024

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director
Dr. Liu Guoqing *(Chairman of the Board and General Manager)*
Mr. Yang Guang
Mr. Zhou Xiang
Mr. Wang Qicheng

Non-executive Directors
Mr. Bi Lei
Ms. Liu Yiran

Independent non-executive Directors
Dr. Xiang Yang
Mr. Tan Kaiguo
Dr. Tan Mingkui

SUPERVISORS

Mr. Liao Diguang *(Chairman of the Supervisory Committee)*
Mr. Ao Zhengguang
Mr. Wan Hao

AUDIT COMMITTEE

Dr. Xiang Yang
Mr. Tan Kaiguo *(Chairperson)*
Dr. Tan Mingkui

REMUNERATION COMMITTEE

Dr. Xiang Yang
Mr. Tan Kaiguo
Dr. Tan Mingkui *(Chairperson)*

NOMINATION COMMITTEE

Dr. Liu Guoqing
Dr. Xiang Yang *(Chairperson)*
Dr. Tan Mingkui

STRATEGY COMMITTEE

Dr. Liu Guoqing *(Chairperson)*
Mr. Yang Guang
Dr. Tan Mingkui

JOINT COMPANY SECRETARIES [1]

Ms. Luo Xiwen
Ms. Lam Wing Chi (ACG, HKACG)

AUTHORIZED REPRESENTATIVES

Dr. Liu Guoqing
Ms. Lam Wing Chi

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

LEGAL ADVISOR

As to Hong Kong laws:
Linklaters
11th Floor, Alexandra House
18 Chater Road
Central, Hong Kong

As to PRC laws:
AllBright Law Offices
9, 11, 12/F, Shanghai Tower
No. 501, Yincheng Middle Road
Pudong New Area
Shanghai
PRC

COMPLIANCE ADVISOR

SBI China Capital Hong Kong Securities Limited
4/F, Henley Building
No. 5 Queen's Road Central
Hong Kong

CORPORATE INFORMATION

REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

25th Floor, Tower A, Building 1
Zhongzhou Binhai Commercial Center
No. 9285 Binhe Avenue
Shangsha Community, Sha Tau Street
Futian District, Shenzhen
Guangdong Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1918
19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

COMPANY WEBSITE

www.minieye.cc

STOCK CODE

2431

LISTING DATE

December 27, 2024

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKS

China Merchants Bank Co., Ltd.
Shenzhen Branch

China Construction Bank Corporation
Shenzhen Branch

Industrial and Commercial Bank of China Limited
Shenzhen Branch

Note:

1. Mr. Wen Qi resigned from his role as a joint company secretary of the Company with effect from March 28, 2025. Ms. Luo Xiwen was appointed as a joint company secretary of the Company with effect from March 28, 2025

CHAIRMAN'S STATEMENT

Dear Shareholders,

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

I. INDUSTRY REVIEW

In 2024, the intelligent driving industry was expanding rapidly both in China and on a global scale, exhibiting significant market potential. In China, this growth was facilitated by a combination of favorable governmental policies, increased investments in technological innovation and the surging demand for enhanced mobility solutions. Globally, the industry was propelled by advancements in autonomous vehicle technologies, improved vehicle connectivity, and integration of machine learning capabilities. These developments were set to reshape transportation infrastructures and transform the conventional paradigms of mobility. The continued evolution of intelligent driving technologies presented profound opportunities for industry leaders and investors, paving the way for future advancements that promise to redefine transportation landscape comprehensively.

II. OUR BUSINESSES

Intelligent driving solutions

We have developed a comprehensive portfolio of intelligent driving solutions with various intelligent driving functions, covering from L0 to L2+ intelligent driving solutions that are in-house developed and proven by mass production, and also the L4 autonomous driving solutions with more advanced levels of automation, enabling us to meet the diverse needs of our customers by offering multiple configurations at different price points within a single vehicle model, as well as offering various customization needs across various vehicle models. We believe that our strategic positioning is well-aligned with prevailing market trends and lays a solid foundation for us to capture extensive market opportunities.

Our iSafety series are solutions that enable intelligent driving from L0 to L2, which are designed to be highly adaptable to mainstream system-on-chip (SoC) platforms and are able to realize intelligent driving functions based on electronic control units (ECUs) with low computing power consumption, with a primary focus on improving vehicle safety. Over the past few years, we have established cooperative relationships with various industry-leading OEMs and tier-one suppliers, which have contributed to our strong industry reputation. At the end of 2024, we secured another design wins for a new vehicle model from a globally renowned automobile enterprise, which is being developed for the Chinese market and will cover a number of joint-venture brands.

In addition to Level 2 solutions, we have also launched the iPilot series featuring advanced intelligent driving functions, with a focus on Level 2+ functions. We are progressively adopting end-to-end technology to simplify system structures, improve data processing efficiency, reduce computational workload, and offer a broader detection range and higher precision through enhanced hardware configurations and more sophisticated cooperation between key components, leading to more comprehensive driving functions and superior driving experiences. Our iPilot solutions are able to deliver advanced intelligent driving functions including navigate on autopilot (NOA), home automated valet parking (HAVP) and automatic parking assist (APA), spanning various scenarios including driving on highways and urban routes, as well as parking.

Furthermore, we are continuously expanding the application scenarios of our iRobo solutions. Our iRobo solutions support fully autonomous driving in specific areas and operating scenarios, such as industry parks, mines and airports. They are able to handle complex traffic situations such as narrow road encounters, busy intersections and emergency maneuvers around obstacles or vehicles. In February 2025, the first Robo-bus equipped with the iRobo solutions was delivered in Suzhou, Jiangsu Province.

Revenue from our intelligent driving solutions reached RMB483.6 million in 2024, representing an increase of 25.2% compared to 2023, accounting for 73.9% of the total revenue for the year. This increase was mainly due to the gradual increase in the number of design wins we obtained from OEMs, which was in line with the increased market demand for intelligent driving solutions, and the continuous steady shipment of the mass-produced projects of iSafety and iPilot solutions in 2024.

Intelligent cabin solutions

Our intelligent cabin solutions are centered around sensing and interaction, and are designed to enhance the in-cabin experience for both drivers and passengers, primary comprising driver monitoring system (DMS), occupant monitoring system (OMS) and other solutions. Supported by in-house algorithms, deeply integrating multi-modal sensing technology and large model capabilities to achieve proactive interaction responses for voice, gestures and expressions, and leveraging generative artificial intelligence technologies to provide personalized service recommendations. Our intelligent cabin solutions offer high stability and accuracy, supporting innovative intelligent services across various scenarios such as cockpit safety, in-cabin entertainment and in-cabin working scenarios, thus providing a more natural interactive experience for global customers.

We are one of the first suppliers of DMS solutions in China that successfully supported OEMs in obtaining advanced driver distraction warning (ADDW) and driver drowsiness and attention warning (DDAW) certifications for their vehicle models under the EU General Safety Regulations (GSR) and we are the first Chinese intelligent cabin solutions provider supporting Chinese OEMs to obtain the five-star rating from the European New Car Assessment Programme (E-NCAP) since its introduction in 2023. Successfully applied to various vehicle models, our intelligent cabin solutions have achieved mass production domestically and entered the international market through cooperations with leading OEMs.

Revenue from our intelligent cabin solutions reached RMB104.2 million in 2024, representing a significant increase of 467.8% compared to 2023, accounting for 15.9% of the total revenue for the year. This increase was primarily due to our increasingly developed diverse intelligent cabin solutions that cater to various customer needs, including both software solutions and software-hardware-integrated solutions, and such products have been delivered in substantial volumes since 2024.

Vehicle infrastructure cooperative system

In response to the development of intelligent transportation infrastructure and smart cities, in addition to focusing on individual vehicle intelligence, we have also entered broader application scenarios and new markets by offering solutions in relation to vehicle infrastructure cooperative systems. Our vehicle infrastructure cooperative systems integrate in-house designed sensors, such as radars and cameras, our in-house developed algorithms, and advanced "vehicle-to-everything (V2X)" technologies, thereby enhancing road safety and traffic efficiency. We typically support customers in the transportation infrastructure sector, for example, assisting customers to analyze traffic conditions on highways and at intersections, manage traffic flow in industry parks and operate parking lots and roadside parking space.

Revenue from our vehicle infrastructure cooperative system business reached RMB63.3 million in 2024, representing a decrease of 11.5% compared to 2023, accounting for 9.7% of the total revenue for the year. Such revenue from vehicle infrastructure cooperative system decreased because we allocated more resources to intelligent driving and intelligent cabin businesses, in line with the advances of the individual vehicle intelligence technologies and commercialization.

III. OUR TECHNOLOGIES

Progressive Layout of L2, L2+, and L4 Technologies. We design intelligent driving solutions based on flexible, modular algorithm architectures suitable for various computing power platforms, covering intelligent driving scenarios from L2 to L4. We achieve technological innovation through core algorithms, completing the generational leap from traditional visual algorithms to neural network algorithms. Technologies such as monocular 3D measurement, battery electric vehicle multi-sensor early fusion, and large-model-based end-to-end solutions are all implemented in product applications, achieving centimeter-level spatial modeling and millisecond-level dynamic prediction. In the process, we have established a highly efficient and leading dual-loop R&D system, facilitating rapid iteration of algorithmic performance.

Full Scenario Coverage of Driving, Parking and in-Cabin. We actively expand our business scope, achieving full scenario coverage in driving, parking and in-cabin solutions. We deeply explore the integration of intelligent driving and intelligent cabin technologies, optimizing the human-machine driving experience by analyzing road conditions and driver attention to ensure dual protection for driving safety. In this process, we have built a solid foundation of deep learning technology, using homogeneous underlying technologies to solve technical challenges in driving, parking and in-cabin solutions, which allows us to achieve high coordination and sharing in algorithmic development and computing resources. Our long-term technical accumulation and mass production experience in driving, parking and in-cabin solutions will enable us to seize opportunities in the upcoming wave of integrated driving and cabin solutions.

Full-Stack Layout of Algorithms, Software and Hardware. Our core technological strengths derive from in-house full-stack R&D capabilities, spanning across our core algorithms, hardware design and validation, middleware and comprehensive toolchains. Our full-stack in-house R&D capabilities serve as the foundation for comprehensive technological advancements and iterations, enhancing the autonomy of our solutions. This not only enables us to extend into different business lines but also forms a flexible solutions delivery model, swiftly commercializing our R&D achievements, so that we can quickly respond to market changes, strengthen customer cooperation, establish competitive advantages, and enhance our industry reputation. We believe our full-stack in-house R&D capabilities are the key factor that sets us apart in the automotive intelligence solutions industry.

R&D team. We had five R&D centers, with our Shenzhen headquarters as the core to coordinate the efforts of the R&D centers in Beijing, Shanghai, Wuhan, and Nanjing. We have a diverse R&D team of professionals and as of December 31, 2024, our R&D team comprised 376 employees, representing 64.6% of our total employees, including professionals graduating from top-tier domestic and overseas universities, specializing in various disciplines. We have instituted a thorough internal talent development mechanism, including regular training and an R&D knowledge-sharing mechanism for employees at all levels.

IV. OUR PRODUCTION

Our production process is designed to promote high standards of quality while simultaneously providing the agility to meet customers' demands in a timely manner. Our mass production capabilities and strict quality control measures ensure the high performance and reliability of our solutions.

To enhance the quality and cost-effectiveness of our production, we commenced production at our Shenzhen Bao'an Production Base in July 2022. To further strengthen control over the entire production process, we established Guangzhou Production Base and introduced fully automated surface mount technology (SMT) production lines, fully automated dual inline package (DIP) insertion lines, and customized fully automated assembly lines. We also implemented an intelligent warehousing system, developed a manufacturing execution system (MES), and introduced automated guided vehicle (AGV). Leveraging Industry 4.0 (the Fourth Industry Revolution) technologies, the industrial internet of things (IIoT), and digital twin technologies, we have constructed a closed-loop system covering perception, decision making and execution with an aim to establish intelligent, automated and digitalized production facilities.

V. FUTURE OUTLOOK

We are committed to focusing on intelligent driving and intelligent cabin as our core businesses, striving to empower the construction and synergistic integration of the industry ecosystem. We will focus on the following aspects:

1. **Continuously Focusing on R&D and Innovation in End-to-End and Large Artificial Intelligence Model Technologies**

   We will further enhance our technical capabilities and upgrade our solutions, continuously deepening the innovative integration of end-to-end technology and large-scale model technology to build more competitive intelligent driving solutions. We will further optimize the end-to-end technology architecture, enabling more efficient information processing and more accurate behavior prediction that integrates perception, decision-making, and control across the entire chain, thereby providing users with a safer driving experience. At the same time, we will increase R&D investment in large artificial intelligence model technology, leveraging the powerful logical capabilities of the large artificial intelligence model to enhance the system's decision-making capability in complex traffic scenarios. Through the deep understanding of road environments and driving behaviors by large artificial intelligence model, we will strengthen the system's robustness and adaptability. In the intelligent cabin solutions domain, we will develop in-cabin algorithm solutions based on multi-modal large models, achieving cross-modal intention understanding for voice, expressions, and gestures. Through generative artificial intelligence technology, we dynamically generate personalized interaction strategies and scenario-based services. In the future, we will adhere to the dual engines of end-to-end and large artificial intelligence model technologies to drive the iterative computing upgrade of intelligent driving technology, continuously leading the industry's technological development trend and laying a solid foundation for achieving higher levels of autonomous driving targets and more diversified intelligent in-cabin features.

2. **Accelerating the Commercialization of Mid-to-High-Level Intelligent Driving**

   Under the dual-drive strategy of technological innovation and commercialization, we will accelerate the large-scale application of mid-to-high-level intelligent driving solutions, relying on the fusion innovation of end-to-end technology architecture and multi-modal large models. We will iteratively improve full-stack algorithms to expand the intelligent driving system's operational design domain (ODD) boundaries from highways to urban complex roads, enhancing both function coverage and scenario pass rates. Thus, continuously optimizing the cost-effectiveness and scenario adaptability of the intelligent driving system to provide robust technical support for commercialization. Through product and technology platformization, we aim to create highly configurable system solutions, shortening the development cycle for individual vehicle models, reducing the development and material costs of individual models, and increasing the system-level cost-performance ratio of the product. We will further deepen strategic cooperation with OEMs, by deepening strategic collaboration with clients, constructing a tiered vehicle adaptation system, customizing cost-effective mid-to-high-level intelligent driving solutions for different vehicle models and market demands, and promoting the deployment of core functionalities on more mass-produced vehicle models. In the future, with technological innovation as the engine and market demand as the guide, we will accelerate the commercialization process of mid-to-high-level intelligent driving through continuous iterative computing technology, so as to facilitate the upgrade of the intelligent transportation ecosystem and lead the industry towards higher levels of autonomous driving.

3. **Proactive Deployment of Overseas Business**

   We closely follow the requirements of EU regulations and prospectively deploy related technological routes. Our solutions have been selected for various exported vehicle models from a number of OEMs, which are expected to be exported to regions such as the EU, Australia, Singapore, Malaysia, India, South Korea, Dubai and Turkey. We also place great emphasis on collaboration with global OEMs. By partnering with international tier 1 auto part suppliers, we have entered the supply chains of international OEMs. We have established a subsidiary in Singapore for technical services and customer development, and will actively open up a wider scope of cooperation in overseas markets.

4. **Continuously Deepening the Integration of Intelligent Driving and Intelligent Cabin Technologies**

   We persist in refining the interaction among driving and in-cabin functions to improve the driving experience and pursue a sustained development in the automotive intelligence solutions industry. Our iPilot series can integrate DMS and OMS solutions with intelligent driving solutions, achieving the integration of driving, parking and in-cabin functions. In the future, we plan to further drive the convergence of intelligent driving and intelligent cabin technologies to deliver more holistic automotive intelligence solutions and maintain our market leadership in the development trend of integration of intelligent driving and intelligent cabin technologies.

5. **Actively Exploring Diversified Business Models**

   In terms of business expansion, we will actively explore diversified business models, expanding the application boundaries of intelligent driving technology with technological innovation as the core. Focusing on specific business scenarios, such as airports, mining sites and sanitation, and leveraging our insights on the business needs, we aim to provide clients with automated transportation solutions to enhance transportation efficiency and reduce operational costs. Meanwhile, we will also explore opportunities of extending into the robotics field, utilizing our core technological capabilities such as end-to-end solutions and large models, to broaden the application of artificial intelligence technology in robotic scenarios. The Company will also actively explore resource integration across the industry chain.

Going forward, with the continuous advancement of automotive intelligence, vehicles will better cope with complex traffic scenarios. We will focus on technological innovations and optimizing our solutions, expanding global market presence, and seeking cooperation opportunities to implement new business patterns, thereby driving the rapid development of the autonomous driving industry.

Yours sincerely,

Minieye Technology Co., Ltd
Dr. Liu Guoqing
Chairman of the Board, Executive Director and General Manager

March 28, 2025

FINANCIAL SUMMARY

A summary of our results and assets and liabilities of our Group for the last four financial years[1] as extracted from the audited financial statements of our Group is set out below:

	For the year ended December 31,			
	2021	2022	2023	**2024**
Revenue	175,174	279,358	476,206	**654,481**
Cost of sales	(158,173)	(245,788)	(408,184)	**(549,705)**
Gross profit	17,001	33,570	68,022	**104,776**
Selling expenses	(51,717)	(63,374)	(72,735)	**(71,096)**
General and administrative expenses	(45,454)	(54,769)	(74,294)	**(106,887)**
Research and development expenses	(82,201)	(139,349)	(149,826)	**(156,107)**
Net impairment losses on financial assets	(2,196)	(7,517)	(6,116)	**(22,648)**
Other income	23,908	4,734	27,922	**25,736**
Other gains – net	2,016	6,334	1,338	**3,726**
Operating loss	(138,643)	(220,371)	(205,689)	**(222,500)**
Finance income	212	1,234	1,967	**2,273**
Finance costs	(916)	(1,521)	(3,373)	**(7,494)**
Finance costs – net	(704)	(287)	(1,406)	**(5,221)**
Loss before income tax	(139,347)	(220,658)	(207,095)	**(227,721)**
Income tax expense	(450)	(172)	(60)	**(17)**
Loss and total comprehensive loss for the year	139,797	(220,830)	(207,155)	**(227,738)**
Loss and total comprehensive loss for the year attributable to:				
Owners of the Company	(132,220)	(214,864)	(197,238)	**(216,487)**
Non-controlling interests	(7,577)	(5,966)	(9,917)	**(11,251)**

FINANCIAL SUMMARY

	As of December 31,			
	2021	2022	2023	**2024**
Non-current assets	40,539	58,085	95,701	**139,193**
Current assets	705,146	758,922	992,107	**1,539,097**
Total assets	745,685	817,007	1,087,808	**1,678,290**
Non-current liabilities	10,457	21,013	50,780	**45,359**
Current liabilities	318,168	251,921	283,954	**489,806**
Total liabilities	328,625	272,934	334,734	**535,165**
Total equity and liabilities	745,685	817,007	1,087,808	**1,678,290**

Notes:

(1) Shares of our Company were listed on the Main Board of the Stock Exchange on December 27, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Overview

We are an intelligent driving and cabin solutions provider in China, offering solutions for the critical aspects of the driving experience, including piloting, parking and in-cabin functions. With continual iteration of innovative technologies and efficient and stable mass production capabilities, while enhancing safety and driving experiences, we empower intelligent vehicles to facilitate the industry's rapid mass commercialization of intelligent driving. We have strategically laid out our three principal business lines, namely intelligent driving, intelligent cabin and vehicle infrastructure cooperative systems, based on our integrated strengths in algorithm development, software engineering and hardware design. As of December 31, 2024, we had accumulatively undertaken mass production for 35 automotive original equipment manufacturers (OEMs). We aim to create a more comprehensive solutions portfolio that meets diverse customer needs, contributing to the establishment of an automotive intelligence ecosystem.

Revenue

We generated revenue primarily from intelligent driving solutions, intelligent cabin solutions and vehicle infrastructure cooperative systems. The following table sets forth a breakdown of our revenue by business line for the years indicated:

	Year ended December 31,			
	2024		2023	
	Amount	**%**	Amount	%
	(RMB in thousands, except for percentages)			
Intelligent driving solutions	**483,552**	**73.9**	386,150	81.1
iSafety solutions	**397,082**	**60.7**	334,780	70.3
iPilot solutions	**86,470**	**13.2**	51,370	10.8
Intelligent cabin solutions	**104,177**	**15.9**	18,346	3.8
Vehicle infrastructure cooperative systems	**63,341**	**9.7**	71,454	15.0
Others	**3,412**	**0.5**	256	0.1
Total	**654,481**	**100.0**	476,206	100.0

Our revenue from intelligent driving solutions increased by 25.2% from RMB386.2 million in 2023 to RMB483.6 million in 2024. This increase was mainly due to the gradual increase in the number of design wins we obtained from OEMs, which was in line with the increased market demand for intelligent driving solutions, and the continuous steady shipment of the mass-produced projects of iSafety and iPilot solutions in 2024.

Our revenue from intelligent cabin solutions increased significantly by 467.8% from RMB18.3 million in 2023 to RMB104.2 million in 2024. This increase was primarily due to our increasingly developed diverse intelligent cabin solutions that cater to various customer needs, including both software solutions and software-hardware-integrated solutions, and such products have been delivered in substantial volumes since 2024.

Our revenue from vehicle infrastructure cooperative systems decreased by 11.5% from RMB71.5 million in 2023 to RMB63.3 million in 2024, because we allocated more resources to intelligent driving and intelligent cabin businesses, in line with the advances of the individual vehicle intelligence technologies and commercialization.

Cost of Sales

Our cost of sales increased by 34.7% from RMB408.2 million in 2023 to RMB549.7 million in 2024, mainly in line with the increase in our revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 54.1% from RMB68.0 million in 2023 to RMB104.8 million in 2024.

Our gross profit margin increased from 14.3% in 2023 to 16.0% in 2024, primarily due to (i) our increased operational efficiency supported by our full-stack R&D capabilities; (ii) the increases in the revenue contribution of our iPilot solutions, which have a higher gross margin; and (iii) continuous expansion of our business scale.

Selling Expenses

Our selling expenses decreased by 2.2% from RMB72.7 million in 2023 to RMB71.1 million in 2024, primarily attributable to (i) a decrease in our employee benefit expenses primarily because we benefited from our stable customer relationships and thus optimized our sales and marketing team structure, and (ii) a decrease in our advertising and publicity expenses, partially offset by an increase in our share-based payment mainly due to the amortization of equity incentives granted in 2023.

General and Administrative Expenses

Our general and administrative expenses increased by 43.9% from RMB74.3 million in 2023 to RMB106.9 million in 2024, primarily due to the listing expenses incurred in 2024.

Research and Development Expenses

Our research and development expenses increased by 4.2% from RMB149.8 million in 2023 to RMB156.1 million in 2024, primarily due to an increase in our technical service fees.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased by 270.5% from RMB6.1 million in 2023 to RMB22.6 million in 2024, primarily due to an increase in our provision for trade and notes receivables, mainly in line with the expansion in our business scale.

Other Income

Our other income decreased by 7.9% from RMB27.9 million in 2023 to RMB25.7 million in 2024, primarily due to a decrease of RMB6.4 million in the one-off government grants received, partially offset by an increase of RMB4.3 million in our tax rebate.

Finance Costs – Net

Our net finance costs increased by 271.4% from RMB1.4 million in 2023 to RMB5.2 million in 2024, primarily due to an increase in the interest expenses on bank borrowings, in line with an increase in our interest-bearing bank borrowings, partially offset by an increase in the interest income from cash and cash equivalents primarily due to an increase in our cash deposit balance during such period.

Loss and Total Comprehensive Loss for the Year

As a result of the foregoing, our loss and total comprehensive loss for the year increased by 9.9% from RMB207.2 million in 2023 to RMB227.7 million in 2024.

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted loss and total comprehensive loss (non-IFRS measure) and adjusted loss and total comprehensive loss margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe these non-IFRS measures, when shown in conjunction with the corresponding IFRS measures, facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of items.

The following table reconciles our adjusted loss and total comprehensive loss (non-IFRS measure) for the year indicated with our loss and total comprehensive loss for the year presented in accordance with IFRS:

	Year ended December 31,	
	2024	2023
	(RMB in thousands)	
Loss and total comprehensive loss for the year	**(227,738)**	(207,155)
Add:		
Share-based payment[1]	**28,711**	22,401
Listing expenses	**32,336**	–
Adjusted loss and total comprehensive loss for the year (non-IFRS measure)	**(166,691)**	(184,754)
Add:		
Finance costs[2]	**7,494**	3,373
Interest expenses on lease liabilities	**1,324**	1,234
Interest expenses on bank borrowings	**6,170**	2,139
Income tax expense	**17**	60
Depreciation of right-of-use assets	**15,904**	14,588
Depreciation of property, plant and equipment	**12,251**	10,679
Depreciation of investment property	**242**	242
Amortization of intangible assets	**2,151**	1,112
Credit impairment loss	**22,648**	6,116
Asset impairment loss	**4,753**	6,235
Less:		
Finance income	**2,273**	1,967
Adjusted EBITDA (non-IFRS measure)	**(103,504)**	(144,316)

Notes:

(1) Share-based payment is a non-cash expense arising from granting share-based awards to selected employees. It mainly represents the arrangement that we receive services from employees as consideration for our equity instruments. Share-based payment is not expected to result in future cash payments. Share-based payment is recorded under our selling expenses, general and administrative expenses and research and development expenses; and share-based payment in the above table represents the sum of that recorded under each type of such expenses.

(2) Finance costs included interest expenses on bank borrowings net of amount capitalized and interest expenses on lease liabilities.

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 RMB798.8 million in cash and cash equivalents, restricted cash and time deposits, as compared to RMB199.6 million as of December 31, 2023. Our cash and cash equivalents primarily consist of cash at banks denominated in RMB and HKD, with a small portion in USD and SGD.

Our net operating cash outflow in 2024 was RMB215.8 million, representing a decrease from RMB276.3 million in 2023. Our net cash used in operating activities in 2024 is calculated by adjusting our loss before income tax of RMB227.7 million by non-cash and other items to arrive at an operating loss before changes in working capital of RMB144.3 million.

Indebtedness

Borrowings

As of December 31, 2024, we had total borrowings of RMB191.5 million, as compared to that of RMB96.7 million as of December 31, 2023. The increases in the balance of our borrowings were primarily due to the growing cash requirements in line with our business expansion and our continued efforts to optimize our debt structure by making better utilization of our debt financing resources and raising funds with lower costs. We borrow primarily from well-established commercial banks in China.

Lease Liabilities

Our lease liabilities are in relation to properties that we lease primarily for our offices and factories. As of December 31, 2023 and 2024, we recognized total lease liabilities of RMB34.3 million and RMB21.0 million, respectively. The fluctuation in our lease liabilities was primarily due to the changes in leases for offices and factories.

Key Financial Ratios

Our current ratio (calculated as current assets divided by current liabilities as of the same date) decreased to 3.14x as of December 31, 2024 from 3.49x as of December 31, 2023, mainly because (i) an increase in our operating liabilities, and (ii) an increase in interest-bearing bank borrowings as we optimized our debt structure by making better utilization of our debt financing resources, partially offset by an increase in our cash and cash equivalents, which mainly represents the proceeds received from the issuance of H Shares upon the Global Offering.

Our asset-liability ratio (calculated as total assets divided by total liabilities as of the same date) decreased to 3.14x as of December 31, 2024 from 3.25x as of December 31, 2023, mainly because (i) an increase in our cash and cash equivalents, which mainly represents the proceeds received from the issuance of H Shares upon the Global Offering, and (ii) an increase in our trade payables in line with our procurement, partially offset by an increase in our bank borrowings.

In 2024 and 2023, our gearing ratio (calculated as total interest-bearing borrowings and lease liabilities divided by total equity) was approximately 18.78% and 16.56%, respectively.

Charge on Assets

As of December 31, 2024, we secured a loan of RMB20.0 million with certain non-core patents as the collateral (FY2023: nil).

Capital Expenditures and Capital Commitments

Our capital expenditures were primarily used for acquisition of land use rights for our production bases, construction of our manufacturing facilities, as well as purchases of R&D and office equipment, our capital expenditures increased to RMB71.0 million in 2024 from RMB27.2 million in 2023.

Our capital commitments were primarily related to property, plant and equipment and intangible assets. As of December 31, 2023 and 2024, we had capital commitments of RMB10.4 million and RMB3.5 million, respectively.

As disclosed in the Prospectus, the Company intends to use 18% of the net proceeds from the Global Offering for improving our R&D infrastructure, equipment and tools and expanding our R&D team to strengthen the scalability as well as efficiency and effectiveness of our R&D process, and approximately 30% of the net proceeds for increasing our production efficiency and solution competitiveness. See "Future Plans and Use of Proceeds" in the Prospectus for further details. Save as disclosed above, the Company 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.

Financial Risk Management

Our activities expose us to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. Our risk management is predominantly controlled by the treasury department under policies approved by the Board. Our treasury department identifies, evaluates and hedges financial risks in close cooperation with our operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

No Material Adverse Change

Since December 31, 2024 and up to the date of this 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 report.

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

Our Company had no significant investment and/or material acquisition or disposal of subsidiaries, associates and joint ventures during the year ended December 31, 2024.

HUMAN RESOURCES

As of December 31, 2024, we had 582 full-time employees, all of whom were based in the PRC. We recruit employees primarily through employment websites, on-campus recruitment and internal referrals. We enter into standard labor contracts with our employees and confidentiality and non-compete agreements with key management and professionals. In addition to salary and allowances, we offer competitive remuneration packages to our employees including performance-based bonuses, long-term incentive programs (such as our Employee Incentive Scheme for selected managers, high-potential talent and key technical professionals) and employee benefit plans. We have established periodical review system to assess the performance of employees, which forms the basis of our decisions with respect to salary increases and promotions.

We emphasize the importance of training and development for our employees to enhance their technical skills and overall performance, and provide induction training to new joiners on our culture, business and industry to help them to fit in as well as tailored, continuing training sessions to improve their skill sets constantly. We are committed to the education, recruitment, development and advancement of diverse team members nationwide, and are recognized for our commitment to those efforts.

EVENTS AFTER THE REPORTING PERIOD

As disclosed in the announcement dated January 20, 2025 of the Company, the over-allotment option under the Global Offering described in the Prospectus (the "**Over-allotment Option**") has been partially exercised on Sunday, January 19, 2025 in respect of an aggregate of 756,400 H Shares (the "**Over-allotment Shares**"), representing approximately 1.93% of the total number of H Shares initially available under the Global Offering before any exercise of the Over-allotment Option. Additional net proceeds of approximately HK$12.6 million was received by the Company from the issue of the Over-allotment Shares after deduction of the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the partial exercise of the Over-allotment Option, and such additional net proceeds will be used by the Company on a pro rata basis for the purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

On March 7, 2025, the Company held its 2025 first extraordinary general meeting ("**EGM**"), during which the resolutions, among others, in relation to the application for the proposed conversion of consider of 89,576,892 Unlisted Shares held by the certain participating Shareholders to be converted into H Shares and the proposed amendments to the Articles of Associations (as detailed in the Company's circular dated February 19, 2025 ("**EGM Circular**") had been considered and approved. For further details, please refer to the EGM Circular and the poll results announcement dated March 7, 2025.

Save as disclosed above in this report, we are not aware of any material subsequent events since the end of the Reporting Period to the date of this report.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Dr. Liu Guoqing (劉國清), aged 38, is our co-founder, chairman of the Board, executive Director, and general manager of our Company. He was appointed as a Director on December 10, 2014, and was redesignated as an executive Director on May 13, 2024. He is primarily responsible for overseeing the overall operation plan and objectives, strategy development and technical research direction, and product development, production and layout of our Group.

Dr. Liu has approximately 13 years of experience in management, technology and industry of solutions for automotive intelligence. Since starting his career in 2012, Dr. Liu has consistently worked in the field of automation. He has been holding directorship and management role in several subsidiaries of our Group, including serving as the executive director of Hubei Youjia Technology Co., Ltd. (湖北佑駕科技有限公司) since December 2017, the executive director of Nanjing Youjia Technology Co., Ltd. (南京佑駕科技有限公司) since February 2018, the executive director and general manager of Chongqing Youjia Innovation Technology Co., Ltd. (重慶佑駕創新科技有限責任公司) since March 2019, the executive director and general manager of Hangzhou Ruijian Zhixing Technology Co., Ltd. (杭州鋭見智行科技有限公司) since November 2022, and the executive director and general manager of Guangzhou Youjia Innovation Technology Co., Ltd. (廣州佑駕創新科技有限公司) since May 2023. During his tenure in his current position as the general manager of our Company, he has led the research and development of several major projects for our Company. Dr. Liu has systematically mastered fundamental theoretical knowledge and specialized technical knowledge in the field of automotive intelligence solutions, possesses the ability to stay at the forefront of technological advancements, and is proficient in applying industry standards and procedures. He has achieved important outcomes in his area of expertise. Dr. Liu also has a certain level of technical research ability, capable of writing research findings or technical reports aimed at solving complex technical problems. He has played a significant role in mentoring and cultivating young and middle-aged academic and technical talents and is able to guide the work and studies of engineers or postgraduate students. Prior to founding our Group, Dr. Liu was a project officer at the School of Computer Engineering of the Nanyang Technological University in Singapore from July 2012 to July 2014, and served as general manager and chief engineer at Nanjing Cherui Information Technology Co., Ltd. (南京車鋭信息科技有限公司) ("**Nanjing Cherui**") from July 2013 to November 2014. Nanjing Cherui was a start-up enterprise principally engaged in research and development, and had no substantive business operations at that time.

Dr. Liu obtained his bachelor's degree in mathematics from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2008, his bachelor's degree in management from Wuhan University (武漢大學) in the PRC in June 2008, and his doctorate degree in computer science from Nanyang Technological University in Singapore in May 2013. Dr. Liu was recognized as 30X30 Entrepreneur Leader (30X30創業領袖) by the Hurun Research Institute in September 2017, in the 30 Under 30 Asia List by Forbes in 2017, as Nanjing Leading Technological Talent (南京市高層次創業人才)by the Nanjing Talent Working Group (南京市人才工作領導小組) in December 2019, and as Shenzhen High-level Talent (深圳市高層次人才) by the Shenzhen Municipal Human Resources and Social Security Bureau (深圳市人力資源和社會保障局) in September 2020. In October 2016, he was awarded the China Artificial Intelligence Technology Innovation Leader Award (中國人工智能科技創新領導者獎) from the China Center for Information Industry Development (中國電子信息產業發展研究院) under the MIIT.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Dr. Liu has been deeply involved in the research and development of automotive intelligence solutions. Dr. Liu is the leader of several Shenzhen municipal projects, including but not limited to the Shenzhen Peacock Project (深圳市孔雀項目) and the technological projects of the Shenzhen Science and Technology Innovation Commission (深圳市科技創新委員會). Dr. Liu has published several papers in the journals including AAAI Conference on Artificial Intelligence, Conference on Neural Information Processing Systems (神經信息處理系統大會) (NeurIPS). Dr. Liu is one of the primary drafters of the national standard for integrated circuit – test method for CMOS image sensors (集成電路CMOS圖像感測器測試方法) (GB/T43063–2023), which was promulgated by the SAMR and the National Standardization Administration (國家標準化管理委員會) and came into effect in January 2024.

Mr. Yang Guang (楊廣), aged 36, is our co-founder, executive Director, and deputy general manager of our Company. He was appointed as a Director on April 11, 2016, and was redesignated as an executive Director on May 13, 2024. He is primarily responsible for overseeing the intelligent driving solutions business, production, manufacturing, quality control and compliance affairs of our Group.

Mr. Yang has approximately 15 years of experience in management and technology. He has been holding directorship and management role in our subsidiaries, including serving as a director of Jiangsu Yuanshi Technology Co., Ltd. (江蘇源駛科技有限公司) since June 2022, and the director and general manager of Wuhan Youjia Innovation Technology Co., Ltd. (武漢佑駕創新科技有限公司) since August 2022 where he contributed to the establishment of our Company's software, hardware and algorithm teams. He led the teams to develop software algorithms for automotive intelligence solutions, achieving hardware integration and mass production delivery. Mr. Yang demonstrated the technical and managerial ability to drive products from concept to mass production and to scale algorithms from prototypes to large-scale production products. He played a crucial role in building the research and development team and leading technical development. He has an in-depth understanding of the hardware manufacturing and quality systems for automotive intelligence solutions. He established the relevant manufacturing and quality capabilities for our Company, earning recognition from numerous automotive OEM customers. Prior to founding our Group, Mr. Yang served as a deputy general manager and engineer at Nanjing Cherui from July 2013 to November 2014 and worked in Tencent Holdings Limited (a company listed on the Hong Kong Stock Exchange (stock code: 700)) from July 2010 to June 2013. He has systematically mastered the foundational theories and specialized technical knowledge required for developing complex software systems and possesses the capability to develop cutting-edge software systems. Since August 2021, Mr. Yang has served as a director of the Guangdong Automotive Big Data Engineering Technology Research Center (廣東省自動駕駛大數據工程技術研究中心) of which one of the supporting units is our Company.

Mr. Yang obtained his bachelor's degree in electrical engineering and automation from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2010.

Mr. Yang was recognized as Shenzhen Leading Talent (深圳市領軍人才) by Shenzhen Municipal Human Resources and Social Security Bureau (深圳市人力資源和社會保障局) in November 2021 and has served as a director of Guangdong Engineering Center (廣東省工程研究中心)at Department of Science and Technology of Guangdong Province (廣東省科學技術廳) since 2021.

Mr. Zhou Xiang (周翔), aged 38, is our co-founder, executive Director, and deputy general manager of our Company. He was appointed as a Director of our Company on April 11, 2016, and was redesignated as an executive Director on May 13, 2024. He is primarily responsible for overseeing the vehicle infrastructure cooperative system business and the operations and management of subsidiaries of our Group.

Mr. Zhou has approximately 12 years of experience in management and technology. He has been holding directorship and management role in several subsidiaries of our Group, including serving as the director and general manager of Hunan Youxiang Wanglian Intelligent Technology Co., Ltd. (湖南佑湘網聯智能科技有限公司) since December 2020, and the chairman of the board of directors and general manager of Jiangsu Yuanshi Technology Co., Ltd. (江蘇源駛科技有限公司) since June 2022. His expertise in computer science and engineering has provided him with a solid technical foundation. As our Company has grown and developed, Mr. Zhou has continually gained experience in vehicle infrastructure cooperative system research, allowing him to gain a deep understanding of industry development trends and technological frontiers. During the daily management, Mr. Zhou has shown excellent management and innovation awareness. As the primary responsible person of our Company's vehicle infrastructure cooperative system business, he has successfully led several important research and development projects, bringing significant economic benefits to our Company. Prior to founding our group, Mr. Zhou served as a software engineer at R&D center of Trend Micro Technology (China) Co., Ltd. Nanjing Branch (趨勢科技(中國)有限公司南京分公司) from July 2011 and May 2013, and as a deputy general manager and engineer at Nanjing Cherui from July 2013 to November 2014. Since October 2024, Mr. Zhou has served as the deputy secretary-general of the automotive working committee of the China Highway & Transportation Society (中國公路協會自動駕駛工作委員會). Mr. Zhou participated in the drafting of the group standard, namely the Framework for the Construction of Smart Highways in Ordinary Countries and Provinces (普通國省幹線智慧公路建設框架), which was issued by the China ITS Industry Alliance (中國智能交通產業聯盟) and took effect in March 2022.

Mr. Zhou obtained his master's degree in computer software and theory from the Southeast University (東南大學) in the PRC in March 2011.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Wang Qicheng (王啟程), aged 41, is our co-founder, executive Director, and deputy general manager of our Company. He was appointed as a Director on January 8, 2019, and was redesignated as an executive Director on May 13, 2024. He is primarily responsible for overseeing the strategic planning and overseas business development of our Group.

Mr. Wang has over 11 years of experience in management, technology and industry of solutions for automotive intelligence. He has been holding directorship and management role in our subsidiaries, including serving as the executive director of Shanghai Youxing Automotive Electronics Co., Ltd. (上海佑行汽車電子有限公司), since September 2020 and a director of Minsight SG since November 2023. As the head of our overseas business, Mr. Wang integrates automotive intelligence technologies into the strategic planning for international business expansion, promoting our Company's international cooperation and project implementation in the field of automotive intelligence solutions. He excels at collaborating with leading international intelligent driving enterprises, introducing advanced technologies and solutions, and securing a competitive edge for our Company in the global market. In addition, Mr. Wang's expertise and experience enable him to deeply understand industry development trends and technological innovations. By participating in the implementation and management of multiple automotive intelligence projects, he has accumulated a wealth of practical experience and mastered the core principles and application scenarios of automotive intelligence technologies. Prior to founding our group, Mr. Wang previously served at Beijing Guoxin Communication Systems Co., Ltd. (北京國信通訊系統有限公司) from July 2007 to June 2008, and as a deputy general manager and engineer at Nanjing Cherui from July 2013 to November 2014. As of the Latest Practicable Date, Mr. Wang owned 125 patents in the field of automotive intelligence solutions. Mr. Wang obtained his bachelor's degree in electronic engineering from Tsinghua University (清華大學) in the PRC in July 2007.

Non-Executive Directors

Mr. Bi Lei (畢壘), aged 48, was appointed as a Director on March 10, 2019, and was redesignated as a non-executive Director on May 13, 2024.

Mr. Bi has extensive experience in communication engineering and management. Mr. Bi previously served as the general manager at Zhonghuan Satellite Navigation Communication Co Ltd (中寰衛星導航通信有限公司) from October 2011 to August 2013 and has served as the deputy general manager and director of NavInfo Co., Ltd (北京四維圖新科技股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002405)) ("**NavInfo**") since August 2013.

Mr. Bi obtained his bachelor's degree in communication engineering from Communication University of China (中國傳媒大學) (previously known as Beijing Broadcasting Institute (北京廣播學院)), in the PRC in July 1999.

Ms. Liu Yiran (劉怡然), aged 36, was appointed as a Director on December 27, 2021, and was redesignated as a non-executive Director on May 13, 2024.

Ms. Liu is a Director nominated by Guokai Zhizao Transformation and Upgrading Fund (Limited Partnership) (國開製造業轉型升級基金(有限合夥)) ("**Guokai Zhizao**"), a substantial Shareholder holding over 5% of the share capital of the Company. Guokai Zhizao is a national-level fund principally engaged in the equity investment in industries including the new information technology and electrical equipment. Ms. Liu previously served at Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)) and CITIC Trust Co., Ltd. (中信信託有限責任公司). Since 2017, Ms. Liu has served as an investment manager and a senior investment manager at China Development Bank Capital Co., Ltd. (國開金融有限責任公司). Since 2019, she has also acted as a senior investment manager at the Guokai Zhizao, overseeing the overall investment in the automotive industry. Ms. Liu has extensive investment experience in the technology industry, enabling her to provide effective advice on the strategic direction of the Company.

Ms. Liu obtained her bachelor's degree in accounting from the University of Sydney in Australia in June 2012.

Independent Non-Executive Directors

Dr. Xiang Yang (項陽), aged 57, was appointed as an independent non-executive Director of our Company on April 17, 2023.

Dr. Xiang has approximately 22 years of experience in mathematics. Since July 2003, Dr. Xiang has served as the assistant professor, associate professor, and is currently a professor at Department of Mathematics at The Hong Kong University of Science and Technology. Dr. Xiang was a research associate at Princeton University in the U.S. from October 2001 to September 2003. In addition, Dr. Xiang currently serves as the president of the East Asia Section of the Society for Industrial and Applied Mathematics (東亞工業與應用數學會).

Dr. Xiang obtained his bachelor's degree in applied mathematics from Tsinghua University (清華大學) in the PRC in July 1991, his master's degree in applied mathematics from Tsinghua University (清華大學) in the PRC in March 1995, and his Ph.D. degree in mathematics from New York University in the U.S. in September 2001

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Tan Kaiguo (譚開國), aged 51, was appointed as an independent non-executive Director of our Company on April 17, 2023.

Mr. Tan has approximately 29 years of experience in auditing and financial management. Mr. Tan has served as the deputy general manager and financial manager of Ningbo Future Houseware Co., Ltd. (寧波前程家居股份有限公司) (a company listed on the National Equities Exchange and Quotations (stock code: 834282)) since May 2023. He previously worked in BDO China SHU LUN PAN Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)) from June 2000 to June 2001, served as a project manager at the investment banking department at Shenyin & Wanguo Securities Co., Ltd. (申銀萬國證券股份有限公司)(one of the predecessors of Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000166) and the Stock Exchange (stock code: 6806)) from June 2001 to January 2003, worked in Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所(特殊普通合夥)) from January 2003 to August 2007, served as the financial director at Goldbond Group Holdings Limited (金榜集團控股有限公司) from September 2007 to December 2012, served as the chief financial officer at Zhongjing Industrial (Group) Co., Ltd. (中靜實業(集團)有限公司) from January 2013 to April 2021, worked in Jiangsu Asia Electronics Technology Co., Ltd. (江蘇亞電科技有限公司) from May 2021 to April 2022, and served as the deputy general manager and chief financial officer at Shandong Golddafeng Machinery Co., Ltd. (山東金大豐機械有限公司) from May 2022 to April 2023.

Mr. Tan obtained his bachelor's degree in auditing from the East China University of Technology (華東工業大學)(one of the predecessors of the University of Shanghai for Science and Technology (上海理工大學)) in the PRC in July 1996, and Master of Business Administration (MBA) from China Europe International Business School (中歐國際工商學院) in the PRC in August 2014. Mr. Tan was qualified as a certified public accountant (non-practicing) by the Shanghai Institute of Certified Public Accountants (上海市註冊會計師協會) in December 2009.

Dr. Tan Mingkui (譚明奎), aged 41, was appointed as an independent non-executive Director of our Company on April 17, 2023.

Dr. Tan has approximately 11 years of experience in computer science. Dr. Tan served as a senior research associate on computer vision in the School of Computer Science at the University of Adelaide in Australia from June 2014 to August 2016 and has served as a professor and director of the computing center in the School of Software Engineering at South China University of Technology (華南理工大學) since September 2016.

Dr. Tan obtained his bachelor's degree in environmental science and engineering from Hunan University (湖南大學) in the PRC in June 2006, his master's degree in control science and engineering from Hunan University (湖南大學) in the PRC in June 2009, and his Ph.D. degree in computer science from Nanyang Technological University in Singapore in October 2014.

Save as disclosed above in this section, none of our Directors held any directorship in any other listed companies in the three years immediately prior to the Latest Practicable Date. Save as disclosed above, to the best knowledge, information and belief of our Company having made all reasonable enquiries, there is no other information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or other material matter with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders.

SUPERVISORS

Mr. Liao Diguang (廖迪廣), aged 40, was appointed as a Supervisor on May 31, 2021. Mr. Liao joined our Group in July 2017 and is currently a project manager of the research and development center of our Company.

Mr. Liao is experienced in technology engineering including serving as technology supporting engineer, technology department manager, and product manager at Beijing Timecloud Technology Co., Ltd. (北京時間雲科技有限公司).

Mr. Liao obtained his bachelor's degree in communication engineering from Wuhan University of Technology (武漢理工大學) in the PRC in June 2007.

Mr. Ao Zhengguang (敖爭光), aged 38, was appointed as a Supervisor on April 17, 2023. Mr. Ao joined our Group in April 2015, and is currently an algorithm engineer at the research and development center of our Company.

Prior to joining our Group, Mr. Ao worked in Tencent Holdings Limited (a company listed on the Hong Kong Stock Exchange (stock code: 700)) from April 2010 to April 2015.

Mr. Ao obtained his bachelor's degree in computer science and technology from China University of Geosciences (中國地質大學) in the PRC in June 2007, and his master's degree in pattern recognition and intelligent systems from Huazhong University of Science and Technology (華中科技大學) in the PRC in March 2010. He was recognized as an intermediate level software designer (軟件設計師(中級)) by the Hubei Professional Titles Reform Work Group (湖北省職稱改革工作領導小組) in November 2006.

Mr. Wan Hao (宛浩), aged 32, was appointed as a Supervisor of our Company on September 18, 2020. Mr. Wan joined our Group in January 2015 and is currently the design director of our Company.

Prior to joining our Group, Mr. Wan served as a designer at Zhuhai Kingsoft Office Software Co., Ltd. (珠海金山辦公軟件有限公司), a subsidiary of Beijing Kingsoft Office Software, Inc. (北京金山辦公軟件股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 688111)), from January 2014 to December 2014.

Mr. Wan obtained his bachelor's degree in industrial design from Jiangxi University of Science and Technology (江西理工大學) in the PRC in July 2014.

Save as disclosed above in this section, none of our Supervisors held any directorship in any other listed companies in the three years immediately prior to the Latest Practicable Date. Save as disclosed above, to the best knowledge, information and belief of our Company having made all reasonable enquiries, there is no other information relating to our Supervisors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or other material matter with respect to the appointment of our Supervisors that need to be brought to the attention of our Shareholders.

SENIOR MANAGEMENT

Dr. Liu Guoqing (劉國清), aged 38, is our co-founder, chairman of the Board, executive Director, and general manager of our Company. See "–Directors – Executive Directors" for his biographical details.

Mr. Yang Guang (楊廣), aged 36, is our co-founder, executive Director, and deputy general manager of our Company. See "–Directors – Executive Directors" for his biographical details.

Mr. Zhou Xiang (周翔), aged 38, is our co-founder, executive Director, and deputy general manager of our Company. See "–Directors – Executive Directors" for their biographical details.

Mr. Wang Qicheng (王啟程), aged 41, is our co-founder, executive Director, and deputy general manager of our Company. See "–Directors – Executive Directors" for his biographical details.

Dr. Zheng Wei (鄭偉), aged 42, is a deputy general manager of our Company. Dr. Zheng joined our Company in February 2017 and is currently responsible for overseeing the algorithm research and development and technology related affairs of our Group.

Dr. Zheng has approximately 11 years of experience in technology research and development. He has served as the executive director and general manager of Youjia Innovation (Beijing) Technology Co., Ltd. (佑駕創新(北京)技術有限公司) since December 2020. Prior to joining our Group, he served as a research and development engineer at Beijing Samsung Telecommunications Technology Research Co., Ltd (北京三星通信技術研究有限公司), a subsidiary of Samsung Electronics Co., Ltd. (三星電子株式會社) (a company listed on the Korea Exchange (stock code: 005930)), from July 2013 to February 2017.

Dr. Zheng obtained his bachelor's degree in electronic engineering from Tsinghua University (清華大學) in the PRC in July 2006, and his doctorate degree in computer application technology from the University of Chinese Academy of Sciences (中國科學院大學) in the PRC in July 2013. Dr. Zheng was recognized as a senior engineer (高級工程師) by the Shenzhen Municipal Human Resources and Social Security Bureau (深圳市人力資源和社會保障局) in July 2022.

Ms. Yang Yihong (楊一泓), aged 33, is a deputy general manager of our Company. Ms. Yang joined our Group in September 2015 and is currently responsible for overseeing sales and intelligent cabin affairs of our Group.

Ms. Yang has been serving as the executive director of Shanghai Youqu Information Technology Co., Ltd. (上海佑觑信息科技有限公司) since June 2020.

Ms. Yang obtained her bachelor's degree in criminology and criminal justice from the University of New South Wales in Australia in December 2012, and her master's degree in criminal justice from Boston University in the U.S. in January 2015.

Mr. Cheng Zhui (程追), aged 37, is a deputy general manager of our Company. Mr. Cheng joined our Group in July 2015, and is currently responsible for overseeing product research and development, supply chain and cost management related affairs of our Group.

Prior to joining our Group, Mr. Cheng served as a structural engineer at TP-Link Technologies Co., Ltd. (普聯技術有限公司) from July 2010 to July 2015.

Mr. Cheng obtained his bachelor's degree in mechanical design, manufacturing and automation from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2010.

Mr. Wen Qi (聞奇), aged 42, is the chief financial officer and Board secretary of our Company. He was one of the joint company secretaries of the Company from December 27, 2024 to March 28, 2025. Mr. Wen joined our Group in December 2020, and is responsible for overseeing the financial, taxation and board secretarial affairs of our Group.

Mr. Wen has approximately 20 years of experience in accounting and finance. Mr. Wen served as an auditor at PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)) from June 2004 to August 2010, the chief financial officer at Shanghai Fanwen Industrial Development Co., Ltd. (上海泛文實業發展有限公司) from August 2010 to September 2014, and a partner at Shanghai Compliance Enterprise Management Consulting Co., Ltd. (上海合規企業管理諮詢有限公司) from September 2014 to December 2020.

Mr. Wen obtained his bachelor's degrees in biotechnology and business management from Nankai University (南開大學) in the PRC in June 2004.

CHANGES IN INFORMATION OF DIRECTOR, SUPERVISOR OR CHIEF EXECUTIVE

As at the date of this report, there were no changes in the Directors', Supervisors' and chief executive of the Company's information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the period from the Listing Date to December 31, 2024.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance which are crucial to our development and safeguard the interests of the Shareholders.

The Company has adopted the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance. The CG Code has become applicable to the Company with effect from the Listing Date.

During the period from the Listing Date up to the date of this report, the Company has complied with all code provisions set out in the CG Code, except for Code Provision C.2.1 of the CG Code as elaborated in the section headed "–Chairman and General Manager" below. The Board will continue to regularly review the effectiveness of our corporate governance structure and practices.

CORPORATE CULTURE

The company has established the "Moso Bamboo Spirit" as its core cultural emblem, rooted in the unique life cycle of the Moso bamboo. During its initial growing stage, spanning four years, the visible stem above ground grows merely a few centimeters, while its root system silently extends dozens of meters underground, forming an intricate network of energy reserves. By its fifth year, the accumulated potential erupts, propelling the stem to surge upward at a pace of tens of centimeters daily, reaching over ten meters in just six week.

This natural phenomenon perfectly mirrors our corporate development logic. At our inception, we prioritized "deep-rooted growth" as our strategic focus, dedicating ourselves to developing and iterating our foundational technological systems, with sustained investment in core domains such as perception algorithms and hardware architecture. Once our technological roots penetrated the industrial landscape and tapped into essential market demands, the Company transitioned into a phase of scaled value realization, achieving synergistic breakthroughs in technology and commercialization through cutting-edge product portfolios.

In governance, the Board and the management consistently practice a "Moso Root-like resilience" philosophy. We recognize that just as the Moso bamboo's vast underground network safeguards it against adversity, robust governance is the cornerstone of sustainable growth. Through continuous improvement of internal control mechanisms, strengthened risk management systems, and enhanced decision-making transparency, we strive to deeply integrate compliance with innovation, ensuring synchronized progress between strategic execution and shareholder value creation. Not only has the Board's steadfast adherence to governance standards established secured boundary for technological R&D and commercialization, it also molds predictable, reliable growth resilience amid market complexities.

Guided by the cultural ethos of "deep cultivation leads explosive growth (厚積而薄發，沉潛以躍升)", we remain committed to long-termism in the transformative era of smart vehicles. In confronting cyclical technological challenges, we fortify our foundations with Moso bamboo-like tenacity. At a critical industry booming stage, we deploy systemic momentum to empower the industry. Not only has this growth philosophy, from latency to leap, fueled our strategic resolve and unified our team, it has also allowed us to deliver sustainable innovation momentum to China's automotive intelligence transformation.

BOARD OF DIRECTORS

The Board is responsible for the overall leadership of the Group, supervises the Group's strategic decisions and development plans, and monitors our business and performance.

The Board has a broad array of expertise across various sectors, such as overall management, technology, investment accounting and financial management, as well as industry knowledge and experience relevant to our business operations, which equips the Board with a rich tapestry of perspectives and skills.

BOARD COMPOSITION

As of December 31, 2024 and as of the date of this report, the Board consists of a total of nine Directors, comprising four executive Directors, two non-executive Directors and three independent non-executive Directors as set out below:

Executive Directors

Dr. Liu Guoqing *(Chairman of the Board and General Manager)*
Mr. Yang Guang
Mr. Zhou Xiang
Mr. Wang Qicheng

Non-executive Directors

Mr. Bi Lei
Ms. Liu Yiran

Independent Non-executive Directors

Dr. Xiang Yang
Mr. Tan Kaiguo
Dr. Tan Mingkui

The biographical details of the Directors are set out in the section of "Directors, Supervisors and Senior Management" of this report.

None of the Directors or Supervisors has any relationship (including financial, business, family or other material/relevant relationship) with any other Directors or Supervisors.

DIRECTORS' RESPONSIBILITIES AND ACCOUNTABILITIES

All Directors should carry out their duties as a Director of our Company in good faith and in compliance with applicable laws and regulations, and act in the interests of the Company and the Shareholders at all times. The Board assumes a collective responsibility for the leadership of the Company and for directing and supervising the Company's affairs as appropriate.

All Directors shall 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 are requested to disclose the number and nature of offices held in public companies or organizations and other significant commitments, as well as their identities and the times involved in the issuer, the Directors agreed to disclose their commitments to the Company in a timely manner. The Directors, including independent non-executive Directors, have demonstrated strong commitment and ability to devote sufficient time to discharge their responsibilities at the Board.

Furthermore, the Directors acknowledge their responsibilities for preparing the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The Directors also acknowledge their responsibilities to ensure that the financial statements of the Group are published in a timely manner. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis. The reporting responsibilities of the Company's external auditor on the financial statements of the Group are set out in the section of "Independent Auditor's Report" in this annual report.

DELEGATION BY THE BOARD

The management, consisting of executive Directors along with other senior management members, is delegated with responsibilities for conducting the daily operations of our Group and for implementing our strategies and business plans from time to time. Executive Directors and senior management members meet regularly to review our business operations and performance, coordinate resources and make operational and financial decisions. The Board also provides directions and supervises the management including in circumstances where senior management report to and follow up on matters that are considered by the Board, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

To oversee certain specific aspects of the Company's affairs, the Board has established four Board Committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy Committee. The Board has delegated responsibilities to the Board Committees as set out in their respective written terms of reference. The terms of reference of each Board Committee are published on the Company's website and the Stock Exchange's website.

BOARD MEETINGS AND GENERAL MEETINGS

The Board meets regularly to discuss and formulate the overall strategy as well as the operation and financial performance of the Group. Directors may participate either in person or through electronic means of communications.

The Board should meet regularly and Board meetings should be held at least four times a year. At least 14 days' notice of all regular Board meetings is given to the Directors who are given the opportunity to include other matters in the agenda of meetings. For other Board and committee meetings, reasonable notice by at least two days' notice is generally given. Board papers together with all appropriate, complete and relevant information are dispatched to all Directors at least three days before each regular Board meeting to ensure that the Directors have sufficient time to review the related documents and be adequately prepared for the meeting.

In addition, the chairman of the Board should at least annual hold a meeting with the independent non-executive Directors without the presence of the other Directors. Such meetings provide an effective forum for the Chairman to listen to the views of the independent non-executive Directors on issues including corporate governance improvement, effectiveness of the Board, and such other issues they may wish to raise in the absence of other Directors and senior management of the Company.

The Company's H Shares have become listed on the Main Board of the Stock Exchange since December 27, 2024. During the period from the Listing Date to December 31, 2024, the Board has not held any Board meeting or any general meeting of the Company, and no meeting between was held between the chairman of the Board and the independent non-executive Directors.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS AND SUPERVISORS

Pursuant to Rules 19A.54 and 19A.55 of the Listing Rules, we have entered into a contract with each of our Directors and Supervisors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Each of our Directors has entered into service contracts with our Company. The principal particulars of these service contracts comprise (a) a term of three years which is equivalent to the term of the Board; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval. The service contracts can be renewed pursuant to our Articles of Association and applicable rules.

Each of our Supervisors has entered into a contract with our Company. Each contract contains provisions relating to compliance with relevant laws and regulations, observation of our Articles of Association and resolution of disputes by means of arbitration.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to have a service contract with the Company, other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

The procedures and process of appointment, re-election and removal of Directors and Supervisors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, and making recommendations to the Board on appointment, re-election, and succession planning of Directors.

The Directors shall be elected or replaced by the general meeting and may be removed from office by the general meeting before the expiration of their term of office. The Directors have a tenure of three years and can be reelected upon the expiry of the tenure, unless otherwise provided by the relevant laws, regulations, the Articles of Association and securities regulatory rules of the place where the Company's shares are listed. The term of office of Directors shall last from the date on which the Directors take office to the expiration of the term of office of the current Board. Where a new Director is not yet available upon expiration of a Director's term, or the number of the Directors on the Board is less than the quorum due to the resignation of a Director within his term, such Director, before the new Director takes his office, shall continue the performance of his duties in accordance with laws, administrative regulations, departmental rules, the articles or association and the regulatory rules of the place where the Company's shares are listed.

CHAIRMAN AND GENERAL MANAGER

The Corporate Governance Code has become applicable to the Company with effect from the Listing Date. Following the Listing, the Company has adopted corporate governance practices based on the principles and code provisions as set out in the Corporate Governance Code as its own code of corporate governance practices. Since its Listing, 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.

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 chairman of the Board and general manager are currently performed by Dr. Liu Guoqing. In view of Dr. Liu's substantial contribution to our Group since our establishment and his extensive experience, we consider that having Dr. Liu acting as both our chairman of the Board and general manager will provide strong and consistent leadership to our Group and facilitate efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Dr. Liu continues to act as both our chairman of the Board and general manager, and therefore currently do not propose to separate the functions of chairman of the Board and general manager. While this would constitute a deviation from Code Provision C.2.1 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Group, given that (i) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Dr. Liu and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he or she acts for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at the Board and/or senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman of the Board and general manager is necessary.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors have been given relevant guideline materials regarding the responsibilities and obligations of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Company and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors to ensure that he or she has a proper understanding of the operation and business of the Company and full awareness of Directors' responsibilities and obligation under the Listing Rules and relevant statutory requirements.

All Directors are also updated from time to time on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices.

Each of the Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in May 2024, and (ii) understands his/her obligations as a director of a listed issuer under the Listing Rules.

Prior to Listing and as at the date of this report, the Company has organized training sessions conducted by qualified professionals and/or legal advisers for all Directors. Prior to the Listing Date and up to the date of this annual report, all Directors had participated in continuous professional development in the following manner in compliance with code provision C.1.4 of the CG Code:

	Training Areas **Types of training**
Executive Directors	
Dr. Liu Guoqing	A, B
Mr. Yang Guang	A, B
Mr. Zhou Xiang	A, B
Mr. Wang Qicheng	A, B
Non-executive Directors	
Mr. Bi Lei	A, B
Ms. Liu Yiran	A, B
Independent non-executive Directors	
Dr. Xiang Yang	A, B
Mr. Tan Kaiguo	A, B
Dr. Tan Mingkui	A, B

Note:

Types of Training –

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

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

BOARD COMMITTEES

The Board has established four Board Committees (namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee) and has delegated various responsibilities to the Board Committees. All the Board Committees perform their distinct roles in accordance with their respective written terms of reference, which are available on the websites of the Company and the Stock Exchange. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

As at December 31, 2024, the Audit Committee comprised three members, namely Mr. Tan Kaiguo, Dr. Xiang Yang and Dr. Tan Mingkui, all being independent non-executive Directors. Mr. TAN Kaiguo is the chairperson of the Audit Committee.

The primary duties of the Audit Committee include, but are not limited to, the following:

(1) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and the terms of engagement of the external auditor, and any questions of its resignation or dismissal;

(2) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

(3) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, an "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee shall report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

(4) to monitor the integrity of the Company's financial statements and annual reports and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them. In reviewing these statements and reports before submission to the Board, the Audit Committee shall focus particularly on: (i) any changes in accounting policies and practices; (ii) major judgmental areas; (iii) significant adjustments resulting from audit; (iv) the going concern assumptions and any qualifications; (v) compliance with accounting standards; and (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;

(5) regarding (4) above: (i) members of the Audit Committee shall liaise with the Board and senior management, and the Audit Committee must meet, at least twice a year, with the Company's auditors; and (ii) the Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, and shall give due consideration to any matters that have been raised by the Company's staff responsible for accounting and financial reporting function, compliance officer or auditors;

(6) to review the Company's financial controls, and unless expressly addressed by a separate risk committee of the Board, or by the Board itself, to review the Company's risk management and internal control systems;

(7) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;

(8) to consider major investigation findings on risk management and internal control matters and management's response to these findings as delegated by the Board or on its own initiative;

(9) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(10) to review the financial and accounting policies and practices of the Group;

(11) to review the external auditors' management letter, any material queries raised by the auditors to management about accounting records, financial accounts or systems of control and management's response;

(12) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

(13) to report to the Board on the matters in the code provisions of the corporate governance code under the Listing Rules;

(14) to consider other topics, as defined by the Board;

(15) employees of the Company can, in confidence, raise concerns with the Audit Committee about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

(16) to establish a whistleblowing policy and system for employees of the Company and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Company;

(17) to establish, review, approve and update (where appropriate) policies and systems that promote and support anti-corruption laws and regulations;

(18) to act as the key representative body for overseeing the Company's relations with the external auditor;

(19) to review the continuing connected transactions of the Company and ensure compliance with the terms approved by the Board and shareholders of the Company; and

(20) other matters as authorized by the Board and other matters prescribed in relevant laws and regulations, and Listing Rules.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

As the Company's H Shares were listed on the Stock Exchange on December 27, 2024, the Board considers that no Audit Committee meeting was required during the period from the Listing Date to December 31, 2024.

Remuneration and Appraisal Committee

As at December 31, 2024, the Remuneration and Appraisal Committee comprised three members, including three independent non-executive Directors, namely Dr. Xiang Yang, Mr. Tan Kaiguo and Dr. Tan Mingkui. Dr. Tan Mingkui is the chairperson of the Remuneration Committee.

The primary duties of the Remuneration Committee include, but are not limited to, the following:

(1) making recommendations to the Board on the overall remuneration policy and structure for Directors' and senior management's remuneration and on the establishment of formal and transparent procedures for developing remuneration policy;

(2) reviewing and approving management's remuneration proposals with reference to the Board's corporate goals and objectives;

(3) either: (i) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or (ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, which shall include benefits in kind, pension rights and compensation payments (including compensation payable for loss or termination of their office or appointment);

(4) making recommendations to the Board on the remuneration of non-executive Directors;

(5) considering salaries paid by comparable companies, time commitment and responsibilities, and the employment conditions of elsewhere in the Group;

(6) reviewing and approving the compensation payable to the executive Directors and senior management for loss or termination of their office or appointment to ensure that such compensation is consistent with the contractual terms; if not, the compensation shall be fair and reasonable and not excessive;

(7) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are consistent with contractual terms and otherwise reasonable and appropriate;

(8) ensuring that no Director or any of his/her associate(s) is involved in deciding his/her own remuneration;

(9) reviewing and/or approving the matters (if any) relating to share schemes under Chapter 17 of the Listing Rules; and

(10) other matters as required by laws, administrative regulations, the Listing Rules, the CSRC regulations and the Articles of Association.

The written terms of reference of the Remuneration and Appraisal Committee are available on the websites of the Stock Exchange and the Company.

As the Company's H Shares were listed on the Stock Exchange on December 27, 2024, the Board considers that no Remuneration and Appraisal Committee meeting was required during the period from the Listing Date to December 31, 2024.

Nomination Committee

As at December 31, 2024, the Nomination Committee comprised three members, including one executive Director, namely Dr. Liu Guoqing, and two independent non-executive Directors, namely Dr. Xiang Yang and Dr. Tan Mingkui. Dr. Xiang Yang is the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee include, but are not limited to, the following:

(1) appointment or dismissal of senior management;

(2) reviewing the structure, size and composition of the Board (including skills, knowledge and experience) at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategies;

(3) identifying individuals suitably qualified to become Directors and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

(4) assessing the independence of independent non-executive Directors, if an independent non- executive Director has served for nine years, the Director is not considered independent;

(5) making recommendations to the Board on the appointment or re-appointment of as well as succession planning for Directors, in particular, the chairman of the Board and the general manager; and

(6) other matters stipulated in laws, administrative regulations, regulation of the CSRC, the Listing Rules and the Articles of Association.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

As the Company's H Shares were listed on the Stock Exchange on December 27, 2024, the Board considers that no Nomination Committee meeting was required during the period from the Listing Date to December 31, 2024.

Director Nomination Policy and Procedures

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

(a) the Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors or senior management of the Company, recommendations from third-party agency firm, and proposals from Shareholders with due consideration given to the selection criteria;

(b) the Nomination Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, and third-party reference checks;

(c) the proposed candidates will be asked to submit the necessary personal information for the Nomination Committee's consideration. The Nomination Committee may request the candidate(s) to provide additional information and documents, if considered necessary;

(d) upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;

(e) the Nomination Committee will provide the relevant information of the selected candidate to the Remuneration and Appraisal Committee for consideration of remuneration package of such selected candidate;

(f) the Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a non-executive Director is considered, the Remuneration and Appraisal Committee will make the recommendation to the Board on the proposed remuneration package;

(g) the Board may arrange for the selected candidate to be interviewed by the members of the Board who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and

(h) all appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the Companies Registry of Hong Kong and updating the Register of Directors of the Company. The Director shall consent to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their appointment as a Director.

A Shareholder can serve a notice to the Company within the lodgment period of its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the Nomination Committee's consideration and nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

During the period from the Listing Date to December 31, 2024, there was no change in the composition of the Board.

After its Listing, the Nomination Committee will review the Director Nomination Policy and Procedures regularly to ensure its effectiveness.

Strategy Committee

As at December 31, 2024, the Strategy Committee comprised three members, including two executive Directors, namely Dr. Liu Guoqing and Mr. Yang Guang, and an independent non-executive Director, namely Dr. Tan Mingkui. Dr. Liu Guoqing is the chairperson of the Strategy Committee.

The primary duties of the Strategy Committee include, but are not limited to, the following:

(a) to study and make suggestions on the Company's long-term development strategic plans;

(b) to study and make suggestions on major investment and financing plans which are subject to the approval of the Board as provided in the Articles of Association;

(c) to study and make suggestions on major capital operations and asset management projects which are subject to the approval of the Board as provided in the Articles of Association;

(d) to study and make suggestions on other major issues that may affect the development of the Company;

(e) to check the implementation of the above matters;

(f) other duties authorized by the Board.

As the Company's H Shares were listed on the Stock Exchange on December 27, 2024, the Board considers that no Strategy Committee meeting was required during the period from the Listing Date to December 31, 2024.

CORPORATE GOVERNANCE FUNCTION

The Board recognizes the importance of corporate governance and is responsible for performing the following corporate governance duties:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the code provisions of the CG Code and disclosure in the corporate governance report.

After its Listing, the Board will continue to review the Company's corporate governance policies and practices on compliance with the Listing Rules and other applicable legal and regulatory requirements; review the code of conduct and compliance manual (if any) applicable to employees and Directors; review the records of training and continuous professional development of Directors and senior management; and review the Company's compliance with the code provisions of the CG Code and disclosure in the corporate governance report.

BOARD DIVERSITY

We have adopted a board diversity policy (the "**Board Diversity Policy**") with the aim of enhancing the effectiveness of the Board and maintaining high standards of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Our Board currently consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Our board has a broad array of expertise across various sectors, such as overall management, technology, investment accounting and financial management, as well as industry knowledge and experience relevant to our business operations, which equips the Board with a rich tapestry of perspectives and skills. Our Board has a relatively wide range of ages, ranging from 36 years old to 57 years old. We have three independent non-executive Directors with diverse background and experience, representing one-third of the members of our Board. We have one female Director, and target to maintain at least one female representation in the Board. We will strive to achieve gender balance of the Board through certain measures to be implemented by our Nomination Committee in accordance with our Board Diversity Policy. In particular, we will engage resources in training female staff who have relevant experience in our business, and actively identify female individuals suitably qualified to become our Board members. The collective experience and knowledge of our Board members and our senior management members are instrumental in fostering robust decision-making and enhancing business performance. We are committed to adopting a consistent approach to promote diversity at all levels of our Company from the Board to our senior management to all our employees, in order to enhance the effectiveness of our corporate governance as a whole.

Furthermore, the Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After the Listing, the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval.

After due consideration, the Board believes that, based on the meritocracy of the Directors, the current composition of the Board satisfies the objectives set forth in our Board Diversity Policy. The Nomination Committee will continue to review the Board Diversity Policy as to its effectiveness going forward.

Workforce Diversity

As at December 31, 2024, the gender ratio in our Board and our workforce are as follows:

Board	Male 88.9%	Female 11.1%
Senior management	Male 87.5%	Female 12.5%
Total workforce (including executive Directors and senior management)	Male 72.85%	Female 27.15%

In order to promote the gender diversity in the composition of the Company's management and workforce, all employees enjoy equal employment, training and career development opportunities. The Company also strives to create an environment and culture which is friendly to our staff of different gender and background. The Company will continue to work towards enhancing gender diversity in the Board and our senior management and overall workforce.

BOARD INDEPENDENCE

The Company has established a mechanism for the Board to obtain independent views and opinions (including but not limited to the Articles of Association, terms of reference of Board committees) to ensure the Board has an independent element as a key measure to improve the efficiency of the Board.

All Directors, including 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. 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 expense for discharging their duties to the Company. The Board has reviewed the implementation and effectiveness of the mechanism and believed that the mechanism can ensure the Board obtains independent views and opinions.

During the period from the Listing Date to December 31, 2024 and up to the date of this report, the Board has 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 independent non-executive Directors representing at least one-third of the Board.

Each of the independent non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules, and the Company considers each of them to be independent.

REMUNERATION POLICY

The Group's remuneration policy and structure for remuneration of the Directors and senior management of the Group are based on their responsibilities, qualification, position and seniority, and is reviewed by the Remuneration Committee periodically.

The remuneration of the non-executive Directors, as well as the individual executive Directors and senior management of the Company is recommended by the Remuneration Committee and is decided by the Board, having regard to the merit, qualifications, and competence of individual directors, the Group's operating results, and comparable market statistics.

To attract and retain talents and to provide incentives to our employees for long-term development of our Company, our Company adopted the Employee Incentive Scheme by way of establishing ESOP Holding Entities, namely Youjia Qingcheng, Youjia Zhongcheng and Youjia Licheng. The terms of the Employee Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules, as it does not involve any grant of share options or awards or issuance of new Shares by our Company after Listing. For details of the Employee Incentive Scheme, please refer to the section headed "Appendix VI – Statutory and General Information – D. Employee Incentive Scheme" in the Prospectus.

Remuneration of Directors and Senior Management

Details of the remuneration of each of the Directors for the period from the Listing Date to December 31, 2024 are set out in Note 37 to the financial statements in this annual report.

Remuneration paid to the senior management members (excluding the Directors) by band for the period from the Listing Date to December 31, 2024 is within the range below:

Range of Remuneration	Number of Individuals
HK$2,500,001–HK$3,000,000	1
HK$3,000,001–HK$3,500,000	1
HK$3,500,001–HK$4,000,000	1
HK$4,000,001–HK$4,500,000	2

JOINT COMPANY SECRETARIES

The Company has appointed Mr. Wen Qi (聞奇) ("**Mr. Wen**") and Ms. Lam Wing Chi (林穎芝) ("**Ms. Lam**") of Tricor Services Limited (a company secretarial service provider) as the joint company secretaries of the Company (the "**Joint Company Secretaries**") upon Listing. With effect from March 28, 2025, Mr. Wen resigned from his role as a joint company secretary of the Company, and Ms. Luo Xiwen (羅希文) ("**Ms. Luo**") was appointed as one of the joint company secretaries of the Company. Our joint company secretaries are responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed. The primary contact person of Ms. Lam at the Company is currently Ms. Luo, the joint company secretary of the Company.

In accordance with the requirements under Rule 3.29 of the Listing Rules, Ms. Lam confirmed that she has taken not less than 15 hours of relevant professional training during the year ended December 31, 2024. Ms. Luo undertakes to attend not less than 15 hours of relevant professional training in 2025 and thereafter in compliance with Rule 3.29 of the Listing Rules.

DIRECTORS' AND SUPERVISORS' SECURITIES TRANSACTIONS

Since its Listing, the Company has adopted the Model Code as the code of conduct regulating dealings in securities of the Company by its Directors, Supervisors and employees who are in possession of inside information in relation to the Group or the Company's securities.

In response to specific enquiries made by the Board, all Directors and Supervisors confirmed that they have complied with the provisions of the Model Code since the Listing Date and up to the date of this report.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established a comprehensive risk management system and formulated the "Risk Management System". Our risk management process consists of the following key processes: gathering initial risk management information, risk assessment, developing risk management strategies, risk response and control and risk monitoring and improvement. The Board is responsible for assessing and determining the nature and extent of risks, when considering to achieve its strategic objectives. The Board is also accountable for establishing and maintaining an appropriate and effective risk management and internal control system.

Business Operational Risk Management

We have established a series of internal procedures to manage business operational risks including risks related to incomplete or problematic internal processes, personnel mistakes, IT system failures and external events. We take a comprehensive approach to operational risk management and implement a decentralized mechanism with detailed responsibilities, clear rewards and penalty systems. Our business operations, finance, IT and human resources departments are collectively responsible for ensuring that our business operations comply and conform with internal procedures. On the occurrence of a major adverse event, the matter will be escalated to our senior management and the Board may take appropriate measures. Through effective business operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

Financial Reporting Risk Management

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

Internal Control Risk Management

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

Human Resources Risk Management

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

We also have in place a code of business conduct and ethics, and an anti-bribery and corruption policy approved by our board of directors, providing our employees with the best commercial practice and work ethics as well as our anti-bribery guidance and measures. We make our internal reporting channel open and available to our staff for any wrongdoing or misconduct. Reported incidents and persons will be investigated and appropriate measures will be taken in response to the findings. Further, we have implemented policies to avoid any potential conflicts of interest between our Group and our employees. Our employees are not permitted to take concurrent employment, unless they have obtained prior written approval from the relevant supervisor for engaging in or taking up, whether directly or indirectly, any outside business/employment with reward or any outside business/employment during office hours irrespective of whether there is any reward. We will only permit our employees to take outside business/employment if such business/employment does not directly/indirectly compete with our business.

Internal Audit

We have established an audit committee to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The audit committee consists of three members, namely Dr. Xiang Yang, Mr. Tan Kaiguo and Dr. Tan Mingkui, all being independent non-executive Directors. For the professional qualifications and experience of the members of our Audit Committee, please refer to the section headed "Directors, Supervisors and Senior Management" in this annual report.

We also maintain an internal audit department that is responsible for reviewing the effectiveness of internal controls and reporting to the audit committee on any issues identified. Our internal audit department holds meetings with the management from time to time to discuss any internal control issues we face and the corresponding measures.

The Audit Committee, internal audit department and senior management together monitor the implementation of our risk management policies on an ongoing basis at least annually to ensure our policies and their implementation are effective and sufficient. As of the date of this annual report, the Company is not aware of any material deficiency on the effectiveness or adequacy of its risk management and internal control mechanisms.

AUDITOR'S REMUNERATION

For the year ended December 31, 2024, the fee paid/payable to the external auditor of the Company, PricewaterhouseCoopers, in respect of audit and non-audit services is set out as follows:

Type of Services	RMB('000)
Audit services	2,100
Non-audit services	100
Total	2,200

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**") on payment of dividends. We did not declare or pay dividends on our Shares during the Reporting Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by our Board and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant. Any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient profit to our statutory common reserve fund as described above. In addition, according to our Dividend Policy, any distribution of dividends shall be subject to (i) our remaining after-tax profit after making up losses and allocation of common reserve fund being positive, and our belief that our cash flow is adequate and such distribution would not affect our business sustainability, (ii) our auditors issuing a standard unqualified audit report for the year of the distribution, and (iii) the absence of major investment plans or significant capital expenditures (except for investment projects with raised funds) in the next 12 months. Currently, our Company does not have any pre-determined dividend distribution ratio.

The Board shall review and reassess the Dividend Policy and its effectiveness in its sole and absolute discretion on a regular basis or as required.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders and investors is essential for enhancing investor relations and investor understanding of the Group's business operations, performance and strategies. The Company has established a shareholders communication policy (the "**Shareholders Communication Policy**") which aims at establishing a two-way relationship and communication channels with its Shareholders, investors and other stakeholders. These include the annual general meeting, and other general meetings of the Company to allow Shareholders to speak and as a platform for communication and interaction; the annual and interim reports, notices, announcements and circulars and the Company's website at www.minieye.cc, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

The annual general meeting of the Company provides opportunity for the Shareholders to communicate directly with the Directors. The chairman of the Board Committees will attend the annual general meetings to answer Shareholders' questions to the extent possible. The Company's external auditor will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

As the Company was listed on the Stock Exchange on December 27, 2024, the Board shall conduct the annual review of the implementation and effectiveness of the Shareholders Communication Policy of the Company in 2025.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting by Shareholders

Pursuant to Articles 46 of the Articles of Association, the Shareholders who individually or jointly hold more than 10% of the shares of the Company shall have the right to propose to the Board and the Supervisory Committee for convening of an extraordinary general meeting, and shall make such request to the Board and the Supervisory Committee in writing. The Board and the Supervisory Committee shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, make a decision on whether to convene the extraordinary general meeting or not within ten days upon receipt of the request and provide a written reply to the Shareholders. When the Board and the Supervisory Committee agree to convene an extraordinary general meeting, they shall, within five days after the Board resolution and the resolution of Supervisory Committee are made, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the relevant shareholders. When the Board and the Supervisory Committee do not agree to convene an extraordinary general meeting, or do not provide feedback within ten days upon receipts of the request, shareholders who individually or collectively holding more than 10% of the Company's shares for 90 consecutive days, shall have the right to convene and preside over such a meeting. The aforesaid shall not apply where laws, administrative regulations, departmental rules and securities regulatory rules of the place where the shares of the Company are listed stipulate otherwise.

Putting Forward Proposals at General Meetings

Pursuant to Articles 48 of the Articles of Association, the Contents of a proposal shall fall within the terms of reference of the general meeting, have definite subjects and specific matters to be resolved, and shall comply with laws, administrative regulations and provisions of the Articles of Association. Pursuant to Articles 49 of the Articles of Association, when the Company convenes the general meeting, the Board, Supervisory Committee and Shareholders holding more than 1% of the shares of the Company separately or jointly are entitled to submit proposals to the Company. The Shareholders holding more than 1% of the shares of the Company separately or jointly may raise a temporary proposal and submit it to the convener in writing ten days before the general meeting is held. The temporary proposal shall have definite subjects and specific matters to be resolved.

The Board shall supplement the notice of general meeting in two days after receiving the proposal and publicize the content of the temporary proposal, and submit the temporary proposal to the general meeting for consideration, except where the temporary proposal is in violation of laws, administrative regulations or the Articles of Association, or does not fall into the terms of reference of the general meeting. The Company shall not increase the shareholding of Shareholders who submit the temporary proposal. Save as specified above, the convener shall neither revise the proposals set out in the notice of general meeting nor add new proposals after issuing the notice of general meeting. The general meeting shall not vote or pass resolutions on proposals not listed in the notice of the general meeting or not in conformity with Article 48 of the Articles of Association.

Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary of the Company whose contact details are as follows:

Address: 25th Floor, Tower A, Building 1, Zhongzhou Binhai Commercial Center
No. 9285 Binhe Avenue, Shangsha Community, Sha Tau Street
Futian District, Shenzhen
Guangdong Province, PRC
(For the attention of the Board)

Email: ir@minieye.cc

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

Changes in Constitutional Documents

The Articles of Association have taken effect from December 27, 2024. From the effective date of the Articles of Association to December 31, 2024, there was no change in the Articles of Association.

Following the exercise of the over-allotment option in connection with the Global Offering, the registered share capital of the Company has increased from RMB399,190,000 to RMB399,946,400 and total number of issued Shares has increased from 399,190,000 to 399,946,400 Shares, respectively. At the Company's extraordinary general meeting held on March 7, 2025, the Shareholders approved certain amendments to the Articles of Association to reflect the changes to its share capital structure. Details of the amendments are set out in the circular of the Company dated February 19, 2025. An up-to-date version of the Articles of Association is also available on the Company's website and the Stock Exchange's website.

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is an intelligent driving and cabin solutions provider in the PRC, offering solutions for critical aspects of the driving experience, including piloting, parking and in-cabin functions. An analysis of the Group's revenue and operating results for the year ended December 31, 2024 by its principal activities is set out in the "Management Discussion and Analysis" on pages 12 to 18 of this annual report.

RESULTS

The results of the Group for the year ended December 31, 2024 are set out in the consolidated statement of comprehensive loss of the Group on pages 113 of this annual report.

FINANCIAL SUMMARY

A summary of the Company's results, assets and liabilities for the last four financial years is set out on page 10 to 11 of this annual report.

BUSINESS REVIEW

A fair review of the business of the Group, comprising a discussion and analysis of the Group's performance during the year, particulars of important events affecting the Group that have occurred since the end of the Reporting Period and an indication of likely future development in the business of the Group are set out in the "Chairman's Statement" on pages 4 to 9 of this annual report. An analysis using financial key performance indicators is set out in the "Management Discussion and Analysis" on pages 12 to 18 of this annual report. Discussions on the Group's environmental policies and performance, and an account of the Group's key relationships with its stakeholders are set out in the "Environmental, Social and Governance Report" on pages 66 to 106 of this annual report. Details regarding the Group's compliance with the relevant laws and regulations which have a significant impact on the Group are also set out in the "Environmental, Social and Governance Report" on pages 66 to 106 and the "Corporate Governance Report" on pages 28 to 48 of this annual report. A description of the principal risks and uncertainties facing the Group is set out below in this report. All such discussions form part of this report.

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 our control:

- The industry in which we operate is highly competitive. If we fail to compete successfully with our existing or potential competitors, our business, results of operations and financial condition may be materially and adversely affected.

- If we are unable to develop and introduce new solutions that adapt to changing market demand and customer needs in a timely manner, our future business, results of operations, financial condition and competitive position would be materially and adversely affected.

- We have been and intend to continue investing significantly in R&D, which may not generate the results we expect and therefore may adversely affect our short-term cash flow, liquidity and profitability.

- We recorded net losses and had net operating cash outflows during the Track Record Period.

- There can be no assurance that our efforts in seeking design wins for our solutions will succeed.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended December 31, 2024 are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended December 31, 2024 are set out in note 26 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's subsidiaries as at December 31, 2024 are set out in note 14 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year ended December 31, 2024 are set out in the consolidated statement of changes in equity. As at December 31, 2024, the amount of reserves available for distribution of the Company amounted to approximately RMB1,359.3 million.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2024.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of our Company's Shares.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Articles of Association or the PRC laws, which would oblige the Company to offer new Shares on a pro-rate basis to its existing Shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

Customers

Our customers primarily consist of OEMs and tier-one suppliers, the majority of which are located in the PRC. Revenue from our largest customer during the Reporting Period amounted to RMB75.93 million, representing 11.6% of our total revenue for the Reporting Period. Revenue from our five largest customers during the Reporting Period amounted to RMB279.45 million, representing 42.7% of our total revenue for the Reporting Period.

Suppliers

Our major suppliers primarily consist of raw materials and components suppliers, including suppliers for, among others, electronic components, structure components and camera module, the majority of which are located in the PRC. Purchases from our largest supplier during the Reporting Period amounted to RMB67.53 million, representing 11.10% of our total purchases for the respective periods. Purchases from our five largest suppliers during the Reporting Period amounted to RMB249.7 million, representing 41.0% of our total purchases for the Reporting Period.

None of our Directors, Supervisors and their close associates or any shareholder (which to the knowledge of the Directors own more than 5% of the number of issued Shares (excluding treasury shares) of the Company) in the above-mentioned largest or the five largest customers or suppliers.

EMPLOYEE INCENTIVE SCHEME

To attract and retain talents and to provide incentives to our employees for long-term development of our Company, the Company adopted the Employee Incentive Scheme by way of establishing ESOP Holding Entities, namely Youjia Qingcheng, Youjia Zhongcheng and Youjia Licheng.

The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share options or awards or any issuance of new Shares by our Company after Listing. Given the Shares under the Employee Incentive Scheme have already been issued to Youjia Qingcheng, Youjia Zhongcheng and Youjia Licheng as of the Latest Practicable Date, there will not be any dilutive effect to the issued Shares as a result of the operation of the Employee Incentive Scheme.

EQUITY-LINKED AGREEMENTS

Other than the Employee Incentive Scheme, during the year ended December 31, 2024, the Company has not entered into any equity-linked agreement.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance in respect of legal actions arising out of corporate activities against the current Directors, Supervisors and senior management of the Company. The permitted indemnity provision is in force for the benefit of the Directors as required under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors and Supervisors, no contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or subsisted during the year ended December 31, 2024.

DIRECTORS

Executive Directors

Dr. Liu Guoqing *(Chairman of the Board and General Manager)*
Mr. Yang Guang
Mr. Zhou Xiang
Mr. Wang Qicheng

Non-executive Directors

Mr. Bi Lei
Ms. Liu Yiran

Independent non-executive Directors

Dr. Xiang Yang
Mr. Tan Kaiguo
Dr. Tan Mingkui

In accordance with Article 92 of the Articles of Association, the Directors shall be elected or replaced by the general meeting and may be removed from office by the general meeting before the expiration of their term of office. The Directors have a tenure of three years and can be reelected upon the expiry of the tenure, unless otherwise provided by the relevant laws, regulations, the Articles of Association and securities regulatory rules of the place where the Company's shares are listed. The term of office of Directors shall last from the date on which the Directors take office to the expiration of the term of office of the current Board. Where a new Director is not yet available upon expiration of a Director's term, or the number of the Directors on the Board is less than the quorum due to the resignation of a Director within his term, such Director, before the new Director takes his office, shall continue the performance of his duties in accordance with laws, administrative regulations, departmental rules, the articles or association and the regulatory rules of the place where the Company's shares are listed.

The Company has received a confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and they have made an invaluable contribution to the development of the Company's strategies and policies, providing independent advice. In addition, they have also provided diversity of experience, skills, expertise, background and qualifications to the Board through regular attendance and active participation. The Board considers that they are independent.

DIRECTORS' SERVICE CONTRACTS

Pursuant to Rules 19A.54 and 19A.55 of the Listing Rules, we have entered into a contract with each of our Directors and Supervisors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Each of our Directors has entered into service contracts with our Company. The principal particulars of these service contracts comprise (a) a term of three years which is equivalent to the term of the Board; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval. The service contracts can be renewed pursuant to our Articles of Association and applicable rules.

Each of our Supervisors has entered into a contract with our Company. Each contract contains provisions relating to compliance with relevant laws and regulations, observation of our Articles of Association and resolution of disputes by means of arbitration.

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at December 31, 2024, none of the Directors or their close associates had any competing interests in the businesses which compete or are likely to compete, directly or indirectly, with the Group or would otherwise require disclosure under Rule 8.10 of the Listing Rules.

CONNECTED TRANSACTIONS

For the year ended December 31, 2024, we have not entered into any non-exempt connected transaction or continuing connected transaction which should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions carried out in the normal course of business are set out in note 36 to the consolidated financial statements.

None of these related party transactions constitutes a connected transaction or continuing connected transaction as defined under Chapter 14A of the Listing Rules.

USE OF PROCEEDS

The H Shares were listed on the Stock Exchange on December 27, 2024, and the over-allotment option in connection with the Global Offering was partially exercised on January 19, 2025. The Company issued a total of 310,369,508 H Shares at an issue price of HK$17.00 per share in connection with its Global Offering and the partial exercise of the over-allotment option. The gross proceeds raised by the Company from the issuance of new shares in connection with its Global Offering and the partial exercise of the over-allotment option amounted to approximately HK$679.1 million, and the net proceeds (after deducting the underwriting commission, incentive fees, other professional parties' fees and other listing expenses) amounted to approximately HK$619.0 million (the "**IPO Net Proceeds**").

Since the Listing Date and up to December 31, 2024, the Group has not yet utilized the IPO Net Proceeds and will gradually utilize the IPO Net Proceeds in accordance with the intended purposes as disclosed in the section headed "Future Plans and Uses of Proceeds" in the Prospectus.

The table below sets out the future plan for the intended uses of IPO Net Proceeds and their expected timeline of utilization based on the Company's current estimation:

	Approximate percentage of the IPO Net Proceeds	IPO Net Proceeds allocated for the intended use (HK$ million)	Expected timeline of utilizing the IPO Net Proceeds in full
Enhancing our R&D capabilities as well as recruiting and retaining relevant R&D talents	40%	HK$247.6	By the end of 2027
Increasing our production efficiency and solution competitiveness	30%	HK$185.7	By the end of 2027
Reinforcing our sales and marketing capabilities	20%	HK$123.8	By the end of 2027
Working capital and general corporate purposes	10%	HK$61.9	By the end of 2027

As of the date of this report, there had not been any change in the intended use of the IPO Net Proceeds and the expected implementation timeline as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

During the Reporting Period, no remuneration was paid to the Directors or any of the five highest paid individuals as an inducement to join, or upon joining, the Group. During the Reporting Period, no compensation was paid to, or receivable by, any of the Directors, former directors or the five highest paid individuals for the loss of office as director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group. None of the Directors waived any emoluments during the Reporting Period. Details of the senior management of the Company and the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in note 7 and note 37 to the consolidated financial statements.

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

As of December 31, 2024, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (i) 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 under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in the Shares or underlying shares of the Company

Name of Director	Class of Shares	Capacity/ Nature of Interest	Number of Shares held[1]	Approximate percentage of in relevant class of Shares[2]	Approximate percentage of in total share capital[2]
Dr. Liu Guoqing	Unlisted Shares	Beneficial interest	17,141,751 (L)	19.13%	4.29%
		Interests held jointly with another person[3]	26,697,145 (L)	29.80%	6.68%
		Interest in controlled Corporations[4]	10,554,540 (L)	11.78%	2.64%
	H Shares	Beneficial interest	17,141,752 (L)	5.53%	4.29%
		Interests held jointly with another person[3]	26,697,147 (L)	8.62%	6.68%
		Interest in controlled Corporations[4]	10,554,542 (L)	3.40%	2.64%

Name of Director	Class of Shares	Capacity/ Nature of Interest	Number of Shares held[1]	Approximate percentage of in relevant class of Shares[2]	Approximate percentage of in total share capital[2]
Mr. Yang Guang	Unlisted Shares	Beneficial interest	7,464,254 (L)	8.33%	1.87%
		Interests held jointly with another person[3]	36,374,642 (L)	40.60%	9.11%
	H Shares	Beneficial interest	7,464,254 (L)	2.41%	1.87%
		Interests held jointly with another person[3]	36,374,645 (L)	11.74%	9.11%
Mr. Zhou Xiang	Unlisted Shares	Beneficial interest	7,464,254 (L)	8.33%	1.87%
		Interests held jointly with another person[3]	36,374,642 (L)	40.60%	9.11%
	H Shares	Beneficial interest	7,464,254 (L)	2.41%	1.87%
		Interests held jointly with another person[3]	36,374,645 (L)	11.74%	9.11%
Mr. Wang Qicheng	Unlisted Shares	Beneficial interest	6,674,095 (L)	7.45%	1.67%
		Interests held jointly with another person[3]	37,164,801 (L)	41.48%	9.31%
	H Shares	Beneficial interest	6,674,096 (L)	2.15%	1.67%
		Interests held jointly with another person[3]	37,164,803 (L)	12.00%	9.31%

Notes:

(1) The letter "L" denotes a long position in the Shares.

(2) The approximate percentage of shareholding interest in the Company is calculated based on the total number of 399,190,000 Shares in issue as at December 31, 2024, which consists of 309,613,108 H Shares and 89,576,892 Unlisted Shares.

(3) Pursuant to the Amended Party Agreement, each of Dr. Liu Guoqing, Mr. Yang Guang, Mr. Zhou Xiang, Mr. Wang Qicheng, Mr. Yan Shengye and Mr. Wu Jianxin agreed to be parties acting in concert in (i) aligning their votes in the board meetings of the Company, and (ii) aligning their votes in the Shareholders' meeting in respect of the Shares beneficially owned by each of them from time to time, since they became and remained as Directors or Shareholders. Therefore, under the SFO, each of Dr. Liu Guoqing, Mr. Yang Guang, Mr. Zhou Xiang, Mr. Wang Qicheng, Mr. Yan Shengye and Mr. Wu Jianxin is deemed to be interested in the Shares held by each other.

(4) Dr. Liu Guoqing is the general partner of Youjia Qingcheng, Youjia Zhongcheng and Youjia Licheng, the ESOP Holding Entities. Therefore, under the SFO, Dr. Liu Guoqing is deemed to be interested in Shares held by Youjia Qingcheng, Youjia Zhongcheng and Youjia Licheng.

Save as disclosed above and to the best knowledge of the Directors and chief executive of the Company, as at December 31, 2024, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations, which were 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 are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As at December 31, 2024, so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Interests in Shares or underlying Shares of the Company

Name of Shareholder	Class of Shares	Capacity/ Nature of Interest	Number of Shares held[1]	Approximate percentage of in relevant class of Shares[2]	Approximate percentage of in total share capital[2]
Mr. Yan Shengye	Unlisted Shares	Beneficial interest	2,996,735 (L)	3.34%	0.75%
		Interests held jointly with another person[3]	40,842,161 (L)	45.59%	10.23%
	H Shares	Beneficial interest	2,996,735 (L)	0.96%	0.75%
		Interests held jointly with another person[3]	40,842,164 (L)	13.19%	10.23%
Mr. Wu Jianxin	Unlisted Shares	Beneficial interest	2,097,807 (L)	2.34%	0.52%
		Interests held jointly with another person[3]	41,741,089 (L)	46.59%	10.45%
	H Shares	Beneficial interest	2,097,808 (L)	0.67%	0.52%
		Interests held jointly with another person[3]	41,741,091 (L)	13.48%	10.45%
Youjia Qingcheng	Unlisted Shares	Beneficial interest	6,193,090 (L)	6.91%	1.55%
Beijing Siwei Internet Fund Management Center (Limited Partnership)	H Shares	Beneficial interest[4]	32,611,320 (L)	10.53%	8.16%
Beijing Siwei Tiansheng Private Equity Fund Management Co., Ltd.	H Shares	Interest in controlled Corporations[4]	32,611,320 (L)	10.53%	8.16%
NavInfo Co., Ltd.	H Shares	Interest in controlled Corporations[4]	32,611,320 (L)	10.53%	8.16%
Shenzhen Zeyi Semiconductor Investment Partnership (Limited Partnership)	H Shares	Beneficial interest[5]	21,421,719 (L)	6.91%	5.36%
Shenzhen Zeyi Private Equity Venture Capital Fund Management Co., Ltd.	H Shares	Interest in controlled Corporations[5]	21,421,719 (L)	6.91%	5.36%

Name of Shareholder	Class of Shares	Capacity/ Nature of Interest	Number of Shares held[1]	Approximate percentage of in relevant class of Shares[2]	Approximate percentage of in total share capital[2]
Mr. Chi Ke	H Shares	Interest in controlled Corporations[5]	21,421,719 (L)	6.91%	5.36%
Gongqingcheng Xinxing Entrepreneurship Investment Partnership (Limited Partnership)	H Shares	Interest in controlled Corporations[5]	21,421,719 (L)	6.91%	5.36%
Shenzhen Times Trust Creation No. 1 Investment Partnership (Limited Partnership)	H Shares	Interest in controlled Corporations[5]	21,421,719 (L)	6.91%	5.36%
Mr. Chen Yaoqing	H Shares	Interest in controlled Corporations[5]	21,421,719 (L)	6.91%	5.36%
Guokai Zhizao Transformation and Upgrading Fund (Limited Partnership)	Unlisted Shares	Beneficial interest[6]	20,548,643 (L)	22.93%	5.14%
Guokai Investment Fund Management Co., Ltd.	Unlisted Shares	Interest in controlled Corporations[6]	20,548,643 (L)	22.93%	5.14%
China Development Bank Capital Co., Ltd	Unlisted Shares	Interest in controlled Corporations[6]	20,548,643 (L)	22.93%	5.14%
National Manufacturing Transformation and Upgrade Fund Co., Ltd.	Unlisted Shares	Interest in controlled Corporations[6]	20,548,643 (L)	22.93%	5.14%
China International Capital Corporation Limited	H Shares	Interest in controlled Corporations[7]	21,481,705 (L)	6.93%	5.38%
	H Shares	Interest in controlled Corporations[7]	776,800 (S)	0.25%	0.19%
CICC Capital Operations Co., Ltd.	H Shares	Interest in controlled Corporations[7]	20,016,932 (L)	6.46%	5.01%
Zhiying Huirong Private Fund Management (Beijing) Co., Ltd.	H Shares	Interest in controlled Corporations[8]	17,000,902 (L)	5.49%	4.25%
Zhejiang Puhua Tianqin Equity Investment Management Co., Ltd.	H Shares	Interest in controlled Corporations[9]	16,012,381 (L)	5.17%	4.01%
Mr. Zhang Tieshuang	Unlisted Shares	Interest in controlled Corporations[10]	5,369,975 (L)	5.99%	1.34%
Shenzhen Kangchengheng Capital Management Group Limited	H Shares	Interest in controlled Corporations[11]	45,520,095 (L)	14.70%	11.40%

Name of Shareholder	Class of Shares	Capacity/ Nature of Interest	Number of Shares held[1]	Approximate percentage of in relevant class of Shares[2]	Approximate percentage of in total share capital[2]
Mr. Yuan Yakang	H Shares	Interest in controlled Corporations[11]	45,520,095 (L)	14.70%	11.40%
KCH International Investment Limited	H Shares	Beneficial interest[11]	31,092,800 (L)	10.04%	7.78%
Tianjin Kangchengheng Enterprise Management Consultation Partnership (Limited Partnership)	H Shares	Interest in controlled Corporations[11]	31,092,800 (L)	10.04%	7.78%
Zhuji Kangchengheng Huiying Investment Partnership (Limited Partnership)	H Shares	Interest in controlled Corporations[11]	31,092,800 (L)	10.04%	7.78%
Zhuji Economic Development and Financing Investment Co., Ltd.	H Shares	Interest in controlled Corporations[11]	31,092,800 (L)	10.04%	7.78%
Zhuji Municipal Finance Bureau	H Shares	Interest in controlled Corporations[11]	31,092,800 (L)	10.04%	7.78%

Notes:

(1) The letter "L" and "S" denote a long position and a short position in the Shares.

(2) The approximate percentage of shareholding interest in the Company is calculated based on the total number of 399,190,000 Shares in issue as at December 31, 2024, which consists of 309,613,108 H Shares and 89,576,892 Unlisted Shares.

(3) Pursuant to the Amended Concert Party Agreement, each of Dr. Liu Guoqing, Mr. Yang Guang, Mr. Zhou Xiang, Mr. Wang Qicheng, Mr. Yan Shengye and Mr. Wu Jianxin agreed to be parties acting in concert in (i) aligning their votes in the board meetings of the Company, and (ii) aligning their votes in the Shareholders' meeting in respect of the Shares beneficially owned by each of them from time to time, since they became and remained as Directors or Shareholders. Therefore, under the SFO, each of Dr. Liu Guoqing, Mr. Yang Guang, Mr. Zhou Xiang, Mr. Wang Qicheng, Mr. Yan Shengye and Mr. Wu Jianxin is deemed to be interested in the Shares held by each other.

(4) Beijing Siwei Internet Fund Management Center (Limited Partnership) (北京四維互聯基金管理中心(有限合夥)) ("**Beijing Siwei**") is a limited partnership established under the laws of the PRC. Its general partner is Beijing Siwei Tiansheng Private Equity Fund Management Co., Ltd. (北京四維天盛私募基金管理有限公司) ("**Beijing Siwei Management**"). Beijing Siwei is held by Beijing Siwei Management as to 1% and its limited partner, NavInfo Co., Ltd. as to 99%. Therefore, under the SFO, each of Beijing Siwei Management and NavInfo Co., Ltd is deemed to be interested in the Shares held by Beijing Siwei.

(5) Shenzhen Zeyi Semiconductor Investment Partnership (Limited Partnership) (深圳澤奕半導體投資合夥企業(有限合夥)) ("**Shenzhen Zeyi**") is a limited partnership established under the laws of the PRC. Its general partner is Shenzhen Zeyi Private Equity Venture Capital Fund Management Co., Ltd. (深圳澤奕私募創業投資基金管理有限公司) ("**Shenzhen Zeyi Management**"), which is in turn held by Mr. Chi Ke (池可先生) as to 75.23%. Shenzhen Zeyi is held as to 1.03% by Shenzhen Zeyi Management, and its limited partners, among which (i) 33.33% is held by Gongqingcheng Xinxing Entrepreneurship Investment Partnership (Limited Partnership) (共青城欣興創業投資合夥企業(有限合夥)) ("**Gongqingcheng**"), (ii) 33.33% is held by Shenzhen Times Trust Creation No. 1 Investment Partnership (Limited Partnership) (深圳時代信創壹號投資合夥企業(有限合夥)) ("**Shenzhen Times**"), and (iii) 32.31% is held by nine other limited partners, none of which holds one-third or more of the interest therein. Gongqingcheng is held by Mr. Chen Yaoqing (陳瑤清先生) as to over 90%, and Shenzhen Times is held by a total of 18 partners and none of which holds one-third or more of the interest therein. Therefore, under the SFO, each of Shenzhen Zeyi Management, Mr. Chi Ke, Gongqingcheng, Shenzhen Times and Mr. Chen Yaoqing is deemed to be interested in the Shares held by Shenzhen Zeyi.

(6) Guokai Zhizao Transformation and Upgrading Fund (Limited Partnership) (國開製造業轉型升級基金(有限合夥)) ("**Guokai Zhizao**") is a limited partnership established under the laws of the PRC. Its general partner is Guokai Investment Fund Management Co., Ltd. (國開投資基金管理有限責任公司) ("**Guokai Management**"), which is in turn wholly owned by China Development Bank Capital Co., Ltd (國開金融有限責任公司) ("**CDB**"). Guokai Zhizao is held by Guokai Management as to 0.2% and its limited partner, National Manufacturing Transformation and Upgrade Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司) ("**Manufacturing Transformation Fund**") as to 99.8%. Manufacturing Transformation Fund is in turn held by CDB as to 13.59% and 19 other shareholders as to 86.41%, none of which holds one-third or more of the interest therein. Therefore, under the SFO, each of Guokai Management, CDB and Manufacturing Transformation Fund is deemed to be interested in the Shares held by Guokai Zhizao.

(7) Liantong Zhongjin Innovation Industry Equity Investment Fund (Shenzhen) Partnership (Limited Partnership) (聯通中金創新產業股權投資基金(深圳)合夥企業(有限合夥)) ("**Liantong CICC**"), Qingdao CICC Alpha Intelligent Internet Industry Equity Investment Fund (Limited Partnership) (青島中金甲子智能互聯產業股權投資基金(有限合夥)) ("**CICC Alpha**") and Zhongjin (Changde) Emerging Industry Venture Capital Partnership (Limited Partnership) (中金(常德)新興產業創業投資合夥企業(有限合夥)) ("**CICC Changde**") directly held 2.64%, 2.32% and 1.49% of the Company's H Shares, respectively. The general partner of Liantong CICC is Liantong CICC Private Equity Investment Management (Shenzhen) Co., Ltd. (聯通中金私募股權投資管理(深圳)有限公司), which is in turn held as to 51% by CICC Capital Operations Co., Ltd. (中金資本運營有限公司)("**CICC Capital**"). CICC Capital is ultimately wholly owned by China International Capital Corporation Ltd. (中國國際金融股份有限公司) ("**CICC**"). The general partner of CICC Alpha is CICC ALPHA (Beijing) Private Equity Investment Fund Management Co., Ltd. (中金甲子(北京)私募投資基金管理有限公司), which is in turn held by CICC Capital as to 51%. The general partner of CICC Changde is CICC Capital. Therefore, under the SFO, each of CICC and CICC Capital is deemed to be interested in the Shares held by Liantong CICC, CICC Alpha and CICC Changde. China International Capital Corporation Hong Kong Securities Limited ("**CICC Hong Kong**") directly held a long position of 1,464,773 and a short position of 776,800 in the unlisted derivatives of the Company. CICC Hong Kong is ultimately wholly owned by CICC. Therefore, under the SFO, CICC is deemed to be interested in the unlisted derivatives held by CICC Hong Kong.

(8) Zhuhai Jiashi Shengqi Venture Capital Fund Partnership (Limited Partnership) (珠海嘉實盛啟創業投資基金合夥企業(有限合夥)) ("**Jiashi Shengqi**"), Zhuhai Jiashi Shengde Venture Capital Fund Partnership (Limited Partnership) (珠海嘉實盛德創業投資基金合夥企業(有限合夥)) ("**Jiashi Shengde**") and Zhuhai Jiashi Shengxuan Venture Capital Fund Partnership (Limited Partnership) (珠海嘉實盛烜創業投資基金合夥企業(有限合夥)) ("**Jiashi Shengxuan**") directly held 1.92%, 1.81% and 1.74% of the Company's H Shares, respectively. The general partner of each of Jiashi Shengqi, Jiashi Shengde and Jiashi Shengxuan is Zhiying Huirong Private Fund Management (Beijing) Co., Ltd. (智盈匯融私募基金管理(北京)有限公司) ("**Zhiying Huirong**"). Therefore, under the SFO, Zhiying Huirong is deemed to be interested in the Shares held by Jiashi Shengqi, Jiashi Shengde and Jiashi Shengxuan.

(9) Tongxiang Wuzhen Puhua Fengqi Venture Capital Partnership (Limited Partnership) (桐鄉烏鎮普華鳳棲創業投資合夥企業(有限合夥)) ("**Puhua Fengqi**"), Jinhua Puhua Tianqin Equity Investment Fund Partnership (Limited Partnership) (金華普華天勤股權投資基金合夥企業(有限合夥)) ("**Puhua Tianqin**") and Hangzhou Binjiang Puhua Tianqing Equity Investment Partnership (Limited Partnership) (杭州濱江普華天晴股權投資合夥企業(有限合夥)) ("**Binjiang Puhua**") directly held 2.17%, 1.49% and 1.49% of the Company's H Shares, respectively. The general partner of each of Puhua Fengqi and Puhua Tianqin is Zhejiang Puhua Tianqin Equity Investment Management Co., Ltd.. (浙江普華天勤股權投資管理股份有限公司) ("**Puhua**"). The general partner of Binjiang Puhua is Hangzhou Binjiang Puhua Equity Investment Management Co., Ltd., which is in turn held by Puhua as to 70%. Therefore, under the SFO, Zhejiang Puhua Tianqin Equity Investment Management Co., Ltd. is deemed to be interested in the Shares held by Puhua Fengqi, Puhua Tianqin and Binjiang Puhua.

(10) Harbin Xinrong Qihang Venture Capital Enterprise (Limited Partnership) (哈爾濱鑫榕啟航創業投資企業(有限合夥)) ("**Xinrong Capital**") and Shenzhen Qianhe Wanhe Venture Capital Partnership (Limited Partnership) (深圳千賀萬禾創業投資合夥企業(有限合夥)) ("**Shenzhen Wanhe**") directly held 1.99% and 3.99% of the Company's H Shares, respectively. The general partner of Xinrong Capital is Zhoushan Guangchuan Venture Capital Partnership (Limited Partnership) which is in turn held as to 95% by Mr. Zhang Tieshuang (張鐵雙先生). The general partner of Shenzhen Qianhe Wanhe Venture Capital Partnership (Limited Partnership) is Tianjin Yuerong Qihe Enterprise Management Partnership (Limited Partnership) (天津越榕啟赫企業管理合夥企業(有限合夥)) which is held by its general partner, Mr. Zhang Tieshuang as to 10%. Therefore, under the SFO, Mr. Zhang Tieshuang is deemed to be interested in the Shares held by Xinrong Capital and Shenzhen Wanhe.

(11) Shenzhen Jiaxin Yuande Equity Investment Fund Partnership (Limited Partnership) (深圳市嘉信元德股權投資基金合夥企業(有限合夥)) ("**Jiaxin Yuande**"), Shenzhen Kangchengheng Ruixiang Investment Partnership (Limited Partnership) (深圳市康成亨睿享投資合夥企業(有限合夥)) ("**Kangchengheng Ruixiang**") and KCH International Investment Limited directly held 3.32%, 1.33% and 10.04% of the Company's H Shares, respectively. The general partner of Jiaxin Yuande is Shenzhen Jialin Xinye Equity Investment Management Co., Ltd. (深圳市嘉霖信業股權投資管理有限公司) ("**Jialin Management**"), which is in turn held by Shenzhen Kangchengheng Capital Management Group Limited (深圳市康成亨資本管理集團有限公司) ("**Kangchengheng**") as to approximately 51.5%. The general partner of Kangchengheng Ruixiang is Kangchengheng. Kangchengheng is held as to 87% by Mr. Yuan Yakang (袁亞康先生). KCH International Investment Limited was held as to 70% by Tianjin Kangchengheng Enterprise Management Consultation Partnership (Limited Partnership) (天津市康成亨企業管理諮詢合夥企業(有限合夥)) ("**Tianjin KCH**"). Tianjin KCH was in turn held as to 1% by its general partner, Kangchengheng and as to 99% by its limited partner, Zhuji Kangchengheng Huiying Investment Partnership (Limited Partnership) (諸暨康成亨匯英創業投資合夥企業(有限合夥)) ("**Zhuji Kangchengheng**"), respectively. Zhuji Kangchengheng was held as to 99% by its limited partner, Zhuji Economic Development and Financing Investment Co., Ltd. (諸暨經開創融投資有限公司), which was ultimately controlled by Zhuji Municipal Finance Bureau (諸暨市財政局). Therefore, under the SFO, each of Tianjin KCH, Kangchengheng, Mr. Yuan Yakang, Zhuji Kangchengheng, Zhuji Economic Development and Financing Investment Co., Ltd. and Zhuji Municipal Finance Bureau is deemed to be interested in the respective Shares held by Jiaxin Yuande, Kangchengheng Ruixiang and KCH International Investment Limited.

Save as disclosed above, as at December 31, 2024, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as at the date of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The H Shares of the Company became listed on the Main Board of the Stock Exchange on December 27, 2024. During the Reporting Period and up to the date of this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any treasury shares (as defined under the Listing Rules).

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 28 to 48 of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Information on the Company's fulfillment of its environmental and social responsibilities will be set out in the Environmental, Social and Governance Report on pages 66 to 106 of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

To the best knowledge, information and belief of the Board and the management, the Group is in compliance with applicable laws and regulations that may have significant effect on the business and operations of the Group. The Group did not record any material losses and impacts arising from non-compliance with the regulations during the year ended December 31, 2024. Details are set out in the section headed "Management Discussion and Analysis" of this annual report.

AUDITORS

The auditor of the Company has not changed since the Listing Date. The consolidated financial statements for the year ended December 31, 2024 have been audited by PricewaterhouseCoopers.

On behalf of the Board
Minieye Technology Co., Ltd
Dr. Liu Guoqing
Chairman of the Board, Executive Director and General Manager

Shenzhen, March 28, 2025

REPORT OF SUPERVISORY COMMITTEE

In 2024, the Supervisory Committee of the Company strictly complied with the provisions of the Company Law of the People's Republic of China (the "**PRC Company Law**"), the Securities Law of the People's Republic of China (the "**PRC Securities Law**"), and other laws, regulations and rules as well as the Articles of Association of the Company and the Working Rules for the Supervisory Committee of the Company, to conscientiously perform and independently exercise the supervisory authorities and duties of the Supervisory Committee. Members of the Supervisory Committee sat in the Board meetings and the general meetings and exercised effective supervision over the Company's production and operation, development projects, financial position, major decisions and the performance of duties by the Directors, managers and other senior management, playing a better role in facilitating the Company's regulated operation. The major work of the Supervisory Committee for the year 2024 is hereby reported as follows:

I. MEETINGS OF THE SUPERVISORY COMMITTEE

After the Company held the inaugural meeting and the first extraordinary general meeting on April 17, 2023, the Company was converted into a joint stock company with limited liability. The first session of the Supervisory Committee of the Company was formed with three members. The first session of the Supervisory Committee of the Company held three meetings in 2024, the details of which are as follows:

On May 13, 2024, the fourth meeting of the first session of the Supervisory Committee of the Company considered and approved the Resolution on the Company's Overseas Public Offering of Shares (H Shares) and Listing on the Main Board of The Stock Exchange of Hong Kong Limited (《關於公司於境外公開發行股票(H股)並在香港聯合交易所有限公司主板上市的議案》), Resolution on the Program for the Company's Overseas Public Offering of Shares (H Shares) and Listing on the Main Board of The Stock Exchange of Hong Kong Limited (《關於公司於境外公開發行股票(H股)並在香港聯合交易所有限公司主板上市方案的議案》), Resolution on the Plan for the Use of Proceeds from the Company's Overseas Public Offering of H Shares (《關於公司境外公開發行H股募集資金使用計劃的議案》), Resolution on the Commitment Plan for the Accumulated Unrecovered Losses Prior to the Issuance of H Shares by the Company (《關於公司發行H股之前累計未彌補虧損承擔方案的議案》), Resolution on the Engagement of Auditors by the Company for the Issuance and Listing of H Shares (《關於公司聘請H股發行並上市審計機構的議案》), Resolution on the Employee Share Ownership Plan of the Company (《關於公司員工持股計劃的議案》) and Resolution on the Confirmation of the Company's Connected Guarantee during the Reporting Period (《關於確認公司報告期內關聯擔保情況的議案》).

On June 30, 2024, the fifth meeting of the first session of the Supervisory Committee of the Company considered and approved the Resolution on the Company's Work Report of the Board of Directors for the Year 2023 (《關於公司〈2023年度董事會工作報告〉的議案》), the Resolution on the Company's Work Report of the General Manager for the Year 2023 (《關於公司〈2023年度總經理工作報告〉的議案》), the Resolution on the Company's Financial Report for the Year 2023 (《關於公司〈2023年度財務報告〉的議案》), the Resolution on the Company's Report on the Financial Accounts for the Year 2023 (《關於公司〈2023年度財務決算報告〉的議案》), the Resolution on the Company's Report on the Financial Budget for the Year 2024 (《關於公司〈2024年度財務預算報告〉的議案》), and the Resolution on the Company's Report on Internal Control Evaluation (關於公司〈內部控制評價報告〉的議案).

On December 13, 2024, the sixth meeting of the first session of the Supervisory Committee of the Company considered and approved the Resolution on the Application for Estimated Integrated Credit Facilities from Banks (《關於向銀行申請綜合授信額度預計的議案》), and the Resolution on the Company's Entrusted Wealth Management Quota for the Year 2025 (《關於公司〈2025年度委托理財額度〉的議案》).

II. SUPERVISION OVER THE COMPANY'S RELEVANT MATTERS BY THE SUPERVISORY COMMITTEE

(I) Operation of the Company in accordance with the Law

During the Reporting Period, members of the Supervisory Committee supervised the convening procedures and resolutions of the Board and general meetings, the implementation of the resolutions of the general meetings by the Board, and the performance of duties by the Directors and senior management of the Company by sitting in the Board meetings and the general meetings of the Company and reviewing the relevant documents and information. The Supervisory Committee is of the view that, in 2024, the Board and the general meetings of the Company comply with the relevant laws and regulations and the Articles of Association and were able to operate in accordance with the applicable law and regulations, and the procedures for convening, holding, voting and resolution of the meetings were legal and compliant, and the internal control system was relatively sound, which ensured that the Company's business activities were carried out in an orderly manner, and no Director or senior management members of the Company has been found to have violated any laws, regulations or the Articles of Association or acted in a manner detrimental to the interests of the Company in the performance of their duties with the Company.

(II) Inspection of the Company's Financial Position

The Supervisory Committee has effectively supervised, inspected and reviewed the Company's financial position and operating results for the year 2024, and is of the opinion that the Company has sound financial systems, stable financial operations, a complete financial management system, healthy financial position, and the financial statements were in compliance with the relevant provisions of the Accounting Standards and the relevant accounting system, and presented a fair view of the Company's financial position and operating results for the year 2024 in all material respects with no material omissions or false recordings.

(III) Implementation of the Company's Internal Control Measures

Having reviewed the report on the evaluation of the Company's internal control measures, the Supervisory Committee has concluded that the contents of the report on the evaluation of the Company's internal control measures complies with the requirements of the relevant laws, regulations and regulated documents and truly, objectively and completely reflects the actual situation of the Company's internal control. The Supervisory Committee has no objection to the report on the evaluation of the Company's internal control measures submitted by the Board.

III. WORK PLAN FOR THE YEAR 2025

In 2025, the Supervisory Committee will continue to strictly comply with the provisions of the PRC Company Law, the PRC Securities Law, the Articles of Association and relevant laws, regulations and policies, and earnestly and diligently perform all supervisory duties to effectively safeguard the interests of the Company and all of its Shareholders. The key work plans for 2025 are as follows:

1. The Supervisory Committee will continue to strengthen the supervisory function. The Supervisors of the Company will rigorously perform their duties by sitting in meetings of the Board and general meetings of the Company in accordance with the law. They will monitor major decision-making processes in a timely manner to ensure compliance with statutory procedures and enhance supervision over the Board and senior management. In line with the modern corporate governance standards, the Supervisors will supervise and urge the Company to further improve its governance structure and elevate the standard of governance.

2. The Supervisory Committee will enhance the focus on major matters such as external investment, property disposal, mergers and acquisitions, and connected transactions. The aforesaid matters are related to the stability and sustainability of the Company's long-term operation and may have a significant impact on the Company's business operation. Therefore, the Supervisory Committee of the Company will focus on the progress of the Company's construction of risk management and internal control system, maintain communication with the internal auditing and the external auditing institutions, actively promote the construction and effective operation of the internal control system, and strengthen the supervision of the aforesaid material matters, so as to ensure that the Company implements effective internal control measures to prevent contingent risks.

3. The Supervisory Committee will further strengthen the relationship with shareholders and enhance the supervision and inspection of the Company's financial position and production and operational activities. It will diligently review the financial reports prepared by the Board of Directors and put forward effective opinions to ensure that the financial statements are true and accurate, and to safeguard the rights and interests of the Company, Shareholders and employees.

In light of the above, the Supervisory Committee of the Company fully performed its supervisory obligations in accordance with the duties and rights conferred by the laws and regulations and played a role in the regulated operation of the Company for the year 2024. In 2025, the Supervisory Committee will continue to perform its duties diligently and faithfully to further promote the improvement of the corporate governance structure and the regulated management of business operations. The Supervisory Committee will perform its supervisory duties with more rigorous work attitude, expand its work ideas, adhere to the principle of integrity, and ensure that the Company is operated by the Board and the management in a legally compliant manner. It will safeguard the interests of the Shareholders of the Company and perform a solid job to promote the better and more rapid development of the Company.

This report is hereby given.

Yours sincerely,

Minieye Technology Co., Ltd
Supervisory Committee

March 28, 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

Minieye Technology Co., Ltd (the "**Company**") hereby publishes the 2024 Environmental, Social and Governance (ESG) Report (the "**Report**") to describe the Company's concept, practices and performance in environmental protection, social responsibility and corporate governance. This is the first ESG report released by the Company, and it aims to share with stakeholders the ESG progress and results achieved by the Company and its subsidiaries.

Reporting Standards

The Report is prepared with reference to the *Environmental, Social and Governance Reporting Guide* ("**ESG Reporting Guide**") set out in Appendix C2 to the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (the "**Listing Rules**").

Reporting Scope

Unless otherwise specified, the scope of the Report is consistent with the scope of the annual consolidated financial report and covers the period from January 1, 2024 to December 31, 2024 (the "**Reporting Period**"). Certain parts of the Report are either retrospective to previous years or look forward to future years.

Abbreviations

In the Report, the Company and its subsidiaries are collectively referred to as "Minieye", "the Group" or "we".

Reporting Principles

- "Materiality": The Group has identified material ESG issues through stakeholders' engagement and materiality assessment, and made targeted disclosure of these issues in the ESG Report;

- "Quantitative": All the information in the Report are from relevant statistical reports and official documents of the Group. The relevant standards and methods adopted in the calculation of KPIs have been reported, with a narrative provided to illustrate the purposes and impacts;

- "Balance": The Report follows the balance principle to objectively present the Group's ESG performance;

- "Consistency": For key indicators that have been publicly disclosed previously, the statistical methods used in the Report are consistent with those previously used to ensure comparability with historical information. For newly disclosed key indicators, we will ensure that the statistical methods used in the future will be consistent with those used in the Report.

Report Availability

The Report is published in both Traditional Chinese and English. Should there be any discrepancy between the two versions, the Traditional Chinese version shall prevail. The Report is available for view or download on the HKEXnews website (http://www.hkexnews.hk) and the Group's website (https://www.minieye.cc).

Contact

All stakeholders are welcome to give their valuable opinions or suggestions in relation to the Report via:

E-mail: ir@minieye.cc

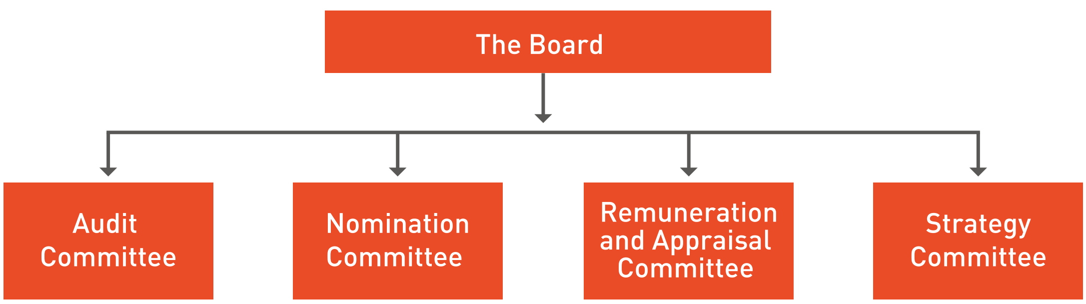
Address: 25th Floor, Tower A, Building 1, Zhongzhou Binhai Commercial Center, No. 9285 Binhe Avenue, Shangsha Community, Sha Tau Street, Futian District, Shenzhen, Guangdong Province, PRC

1. SOUND OPERATION AND RESPONSIBLE GOVERNANCE

Sound corporate governance serves as the foundation for an enterprise to achieve steady progress, efficient operation, and ultimately, sustainable development. Minieye places great importance on standard corporate governance, strictly adhering to the *Company Law of the People's Republic of China (PRC)* (《中華人民共和國公司法》), the *Corporate Code* as set out in Appendix C1 to the *Listing Rules*, and other relevant laws and regulations in the places where we operate. Furthermore, we uphold the business ethics, having established a comprehensive anti-fraud management framework and continuously fostering a corporate culture of integrity and self-regulation. In formulating our corporate development direction and overall strategy, we have also integrated ESG-related concepts into our decision-making processes, with the Board assuming full responsibility for leadership and decision-making in this regard.

1.1 Enhancing Corporate Governance

The Group has established a decision-making and operating mechanism comprising the general meeting, the Board, the supervisory committee and the senior management, and there are four committees under the Board, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy Committee. Each of these committees shall exercise its duties and responsibilities in accordance with the Company's direction and their respective articles of association, and assist the Board to make comprehensive and responsible corporate decisions more efficiently with its own professional experience.



In order to enhance the effectiveness of the Board and to maintain high standard of corporate governance, we have implemented a *Board Diversity Policy*, under which the Nomination Committee is responsible for reviewing the structure and diversity of the Board. In selecting candidates to the Board, the Nomination Committee considers multiple dimensions, including but not limited to: gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, in an endeavor to provide the Company with a broader range of perspectives and viewpoints for decision-making.

As of the end of the Reporting Period, the Board of the Group consisted of nine members, including three independent non-executive directors and one female director. Our directors have expertise across various sectors, such as management, technology, investment, finance and accounting, as well as other industry-specific knowledge relevant to our operations. In line with the *Board Diversity Policy*, the Nomination Committee is actively identifying female individuals suitably qualified to become the Board members, and plans to strive to achieve gender balance of the Board through certain measures to further enhance the overall efficiency of corporate governance.

Minieye also regards risk management as a critical element of corporate governance, and has formulated a comprehensive risk management and internal control policy covering all aspects of business operations. We have established a dedicated risk management and internal control team responsible for developing the risk management and internal control policy, conducting internal audits and directing corrective actions. The Board assumes the responsibilities for overseeing the Group's overall risk management, ensuring that the relevant policies are implemented, regularly reviewed and upgraded.

1.2 Upholding Business Ethics

The high standard of business ethics is one of the fundamentals to achieving long-term and sustainable development. Minieye strictly complies with the *Interim Provisions on the Prohibition of Commercial Bribery* (《關於禁止商業賄賂行為的暫行規定》), *Anti-unfair Competition Law of the PRC* (《中華人民共和國反不正當競爭法》), *Anti-money Laundering Law of the PRC* (《中華人民共和國反洗錢法》), and other relevant laws and regulations in the places where we operate, and has formulated and implemented a number of relevant policies approved by the Board, such as the *Anti-fraud Management Policy* (《反舞弊管理制度》) and *Anti-money Laundering and Counter-terrorist Financing Policy* (《反洗錢與反恐怖融資管理制度》).

To regulate and co-ordinate the implementation of anti-fraud initiatives, we have established a comprehensive anti-fraud management structure. The Audit Committee serves as the designated oversight body for anti-fraud initiatives, and is responsible for monitoring the implementation of related measures, and reporting to the Board. The senior management of the Company is responsible for the establishing and enhancing the internal control system and fostering a corporate culture with zero tolerance towards fraud. Under the guidance of the Audit Committee, the Anti-fraud Office develops detailed anti-fraud work plans, policies and procedures, executes and reports on all anti-fraud activities.

In addition, to further strengthen our corporate culture of integrity and self-regulation, Minieye conducts ongoing employee propaganda activities focused on business ethics. The Group's *Employee Handbook* (《員工手冊》) incorporates internal rules and guidelines on professional ethics, fraud prevention mechanisms, misconduct and corruption, and all new employees are required to familiarize themselves with the relevant contents through induction training. Furthermore, we organize monthly compliance training sessions, and encourage all employees to actively participate in such training. During the Reporting Period, the training topics included: proper reporting of business gifts and entertainment, prohibition of bribery (both offering and accepting) and anti-corruption and anti-fraud measures.

We also actively communicate our concepts of transparent cooperation and integrity business conduct to our commercial partners. In executing contracts with upstream suppliers, we mandate the simultaneous execution of the *Integrity Agreement* (《廉潔協議》) and *Confidentiality Agreement* (《保密協議》). The *Integrity Agreement* expressly prohibits offering or accepting bribes, and any other violations of business ethics. The *Confidentiality Agreement* stipulates that all confidential information provided by Minieye shall be used solely for the purposes of cooperation and shall not be disclosed to any third party without prior consent.

The Group encourages employees, suppliers, and other stakeholders to report any breaches of professional or business ethics through channels including email and telephone. We continue to improve our whistle-blowing mechanism and have designated the Anti-fraud Office as the dedicated organization to receive reports, which is responsible for the collection, management and handling of relevant information and reporting to the Audit Committee. For reported incidents and persons, the Anti-fraud Office, in collaboration with the Audit Committee, will conduct investigations as warranted. Based on the findings, appropriate actions will be taken. Where necessary, separate reports will be submitted to the Board and the Supervisory Committee.

Reporting phone number	Reporting email
13538207562	contact@minieye.cc

We have established a whistleblower protection mechanism to keep the identity of the whistleblower and the information received confidential, and absolutely prohibit any retaliatory actions against whistleblowers. Any internal personnel found engaging in harassment, discrimination, or adverse treatment of whistleblowers, we have the right to take disciplinary sanctions against him/her, and if he/she violates the law, we will refer him/her to law enforcement authorities.

During the Reporting Period, there was no concluded corruption lawsuits filed against the Group or its employees.

1.3 Enhancing ESG Governance

1.3.1 ESG Strategic Objectives

As an enterprise with a high sense of social responsibility, Minieye's products are born to be equipped with strong ESG characteristics. Not only can our intelligent driving products optimize routes through intelligent planning and improve energy efficiency while driving, but also effectively reduce the probability of traffic accidents through algorithm integration and protect the lives of drivers and passengers.

Based on the actual situation of our business operations, the Group has also established ESG strategic objectives with practical significance, mainly covering three major aspects, namely quality, environment and occupational health & safety. We have established and implemented internal systems such as the *Inspection and Control Procedures* (《檢查控制程序》) and the *Environmental Safety Monitoring and Measurement Procedures* (《環境安全監測與測量程序》) to regularly assess the implementation of the above strategic objectives, so as to steadily realize the sustainable development concept while meeting the needs of our own development.

ESG Strategic Objectives of Minieye

Quality strategic objectives: safe and reliable, continuous improvement, risk-based mindset; customer satisfaction, employee satisfaction, win-win situation with suppliers.

Environmental strategic objectives: comply with laws and regulations, raise awareness of environmental protection, promote energy-saving production, provide environmentally friendly products.

Occupational Health & Safety strategic objectives: full participation, prevention-oriented, safety and health, compliance with laws and regulations, continuous improvement.

1.3.2 Statement of the Board of Directors

As the leading and decision-making organization for the ESG work of Minieye, the Board is responsible for deciding the Group's ESG development direction, strategies and objectives, reviewing and approving ESG management system, ESG reports and other major ESG matters. The Board places high importance on ESG management and report preparation, requiring the ESG report to present the Group's key ESG areas, prioritization of ESG issues, corresponding management initiatives, and progress toward achieving targets, while actively addressing the expectations of stakeholders.

The Group has incorporated ESG risks into its overall risk management mechanism. Our internal control policy is designed to monitor and respond to a range of operational, financial, legal and market risks that may be or have been identified, which cover ESG-related matters. We have established a dedicated risk management and internal control team responsible for developing the internal control policy, conducting internal audits to provide internal control advice, and directing any necessary corrective actions. The Board also conducts an annual review to ensure that ESG risk management resources are adequately budgeted and to review the implementation of ESG strategic objectives for the year.

1.3.3 ESG Governance Structure

Minieye's ESG management structure consists of three layers: the Board, the Strategy Committee and an ESG working group that is in charge of the implementing our ESG policies.

- **Board:** primarily responsible for setting the ESG development direction, strategies and objectives, reviewing and approving the Company's ESG management framework, ESG reports and major matters related to ESG.

- **Strategy Committee:** primarily responsible for researching, analyzing and evaluating matters related to ESG, guiding the daily implementation of ESG work and the preparation of ESG reports. At the same time, an ESG Working Group has been set up under the Strategy Committee as the execution unit for our ESG matters.

- **ESG Working Group:** led by the Board Secretary, primarily responsible for: (i) formulating our ESG strategies, objectives, plans and related policies and submitting them to the Strategy Committee for review and approval, (ii) developing our annual ESG work plans, collecting information about the progress of our ESG work and reporting to the Strategy Committee, (iii) coordinating the various business functions in setting ESG management indicators and detailed ESG measures and tracking the progress of the execution of such indicators and measures and (iv) preparing an annual ESG report.

We also engage external ESG experts to provide professional advice on our ESG work where necessary.

1.3.4 Stakeholder Communication

Minieye attaches great importance to communication with our stakeholders. To effectively respond to the expectations and requirements of all stakeholders, we have established a variety of communication mechanisms that are effective and applicable to various stakeholders, with the aim of providing important guidance for the Group in updating its ESG development strategies and plans, and promoting our overall sustainable development.

Stakeholders	Expectations and Requirements	Communication Mechanism
Government/Regulatory Authorities	• Compliance with laws and regulations • Tax compliance • Support local development	• Daily management • Meetings • Supervision and inspection • Status update
Shareholders/Investors	• Shareholder returns • Information disclosure • Investor relations • Corporate governance • Risk control	• General meetings • Information disclosure • Investor relations activities
Customers	• Adhering to commitments • High-quality products • Quality pre-sales and after-sales services • R&D capabilities	• Contract execution • Business dealings • Daily communication • Customer satisfaction survey
Employees	• Remuneration and benefits coverage • Comprehensive training system • Fair promotion and development opportunities • Quality workplace	• Performance management • Employee training • Employee activities and care for employees • Care for employees' health
Suppliers/Partners	• Adhering to commitments • Equal, open and fair procurement • Win-win development	• Open bidding and tendering • Contract fulfillment • Daily communication • Communication and visitation

1.3.5 Identification of ESG Key Issues

The identification, assessment and prioritization of ESG issues helps us to understand sustainability and thus further improve the efficiency of the Company's ESG practices. During the Reporting Period, we conducted the materiality assessment of ESG issues, the process of which is described below:

- **Step 1 – Identification:** In accordance with *HKEX Guide for New Listings Applicants – 4.3 Corporate Governance and Environmental, Social and Governance* and the *ESG Reporting Guide* as set out in Appendix C2 of the *Listing Rules*, while taking into account our own circumstances and the development trends of the industry in which we operate, we have identified and set out the ESG issues that are of strong relevance to us.

- **Step 2 – Assessment:** We have engaged external ESG experts to conduct benchmarking with peers and provide professional advice and guidance to assist us in assessing the significance of each of the ESG issues identified, and then proceed to prioritize them.

- **Step 3 – Confirmation:** The ESG Working Group reviewed the results of the above prioritization and ultimately confirmed the ESG key issues that have significant impacts on our sustainable development.

The ESG key issues identified as a result of the above steps are as follows:

- **Environmental Responsibility:** energy management, water resource management, emissions management, responding to climate change;

- **Social Responsibility:** product safety & quality, supply chain management, labor management, occupational health & safety.

2. INNOVATION-DRIVEN AND QUALITY-ORIENTED

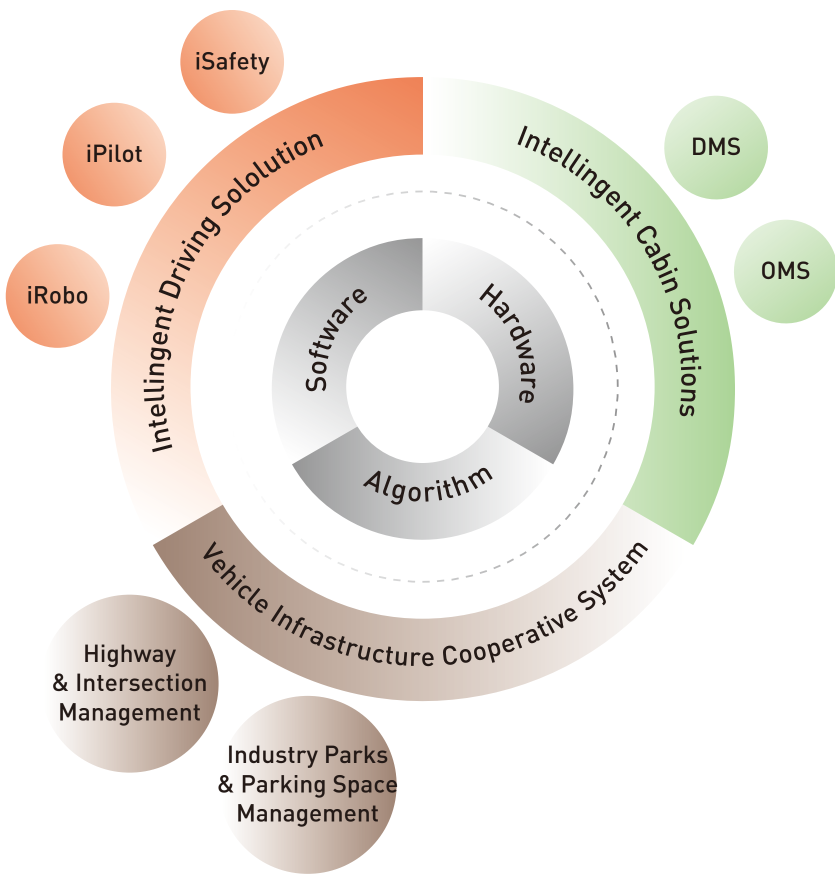
Minieye is committed to exploring innovative potential, constantly enhancing technology strength, while firmly safeguarding its own innovations. We further refine our quality management systems to deliver exceptional products and services, ensuring the protection of customer rights and interests and empowering their sustainable growth.

2.1 Focusing on Innovative R&D

2.1.1 High-quality Innovations

Minieye is an intelligent driving and cabin solutions provider in China, offering solutions for critical aspects of the driving experience, including piloting, parking and in-cabin functions. With our advanced R&D and commercialization capabilities, we empower intelligent vehicles, enhancing safety and driving experiences while promoting vehicle automation.

Our products include: intelligent driving solutions, intelligent cabin solutions, and vehicle infrastructure cooperative systems.



Intelligent driving solutions	Intelligent cabin solutions	Vehicle infrastructure cooperative systems
• We provide a full-stack in-house intelligent driving solution from Level L0 to Level L4, covering highway, expressway, urban, parking and other application scenarios, which can be flexibly designed based on the requirements of the entire intelligent vehicle, empowering intelligent vehicle in all aspects and making the driving experience more comfortable and safer. Our intelligent driving solutions primarily include the iSafety and iPilot series. In February 2025, the first Robo-bus equipped with the iRobo solutions was delivered in Suzhou, Jiangsu Province.	• Our intelligent cabin solutions are designed to enhance the in-cabin experience for both drivers and passengers, centered around in-cabin monitoring systems such as the Driver Monitoring System (DMS) and the Occupant Monitoring System (OMS), and have been tailored to meet the diverse needs of original equipment manufacturers (OEMs) and tier-one suppliers. Successfully applied to various vehicle models, our intelligent cabin solutions have achieved mass production domestically and entered the international market through cooperations with leading OEMs.	• The vehicle infrastructure cooperative systems stand as pivotal elements in realizing overall automotive intelligence. In response to the development of intelligent transportation infrastructure and smart cities, in addition to focusing on individual vehicle intelligence, we have also expanded application scenarios and new markets by offering solutions in relation to vehicle infrastructure cooperative systems. By fostering vehicle-to-infrastructure connectivity and information interaction, our solutions empower vehicles with extended perception capabilities, acting as a driving force for the widespread adoption of intelligent driving technologies.

As of December 31, 2024, we had accumulatively undertaken mass production for 35 OEMs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Leveraging its excellent practice in the field of intelligent driving, Minieye was recognized by customers and industry associations during the Reporting Period:

Awarding Authority	Awards	Award Pictures
Federation of Shenzhen Industries	Listed Entity on the High-Growth Innovation Ranking of 2023 Guangdong-Hong Kong-Macau Greater Bay Area Enterprise Innovation Rankings (2023粵港澳大灣區企業創新力榜單高成長創新榜入選企業)	
Snowball	2024 Gold List of Most Promising Companies (2024年度潛力公司金榜)	
Gasgoo	2024 China's Top 100 New Automotive Supply Chains (2024中國汽車新供應鏈百強)	
Gao Gong Intelligent	2024 Intelligent Vehicle Industry Chain Pioneer – Hard Technology Innovation (Intelligent Cabin Solutions) (2024年度智能汽車產業鏈(智能駕倉類)硬科技•創新先鋒企業)	
EqualOcean International	2024 Top 10 Cabin Innovation Enterprises in China's AIEV Industry (2024中國AIEV產業座艙創新企業TOP10)	

2.1.2 Strengthening R&D Capabilities

Technological innovation is deemed essential for our success. With full-stack in-house R&D capabilities, Minieye continues to strengthen its technical moat. In 2024, we further increased R&D investment, precisely aligned with market trends and customer needs, providing clear direction for innovation. We have built a highly creative and professional R&D team, committed to creating more possibilities for intelligent driving vehicle models through robust innovation incentives and achievement protection measures. To motivate employees and retain talents, we have enhanced our innovation incentive mechanisms, and have formulated and implemented two share award schemes to fully stimulate our employees' enthusiasm for innovation and their independent innovation capabilities. As of the Reporting Period, Minieye had five R&D centers located in Shenzhen, Beijing, Shanghai, Wuhan and Nanjing, with a total of 376 members in the R&D team, of which 52.7% hold a bachelor's degree and 32.2% hold a master's degree or above.

During the Reporting Period, the Group's R&D center conducted extensive capability training programs to continuously elevate staff expertise and operational excellence. For example, for the latest industry standards, we organized interpretation sessions of the updated *Structural Layout Verification Standards* (《結構佈置核校規範》) with case studies on actual engineering data requirements. For the cutting-edge technologies, we explained the core technologies and key applications in the field of thermal simulation of decorative covers in detail through theoretical lectures, analysis of actual cases and simulation exercises. For practical application, we launched an online training program on CAN HIL (Controller Area Network Hardware-in-the-Loop) testing, leveraging advanced virtual demonstration platforms to cover basic operational workflows, key technical specifications, and strategies for common issues.

R&D Center Training Site

During the Reporting Period, Minieye invested RMB156.1 million in R&D.

2.1.3 Promoting Sustainable Concepts

From the initial R&D stage, Minieye has been focusing on the potential environmental impact, corporate social responsibility and safe production performance of its solutions. Upholding the distinctive social responsibilities inherent to a high-tech enterprise, we expect to leverage AI solutions to enhance our clients' automation and intelligence, so as to address critical operational challenges while driving cost reduction, efficiency improvements and long-term value enhancement.

Adhering to the concept of "safety first", we promote vehicle automation while enhancing safety and driving experience to empower intelligent vehicles. Our intelligent cabin solutions not only bolster safety by monitoring driver behavior and status and timely intervening during intelligent driving, but also provide interactive and intelligent in-cabin functions, offering differentiated driver and passenger experiences. We have successfully supported a number of automotive companies in passing certification for the EU driver drowsiness and attention warning (DDAW) and assisted them in obtaining the 5-star certification from European New Car Assessment Programme (E-NCAP) for vehicle models. In particular, E-NCAP, one of the most authoritative safety testing organizations in the automotive industry, has set stringent and comprehensive testing standards. During the Reporting Period, Minieye successfully supported SAIC MAXUS in obtaining both the EU advanced driver distraction warning (ADDW) and driver drowsiness and attention warning (DDAW) certifications for its vehicle models.

2.2 Protection of Intellectual Property

Minieye attaches importance to the protection and application of intellectual property and strictly complies with the *Trademark Law of the PRC* (《中華人民共和國商標法》), the *Patent Law of the PRC* (《中華人民共和國專利法》), the *Copyright Law of the PRC* (《中華人民共和國著作權法》) and other relevant laws and regulations in the places where it operates. The Group has established and continuously improved its intellectual property management system to protect its own intellectual innovations and prevent intellectual property risks in the course of its operations through the formulation of rules, staff training and technical safeguards.

We adopt a strategic and proactive approach to managing our intellectual property, through a series of confidentiality and non-disclosure agreements with our key employees, suppliers, outsourcing partners and other business partners on the one hand, and on the other hand, designating in-house dedicated personnel to take charge of intellectual property-related tasks, including monitoring the application status of our own intellectual property rights and performing relevant routine checks to prevent and identify any third-party infringement of our intellectual property rights. In addition, the Group only engages contract manufacturers in those activities with minimal interactions with our self-developed intellectual property, such as assembling and packaging.

To further stimulate employees' innovation vitality and enhance the generation and commercialization of intellectual property outputs, we have formulated a dedicated *Patent Award Management Measures* (《專利獎勵管理辦法》) to encourage employees to actively participate in the creation and application of intellectual property rights. As of the end of the Reporting Period, Minieye had secured 23 registered trademarks, 204 patents, 110 copyright registration certificates for software programs, and 2 copyrights for artistic works.

2.3 Commitment to Product Quality

Minieye has always prioritized product quality and is committed to ensuring the safety of all types of solutions on the road. We rigorously comply with the *Product Quality Law of the PRC* (《中華人民共和國產品質量法》) and other laws and regulations and industry standards in the places where it operates, and have formulated and implemented the *Internal Audit Management Process* (《內審管理程序》) and *Regulations on Administration of Layered Audit* (《分層審核管理規定》) and other system documents, and obtained a series of relevant external certifications, including ISO 9001, ISO 26262, ISO 21434, ASPICE Level 2, IATF 16949, and CMMI Level 3.

ISO 9001 Certificate

ISO 26262 Certificate

ISO 21434 Certificate

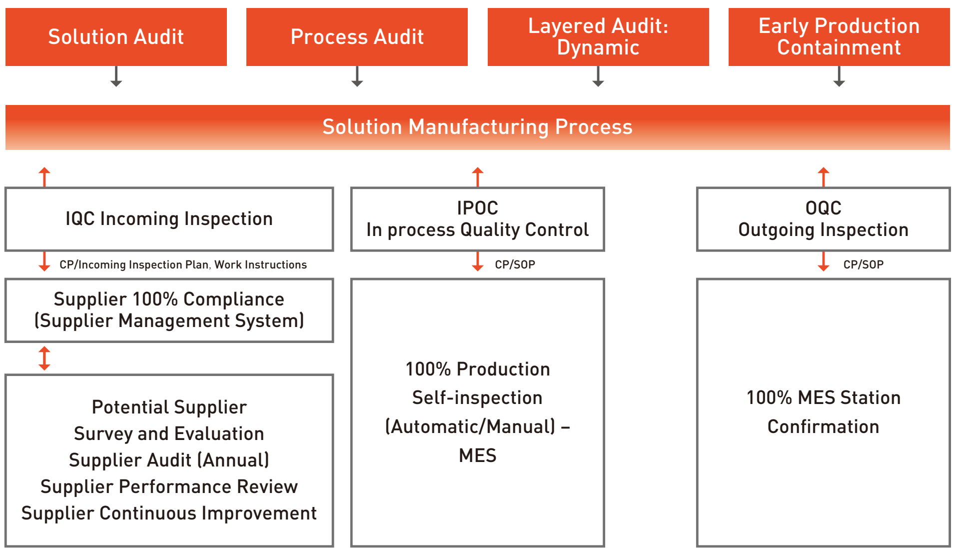
ASPICE Level 2 Certificate

IATF 16949 Certificate

CMMI Level 3 Certificate

Quality-related External Certificates of Minieye

We have implemented a stringent quality control process, which covers IQC incoming inspection, IPQC in-process quality control and OQC outgoing inspection. During the production process, we continuously ensure the consistency, compliance and standardization of our solutions with the design scheme during production by means of solution audit, process audit and layered audit. The entire production process is covered by an automated information traceability system, which facilitates the tracking records of raw material information, production processes, test parameters and results and product delivery. With our strict quality control measures, we believe that we are able to produce high-quality solutions that cater to evolving market and customer demands.



Quality Control Process of Minieye

As of the end of the Reporting Period, the Group had a quality control team of 26 employees who are responsible for the overall quality management of our production process, which helps us to provide products and services that meet the industry standards and customers' expectations. We also engage external professional institutions to conduct quality tests to further ensure our quality standards.

During the Reporting Period, Minieye experienced no product recalls due to quality or safety issues.

2.4 Shared Responsibility Across the Value Chain

2.4.1 Supplier Management

Minieye has formulated and continuously improved supply chain management related system documents, and endeavors to integrate sustainable development factors into the entire process of supply chain management. Through internal policies such as the *Supplier Management Procedures* (《供應商管理程序》), we have clearly defined the steps and accountability of supplier management, including audit, onboarding, assessment, delisting, and penalties, to constantly enhance the efficiency of the Company's internal work, and endeavor to safeguard the stability and smoothness of the supply chain as well as to keep the risks under control. During the Reporting Period, we also iteratively refined the *Supplier Management Procedures* to further clarify and refine the audit process and criteria for potential suppliers.

At the supplier audit and onboarding stage, we mainly carry out risk monitoring and assessment of potential partners through the *Supplier Onboarding Audit Assessment Form* (《供應商導入審核評價表》). We explicitly require that front-end material suppliers maintain ISO 9001 and IATF 16949 quality management system certification, and only those who have passed the above-mentioned audits and qualification assessments can be included in the Company's *Qualified Supplier List* (《合格供應商名錄》). Suppliers that have met the requirements and are successfully onboarded are subject to a tiered classification management system with regular performance assessments and audits. Should supply quality issues arise, we require the suppliers concerned to take immediate corrective actions while providing necessary guidance and support. Suppliers failing to meet requirements consistently or underperforming are subject to delisting, replacement, and penalties.

Supplier Lifecycle Management of Minieye	
Supplier onboarding management	**Pre-qualification audit:** Inspection of the supplier to ensure that it meets the basic requirements for supplier qualification of Minieye **Formal onboarding:** Suppliers must execute the *Cooperation Agreement* (《合作協議》), *Supplier Quality Contract* (《供應商品質合約》), *Material PCN Agreement* (《物料 PCN 協議》), *Confidentiality Agreement* (《保密協議》) and *Integrity Agreement* (《廉潔協議》), along with submitting an approved *Supplier Onboarding Application Form* (《供應商准入申請表》) prior to inclusion in the *Qualified Supplier List*
Daily management of qualified suppliers	**Assessment and audit:** Quarterly assessment of all qualified suppliers in terms of quality and service, performance, price and responsiveness **Capability enhancement:** Development of supplier capability enhancement plans for suppliers not meeting the assessment level **Friendly exchanges:** Regular transparent, friendly and mutually supportive business exchanges with suppliers
Supplier exit management	**Supplier delisting:** Suppliers failing to meet requirements consistently or underperforming are subject to delisting, replacement and penalties

2.4.2 Sustainable Supply Chain

At the supplier audit and onboarding stage, we have included a number of sustainability-related indicators in the Supplier Onboarding Audit Assessment Form, such as the establishment of environmental control procedures, utilization of green electricity, and implementation of material carbon accounting. For front-end material suppliers, we mandate ISO 14001 certification as a compulsory requirement, while for back-end material suppliers, we prioritize collaboration with those possessing relevant environmental certifications.

To build a more sustainable and resilient supply chain, Minieye is actively implementing a localized sourcing strategy with a view to reducing logistics distances and associated greenhouse gas emissions. As of the end of the Reporting Period, approximately 82% of our 117 suppliers were located in the Pearl River Delta region, and approximately 50% of our non-Pearl River Delta suppliers had set up warehousing facilities in the Pearl River Delta region. A breakdown of the suppliers by geographical location is set out below.

Supply chain management indicators	**Number of suppliers** (entities)	**Percentage of total** (%)
Mainland China – Guangdong Province	86	73.50
Mainland China – Other Regions	20	17.09
Hong Kong, Macau and Taiwan	11	9.40
Total	117	100.00

Furthermore, Minieye maintains close communication and collaboration with its suppliers, adopting an open, cooperative and mutually beneficial approach to actively engaged in information exchange and technology sharing, aiming to tackle market challenges, grow and make progress together with our partners. During the Reporting Period, the products we jointly developed with our core suppliers included main control chips, camera modules and metal housing components.

2.5 Delivering Excellent Service

2.5.1 After-sales Service

We are committed to safeguarding customers' rights and continuously optimizing their service experience. We have established and implemented the *Customer Complaint Management Procedure* (《顧客抱怨管理程序》) and other relevant policies to regulate complaint handling, ensuring timely response and follow-up by relevant departments with swift, efficient resolutions. We will conduct problem analysis and make preliminary feedback within 24 hours after receiving a complaint, and apply the 8D[1] methodology to identify root causes. We will complete an 8D[1] report and share it with the customer within 5 working days after receiving defective units. During the Reporting Period, 100% of the 23 customer complaints received were addressed and resolved properly.

In addition to proactively analyzing the causes of customer complaints, we actively identify diverse customer needs and enhance customer satisfaction to continuously improve our service and product quality. We conduct regular customer satisfaction surveys in respect of technology, quality, service, delivery and other aspects, while strengthening our understanding of customer expectations and preferences through varied visits and communication channels to maintain close connections with customers. Our customer satisfaction score in 2024 reached 95.1 points, reflecting a significant improvement over 2023.

2.5.2 Data Security and Privacy

We firmly comply with the *Cybersecurity Law of the PRC* (《中華人民共和國網絡安全法》), the *Data Security Law of the PRC* (《中華人民共和國數據安全法》), the *Law of the Personal Information Protection of the PRC* (《中華人民共和國個人信息保護法》) and other relevant local laws and regulations. Upholding data security and privacy protection as non-negotiable priorities, we constantly strengthen our data security management and privacy protection frameworks, and have obtained TISAX and ISO 21434 certifications.

TISAX Certificates

ISO 21434 Certificate

1 The 8D (8 Disciplines) problem-solving process, also known as the team-oriented problem-solving method, is a systematic and team-oriented professional technique for problem-solving, widely used in customer service and other fields.

We have formulated the *Data Security Management System* (《數據安全管理制度》), *Data Classification and Tiering Management System* (《數據分類分級管理制度》), *Data Backup and Recovery Management System* (《數據備份與恢復管理制度》), and *Information Asset Security Management System* (《信息資產安全管理制度》), implementing secure data backup systems and recovery drills to mitigate risks of unauthorized access and data leakage. To strengthen information system security, we have formulated the *Information System Security Operations Guidelines* (《信息系統安全操作規定》) to regulate secure configurations and daily operational management for operating systems and database management systems. For personal privacy protection, we have also formulated the *Information and Network Security Privacy Protection Manual* (《信息安全網絡安全隱私保護管理手冊》) and the *Personal Information Protection Management Policy* (《個人信息保護管理制度》) to regulate the collection of personal data. During the Reporting Period, no information security or information leakage incidents occurred, and the Company faced no penalties due to security vulnerabilities or other information security issues.

To effectively address cybersecurity threats, we have established the *Data Security Incident Management System* (《信息安全事件管理制度》) and the *Network and Data Security Incident Emergency Response Plan* (《網絡及數據安全事件應急預案》) to promptly handle system vulnerabilities, cyberattacks and other security incidents. In May 2024, we organized a disaster recovery system drill, simulating emergency procedures for restoring backup data during server failures, through which we identified and addressed certain data security vulnerabilities, enhancing the Company's capability to handle and address information security.

We also conduct regular information security compliance training to continuously deepen employees' awareness of information security. In April 2024, we delivered an online and offline information security and privacy protection training session for 264 employees. The topics covered information security management systems and guidelines, information security threat prevention, and personal privacy protection measures, further enhancing employees' skills and knowledge in information security safeguards.

Information security and privacy protection training session

3. PEOPLE-ORIENTED APPROACH FOR MUTUAL GROWTH

Minieye is fully committed to safeguarding the legal rights and interests of its employees, striving to provide an equal, diverse, safe, and healthy work environment. We prioritize talent development and long-term career growth by offering diverse training opportunities and clear promotion pathways. Additionally, through festive activities, employee satisfaction surveys, and other initiatives, we constantly enhance employees' working experience, enabling them to work more comfortably and with greater peace of mind.

3.1 Employee Rights and Interests

Minieye strictly complies with the *Labor Law of the PRC* (《中華人民共和國勞動法》), the *Labor Contract Law of the PRC* (《中華人民共和國勞動合同法》), the *Prohibition of Child Labor Regulations* (《禁止使用童工規定》) and other relevant local laws and regulations. We have established and constantly improved our labor management systems, striving to create a diverse, equitable, and inclusive workplace environment.

3.1.1 Compliant Employment

To standardize recruitment processes, we have established and implemented the *Recruitment Management Regulations* (《招聘管理辦法》) and other internal policy documents, adhering consistently to principles of fairness, legality, and compliance. We communicate and exchange ideas with college students through campus dual-selection job fairs, online presentations, and other channels to actively carry out fresh graduates recruiting work. Simultaneously, we collaborate with national-level postdoctoral research stations to proactively identify high-level innovative talent. We also encourage existing employees to identify and recommend outstanding candidates who meet the needs of the Company, and provide cash incentives to the referrers in accordance with the *"Bole Award" – Administrative Measures for Internal Recruitment Referral Incentives* (《「伯樂獎」招聘內推獎勵管理辦法》) for successful inward promotion.

Minieye participated in the 28th National Autumn Graduate Employment Dual-Selection Job Fair

During employee onboarding, we rigorously verify his/her personal identification documents to prevent the inadvertent hiring of child labor. In the event of such an occurrence, we will immediately terminate his/her labor contracts and return him/her to his/her legal guardian. We also firmly oppose any form of forced labor and will strictly address violations in accordance with laws and regulations if discovered. During the Reporting Period, no illegal or non-compliant incidents involving child labor or forced labor were recorded.

3.1.2 Diversity and Equality

Minieye is committed to providing all employees with an equal, diverse, and inclusive work environment, striving to build a team composed of individuals from different backgrounds and with varying personalities, and will not discriminate against employees due to their race, ancestry, color, religion, gender, pregnancy, or disability status.

We also steadfastly support the career development of female employees, ensuring equal opportunities for advancement and growth in the workplace for both women and men through transparent and fair recruitment, promotion, and performance evaluation processes. In terms of gender diversity, Ms. Liu Yiran and Ms. Yang Yihong, leveraging their extensive professional expertise, have made significant contributions to the Board and senior management of the Company, respectively.

As of December 31, 2024, we had a total of 582 employees, categorized by gender, employment type, age group, region, and job level as follows:

Employee Indicators		**Number of employees** (person)	**Employee proportion** (%)	**Employee turnover Rate** (%)
Total		582	/	17.09
By gender	Male	424	72.85	17.99
	Female	158	27.15	14.59
By employment type	Full-time	582	100%	17.09
	Part-time	0	0%	/
By age group	Aged under 35	402	69.07	18.62
	Aged 35 to 50	168	28.87	13.85
	Aged above 51	12	2.06	7.69
By region	Guangdong Province	376	64.60	19.31
	Other regions	206	35.40	12.71

3.2 Remuneration and Benefits

Minieye offers employees a market-competitive compensation system and a diverse range of benefits, aiming to foster a more harmonious, warm, and joyful corporate atmosphere. To gain deeper insights into employees' needs and expectations, we conduct regular satisfaction surveys covering dimensions such as compensation and benefits, work environment, training systems, and corporate culture. The human resources department is responsible for collecting feedback, conducting analysis, and developing practical optimization plans.

3.2.1 Remuneration Incentives

We have established a comprehensive and competitive compensation structure, including fixed salaries as well as variable compensations such as performance bonuses and year-end bonuses. Employees also enjoy a wide range of benefits, including social insurances and housing provident fund, public holidays and other statutory benefits, alongside regular health check-ups, supplementary commercial insurance, festive gifts, free meals and accommodation, and other company-supplemented benefits. Further, we have introduced the *"Bamboo Award" Timely Incentive Management Policy* (《「毛竹獎」及時激勵管理辦法》) to recognize and motivate outstanding performers or those who make exceptional short-term contributions.

Partial festive gifts

3.2.2 Welfare and Care

To encourage employees to pursue work-life balance and constantly enhance their sense of belonging and well-being, Minieye planned and organized a variety of festive activities during the Reporting Period, covering festivals such as the Spring Festival, International Women's Day, the Dragon Boat Festival, the 1024 Programmer's Day, and the Mid-Autumn Festival.

Handmade Flowers Activity on International Women's Day

Dragon Boat Festival Fan Painting Activity

1024 Programmer's Day "Black Myth: Wukong" Theme Event

We also consistently care about employees' physical health and encourage them to build their bodies through sports. Our "2024 Sports Season" ran from March to November 2024, covering five major sports including football, basketball, and badminton, with a total of 20 competition days attracting 158 participants. In addition, during the Reporting Period, our employees established new table tennis and running clubs, fostering stronger communication and camaraderie through regular athletic activities.

Minieye 2024 Summer and Autumn Sports Games

3.3 Talent Development

Minieye is committed to helping every employee achieve both personal and professional growth, enabling self-improvement and maximizing their potential. We have established and implemented internal system documents such as the *Personnel Training Management Procedure* (《人員培訓管理程序》), offering diverse internal and external training opportunities tailored to employees' actual needs. While fostering a culture of learning within the enterprise, we provide employees with broader pathways for professional skill development.

To ensure the orderly implementation of training initiatives, the human resources department formulates the Group's training plan at the end of each year for the following year. Other departments, after identifying their employees' development needs, formulate detailed training plans independently, with the human resources department regularly tracking their execution. The human resources department also oversees the overall optimization of the Company's training system, periodically distributing feedback surveys to participants to collect opinions and implement evaluations in respect of course quality, content relevance and other aspects, and thereby developing subsequent improvement plans.

We provide employees with diverse training opportunities, including but not limited to industry-standard training, certification training, and external tool training. During the Reporting Period, we organized specialized training sessions such as: ASPICE (Automotive Software Process Improvement and Capability Determination) training, APQP&CP (Advanced Product Quality Planning & Control Plan) training, PSB/PSCR (Product Safety Representative/Product Safety & Conformity Representative) training, of which, the ASPICE training was delivered to all employees.

Employee training session

At the same time, the Group has established an internal instructor training mechanism to tap into the strength of internal instructors, so as to better disseminate the knowledge accumulated within the Company and to make the training sessions closer to the actual business situation. During the Reporting Period, we also held an outstanding trainer recognition event, honoring three exceptional trainers to encourage all employees to share experiences and skills with one another.

Annual Outstanding Trainer Award Ceremony

As Minieye is currently in a growth phase, its employee training data tracking system still has limitations, with data covering only partial timeframe during the Reporting Period, making it difficult to fully reflect the actual training situation. With the Company's operations maturing gradually, we plan to constantly optimize statistical processes and tools to enhance the aggregation and disclosure of such information.

Regarding employee promotions, we have established a comprehensive job level system and standardized career progression pathways. By formulating and implementing the *Company Position and Job Level Management System* (《公司職位職級管理制度》) and other policies, the Group creates sufficient room for development and growth opportunities for its employees. Employees are given promotion opportunities when higher-level positions become available and they meet the required competency standards. We also offer internal transfer options to help employees gain a thorough understanding of different roles' responsibilities and explore their potential for lateral career growth.

3.4 Occupational Health

Minieye has strictly complied with the *Production Safety Law of the PRC* (《中華人民共和國安全生產法》) and other relevant laws and regulations in the places of operation, and have formulated and implemented a series of rules and regulations relating to work safety and health protection, including the *Production Safety Regulations and System* (《安全生產規章制度》), the *Production Workshop Management System* (《生產車間管理制度》) and the *Environmental and Occupational Health Monitoring and Measurement Control Procedures* (《環境職安管理監視和測量控制程序》). We have also obtained ISO 45001 Occupational Health and Safety Management System Certification.

Certificate
Of Occupational Health And Safety Management System

Certificate No.:15724S20044R2M

This is to certify that the Occupational Health And Safety Management system Of

Shenzhen Youjia Innov Tech Co., Ltd.

Unified social credit code:91440300319707024D

Has been audited to conform to the following

Occupational Health And Safety Management System Requirements

GB/T 45001-2020/ISO 45001:2018

Certified Scope:

Related occupational health and safety management activities of R&D and assembly of advanced driving assistance systems

Initial certification: Aug 01,2018
Renewal date: Mar 19,2024
Valid period: Mar 27,2027
Issued by:

China Coal Association Certification Center (Beijing)

Minieye ISO 45001 Occupational Health and Safety Management System Certificate

We have set up a safety management organization led by the general manager to clarify the safety responsibilities across all levels, so as to ensure the implementation and enforcement of various safety systems. In addition, in order to efficiently respond to safety emergencies, we have set up an emergency response team and regularly conduct safety-related emergency drills and training activities.

To consistently enhance employees' safety awareness, in May and November 2024, we organized two safety training sessions at our production facilities. The training covered multiple aspects, including the three principles of safety production, basic workshop safety knowledge, and fire prevention requirements. The sessions combined centralized training with on-site practice, with local fire authorities providing live demonstrations on the use of fire extinguishers and at the same time organizing fire evacuation drills. After the training, we evaluated its effectiveness through tests and practical assessments to ensure and further improve the quality of the training. Additionally, we implement safety production evaluations throughout the year to strengthen departmental accountability for safety by employing a mix of regular assessments and irregular inspections. We also implemented targeted corrective measures to address weaknesses, constantly elevating the Company's safety production management standards.

Fire drill site

Centralized safety production training session

In addition to constantly strengthening safety management at production facilities, we also place particular emphasis on safeguarding the security of autonomous driving test personnel, consistently striving to minimize the safety risks they face. To this end, we have established and implemented an "Internal Driver's License System for Test Personnel". Test personnel are required to possess proficient driving skills and a thorough understanding of driving safety knowledge, and are authorized to operate test vehicles only after passing the internal license assessment. Furthermore, we conduct regular safety training for test personnel to reinforce their safety awareness and prevent complacency. To ensure compliance during testing, all test vehicles are equipped with standardized driving recorders, enabling remote monitoring of vehicle status and data throughout the testing process, thereby minimizing potential safety hazards to the greatest extent.

Over the past three years, there have been no work-related fatalities within the Group, and there were no work-related injury incidents during the Reporting Period.

3.5 Community Investment

Minieye is currently in a growth phase, therefore we are focusing its efforts and resources on core business activities to ensure business expansion and the enhancement of core competitiveness. As the Company's operations mature gradually, we plan to dedicate more attention and resources to social investments in the future, creating greater value for society while strengthening related disclosures.

4. LOW CARBON OPERATION AND GREEN DEVELOPMENT

Minieye always regards green and sustainable development as our own responsibility, constantly strengthens energy, water resources, and emissions management, and are committed to minimizing the impact of our operations on the environment. Meanwhile, against the intensifying global climate change, we have continued to promote the identification of risks associated with climate change and actively adopted measures to address them. We are also aware of the opportunities that may arise from global climate change, and continue to implement and explore sustainable development paths, with the expectation to realize long-term business growth while maintaining our competitive edge in the market.

4.1 Adherence to Green Operation

We have already been certified with ISO 14001 Environmental Management System, and the effective guidelines and workflow of such management system are detailed in internal policy documents such as the *EHS (Safety, Environment and Health) Management System* (《EHS(安全、環保、健康)管理制度》) and the *Quality, Environment and Occupational Health and Safety Management Manual* (《質量、環境、職業健康安全管理手冊》). Our employees strictly implement and enforce relevant systems, thereby improving the energy and resource usage efficiency while ensuring 100% compliance of wastewater and waste discharge.


Certificate

Of Environmental Management System

Certificate No.:15724E20064R2M

This is to certify that the Environmental Management system Of

Shenzhen Youjia Innov Tech Co., Ltd.

Unified social credit code:91440300319707024D

Has been audited to conform to the following Environmental Management System Standard

GB/T 24001-2016/ISO 14001:2015

Certified Scope:

Related environmental management activities of R&D and assembly of advanced driving assistance systems

Initial certification: Aug 01,2018

Renewal date: Mar 19,2024

Valid period: Mar 27,2027

Issued by:

Minieye's ISO 14001 Environmental Management System Certificate

4.1.1 Energy Management

The main energy source that Minieye uses during operation is purchased electricity, with some test vehicles also consuming gasoline and diesel. We strictly comply with the relevant laws and regulations of our operating locations, including but not limited to the *Energy Conservation Law of the PRC* (《中華人民共和國節約能源法》), and have specified the requirements of electricity conservation in our *Employee Handbook*. Without affecting the growth of our business, we will continue to improve energy efficiency, aiming to reduce the Group's energy consumption intensity by 5% by 2033 compared to the 2023 baseline.

At the same time, we actively promote the procurement and use of green electricity to constantly optimize our energy mix. During the Reporting Period, green electricity accounted for as much as 75% of the power used in the Company's production facilities. We have also set a clear quantitative target to use 100% green electricity in our production plants by 2025, through purchasing green certificates and installing photovoltaic modules, thereby helping China achieve carbon peak and carbon neutrality goals with our concrete actions.

Green electricity certificate transaction documentation obtained by Minieye during the Reporting Period

In addition, we prioritize the purchase of equipment and products with obvious energy-saving effects and relatively low energy consumption under the same conditions, and include energy-saving and environmental protection in the training of our employees. For example, we require our staff to turn off lights before leaving the office and keep the temperature of the air-conditioning system within a reasonable range. We also send out e-reminders to our employees on a regular basis to enhance their awareness of energy saving and consumption reduction and create a green corporate atmosphere.

During the Reporting Period, our total energy consumption and intensity are as follows:

	Unit	2024
Gasoline[1]	MWh	250.01
Diesel[1]	MWh	201.62
Total direct energy consumption	MWh	451.63
Purchased electricity	MWh	2,454.62
Of which: Green electricity	MWh	661.31
Total indirect energy consumption	MWh	2,454.62
Total energy consumption	MWh	2,906.25
Energy consumption intensity	MWh/RMB million revenue	4.44

1 The energy consumption resulting from the use of gasoline and diesel is converted to MWh based on the lower heating values set out in the *Guidelines for Calculation Methods and Reporting of GHG Emissions from Industrial and Other Industrial Enterprises* (《工業其他行業企業溫室氣體排放核算方法與報告指南》).

4.1.2 Resource Management

The Group has always attached great emphasis on the management and utilization of water resources, strictly comply with the *Water Law of the PRC* (《中華人民共和國水法》) and other relevant laws and regulations of the places where we operate. We have also set clear water conservation targets, aiming to reduce water intake intensity by 2% by 2033 compared to the 2023 baseline. To achieve this goal, we are actively exploring various water-saving measures. For example, in the cleaning phase of our production process, we employ water-based cleaning machines with internal recycling structure, which, through the stripping of pollutants by filtration devices, can realize the recycling of both cleaning fluid and water, and thus significantly improving water resource efficiency.

At the same time, we analyze water consumption on a monthly basis, and once any anomaly is detected, we will carry out investigations immediately to eliminate leakage in a timely manner. We also regard the publicity of water conservation awareness as an important art of water conservation work. We have made clear the requirements for water conservation in our *Employee Handbook* and have posted relevant slogans and posters in production plants, dormitories, etc., with the aim of emphasizing the importance of water conservation to employees and constructing an overall water conservation culture in the enterprise. All the water resources we use are from municipal water supply. During the Reporting Period, we did not encounter any difficulty in obtaining water sources, the specific water extraction and intensity are as follows:

	Unit	**2024**
Water consumption[1]	m^3	817.30
Water consumption intensity	m^3/RMB million revenue	1.25

[1] Several of our offices do not pay for water alone, and relevant expenditure is usually included in the management fee paid to properties. Some of the numbers for the "water consumption" indicator thus involve estimation.

We also prioritize the efficient use of raw materials, packaging and other materials, strictly control the quantity of raw materials during the production process to ensure optimal utilization. For packaging materials, we adhere to the principles of simplicity and practicality, striving to avoid waste caused by excessive or oversized packaging. During the Reporting Period, the weight and intensity of the packaging materials we used are as follows:

	Unit	**2024**
Packaging consumption	tons	63.00
Packaging consumption intensity	tons/RMB million revenue	0.10

4.1.3 Emissions Management

During the Reporting Period, Minieye's emissions mainly consisted of domestic wastewater and general solid waste, and did not involve the production or discharge of industrial wastewater, hazardous waste or waste gas. We strictly comply with the *Water Pollution Prevention and Control Law of the PRC* (《中華人民共和國水污染防治法》), *the Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste* (《中華人民共和國固體廢棄物污染環境防治法》) and other relevant laws and regulations in the places where we operate, and have established and implemented stringent internal management procedures, such as the *Procedures for Environmental Safety Monitoring and Measurement* (《環境安全監測與測量程序》).

Our domestic wastewater is discharged through municipal pipes and disposed of in municipal wastewater treatment plants. For general solid waste, we have it collected by a qualified third party. We encourage our employees to conduct office work and meeting activities online as much as possible, operate most of our business digitally, and utilize cloud services to reduce the consumption of paper and other office supplies. Integrating the concept of "efficiency as the basis" into our corporate culture, we take practical actions to reduce the generation of waste.

During the Reporting Period, the total volume and intensity of non-hazardous waste generated by us are as follows:

	Unit	**2024**
Total non-hazardous waste [1]	tons	2.28
Non-hazardous waste intensity	tons/RMB million revenue	0.0035

1. Our office waste is handed over to the property management company for disposal and has no material impact, therefore, the data here pertains solely to production facilities. Non-hazardous waste generated by our production activities primarily includes: mesh cleaning paper, feeder tapes, lint-free cloths, packaging bags, etc.

4.2 Responding to climate change

Climate change has become one of the most pressing global issues today. As a company deeply committed to sustainable development, Minieye has consistently prioritized this concern. While actively identifying climate-related risks and enhancing our climate resilience, we are also dedicated to seizing the diverse opportunities presented by climate change and contributing Minieye's efforts to mitigating the global climate change process.

We have established internal policy documents such as the *ESG Management System* (《ESG管理制度》), with the Board overseeing ESG-related initiatives, including climate change. Their responsibilities encompass setting development directions, strategies, and targets, as well as reviewing and approving key relevant matters. Concurrently, the Strategy Committee and the ESG Working Group assist the Board in executing these efforts, including researching, analyzing, and evaluating pertinent issues, and formulating detailed action plans.

Based on the Company's business operations, industry characteristics, as well as external factors such as policy environment and climate context, the climate-related risks and opportunities we have identified, along with corresponding response measures, are outlined in the table below:

Risk/ Opportunity Type	Risk/Opportunity Description	Minieye's Response Measures
Physical Risks	• The intensification of climate change has led to more frequent extreme weather events such as heavy rainfall and typhoons, increasing the likelihood that our fixed assets (e.g. factories, production facilities) will face acute risks like flooding and waterlogging. These events threaten employee safety, disrupt normal business operations, and result in property damage. • Climate change may have long-term impact on the climatic conditions in the regions where the Company operates. More frequent and severe extreme heat events could lead to greater fluctuations in cooling demand and energy usage, thereby increasing operating costs.	• Closely monitor weather forecasts to stay informed about the development of extreme weather events and disseminate alerts to employees, reminding them to prioritize personal safety. The Company has established emergency response plans for extreme weather events such as heavy rainfall and typhoons. Additionally, climate-related factors are incorporated into the evaluation process for factory site selection. • Implement heat-resilient upgrades to factory sites and production facilities as needed, while optimizing the energy efficiency of temperature-regulation systems such as air conditioning to reduce cooling energy consumption and costs under comparable conditions.

Risk/ Opportunity Type	Risk/Opportunity Description	Minieye's Response Measures
Transition Risks	• Market and policy changes may subject the Company's suppliers to more stringent regulatory requirements regarding resources usage and carbon emissions, leading to higher production costs for suppliers and increased operating costs for the Company.	• Minieye consistently prioritizes ESG risk management in its supply chain and actively promotes the application of clean technologies/ energy sources, such as green electricity, in upstream supply chain. The Company constantly strengthens its capability to source environmentally friendly, low-carbon materials.
Product and Market Opportunities	• Customer demand for products with lower carbon footprint is expected to expand further as the issue of climate change becomes more of a concern for all sectors of society.	• We have already incorporated green electricity on a large scale in our production processes and plan to further increase its proportion in the Company's energy mix. These initiatives will help continuously reduce the carbon footprint of our products, enhance market competitiveness, and thereby contribute to revenue growth.
Energy Source Opportunities	• With the establishment of China's "Carbon Peak and Carbon Neutrality" goals, renewable energy is becoming increasingly widespread and costs continue to decline. If the Company further increases the proportion of renewable energy in its energy mix, it may reduce future operating costs related to energy usage and lower compliance expenditures associated with climate change and environmental protection.	• We actively promote the procurement and use of green electricity and plan to ensure that production facilities operate on 100% renewable energy by 2025 through measures such as purchasing green certificates and installing photovoltaic systems. This will further reduce GHG emissions from our operations.

During the Reporting Period, we conducted initiated statistical and accounting work on greenhouse gas emissions data, and extended it to the dimension of Scope 3, covering part of the employee travel (transportation), employee commuting, as well as upstream GHG emissions from gasoline, diesel, purchased electricity (not included in Scope 1 and Scope 2). In the future, we plan to further expand the scope of statistics and measurement of Scope 3 GHG emissions, so as to better carry out the control of GHG emissions and related information disclosure.

During the Reporting Period, the total volume and intensity of Minieye's GHG emissions are as follows:

	Unit	**2024**
Scope 1 GHG emissions[1]	tCO_2e	113.81
Scope 2 GHG emissions[2]	tCO_2e	962.29
Total GHG emissions (Scope 1 + Scope 2)	tCO_2e	1,076.10
GHG emission intensity (Scope 1 + Scope 2)	tCO_2e/RMB million revenue	1.64
Scope 3 GHG emissions[3]	tCO_2e	1,341.03

1 Scope 1 GHG emissions come from the usage of gasoline and diesel, and the carbon dioxide emission factors mainly refer to the *Guidelines for Calculation Methods and Reporting of GHG Emissions from Industrial and Other Industrial Enterprises* (《工業其他行業企業溫室氣體排放核算方法與報告指南》).

2 Scope 2 GHG emissions are generated from the usage of purchased electricity, and the carbon dioxide emission factor mainly refer to the *Announcement on the Release of 2022 Carbon Dioxide Emission Factors for Electricity* (《關於發佈2022年電力二氧化碳排放因數的公告》) issued by the Ministry of Ecology and Environment of the People's Republic of China.

3 Scope 3 GHG emissions include part of the employee travel (transportation), employee commuting, as well as upstream GHG emissions from gasoline, diesel, purchased electricity (not included in Scope 1 and Scope 2).

Appendix: HKEx ESG Reporting Guide Index

Aspects	Descriptions	Chapter
A1	**Emissions**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4. Low Carbon Operation and Green Development
A1.1	The types of emissions and respective emissions data.	4. Low Carbon Operation and Green Development
A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.2 Responding to climate change
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable
A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1.3 Emissions Management
A1.5	Description of emissions target(s) set and steps taken to achieve them.	4. Low Carbon Operation and Green Development
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	4.1.3 Emissions Management

Aspects	Descriptions	Chapter
A2	**Use of Resources**	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	4.1 Adherence to Green Operation
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).	4.1.1 Energy Management
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.1.2 Resource Management
A2.3	Description of energy use efficiency initiatives and steps taken to achieve them.	4.1.1 Energy Management
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.1.2 Resource Management
A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	4.1.2 Resource Management
A3	**The Environment and Natural Resources**	
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	4. Low Carbon Operation 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.	4. Low Carbon Operation and Green Development
A4	**Climate Change**	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	4.2 Responding to climate change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4.2 Responding to climate change

Aspects	Descriptions	Chapter
B1	**Employment**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3. People-oriented Approach for Mutual Growth
B1.1	Total workforce by gender, employment type (for example, full or part-time), age group and geographical region.	3.1.2 Diversity and Equality
B1.2	Employee turnover rate by gender, age group and geographical region.	3.1.2 Diversity and Equality
B2	**Health and Safety**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.4 Occupational Health
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.4 Occupational Health
B2.2	Lost days due to work injury.	3.4 Occupational Health
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	3.4 Occupational Health

Aspects	Descriptions	Chapter
B3	**Development and Training**	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.3 Talent Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.3 Talent Development
B3.2	The average training hours completed per employee by gender and employee category.	3.3 Talent Development
B4	**Labor Standards**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	3.1.1 Compliant Employment
B4.1	Description of measures to review employment practices to avoid child and forced labor.	3.1.1 Compliant Employment
B4.2	Description of steps taken to eliminate such practices when discovered.	3.1.1 Compliant Employment
B5	**Supply Chain Management**	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	2.4.2 Sustainable Supply Chain
B5.1	Number of suppliers by geographical region.	2.4.2 Sustainable Supply Chain
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	2.4 Shared Responsibility Across the Value Chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.4.2 Sustainable 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.	2.4.2 Sustainable Supply Chain

Aspects	Descriptions	Chapter
B6	**Product Responsibility**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	2.3 Commitment to Product Quality 2.5 Delivering Excellent Service
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.3 Commitment to Product Quality
B6.2	Number of products and service-related complaints received and how they are dealt with.	2.5.1 After-sales Service
B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.2 Protection of Intellectual Property
B6.4	Description of quality assurance process and recall procedures.	2.3 Commitment to Product Quality
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	2.5.2 Data Security and Privacy
B7	**Anti-corruption**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.2 Upholding Business Ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.2 Upholding Business Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	1.2 Upholding Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	1.2 Upholding Business Ethics

Aspects	Descriptions	Chapter
B8	**Community Investment**	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	3.5 Community Investment
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	3.5 Community Investment
B8.2	Resources contributed (e.g. money or time) to the focus area.	3.5 Community Investment

INDEPENDENT AUDITOR'S REPORT

羅兵咸永道

To the Shareholders of Minieye Technology Co., Ltd
(incorporated in the People's Republic of China with limited liability)

Opinion

What we have audited

The consolidated financial statements of Minieye Technology Co., Ltd (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 113 to 206, comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated statement of comprehensive loss 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 at 31 December 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.

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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 expected credit losses ("ECL") of trade receivables Refer to Note 3.1(b) "credit risk", Note 4(a) "Critical accounting estimates and judgements" and Note 21 "Trade and notes receivables" to the consolidated financial statements. As at 31 December 2024, the gross carrying amount of trade receivables amounted to RMB489.8 million, against which an allowance for expected credit losses of RMB33.0 million was provided. Management applied a simplified approach prescribed by IFRS 9 to measure ECL which uses a lifetime expected loss allowance for all trade receivables. For trade receivable balances with objective evidence of impairment and significant different credit risk characteristics, individual provision was made based on the present value of the difference between contractual cashflows and the cash flows that were expected to be received, with the considerations on current and future economic situations.	We have performed the following procedures, with the assistance of our credit model experts, in respect of the assessment of ECL of trade receivables: • We obtained an understanding of the Group's internal controls 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; • In respect of the methods and significant assumptions used by management: (1) We assessed the appropriateness of the ECL provision methods adopted by management; (2) We evaluated the reasonableness of grouping of trade receivables based on shared credit risk characteristics; (3) We evaluated management's judgment that trade receivables are featured with significant different credit risk characteristics;

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Trade receivables without objective evidence of impairment have been grouped based on shared credit risk characteristics to measure the ECL and, management's estimation of ECL has taken into consideration of certain information, including credit profiles and the payment profiles of counter parties. The expected loss rates are adjusted to reflect current conditions and forward-looking information on macroeconomic environment. Management identified the Gross Domestic Product, Consumer Price Index and Producer Price Index to be the most relevant factors. Significant assumptions involved in relation to assessment of ECL are subject to a relatively higher degree of uncertainty and subjectivity which in turn led to a high degree of auditor's judgment and audit effort.	(4) For trade receivable balances with objective evidence of impairment and significant different credit risk characteristics, we assessed the recoverability by checking the supporting evidence, including credit history, public information, business performance and financial capability of these customers; and (5) For trade receivables without objective evidence of impairment, we assessed the credit profiles and payment profiles of counter parties by comparing to public information or market data of companies with similar industry and other supporting evidence, and we evaluated the forward-looking factors with reference to our understanding of the Group's business, industry and external macroeconomic data. Based on the procedures performed, we found that the methods and assumptions applied by the management in the ECL assessment of trade receivables were supported by the evidence obtained.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in Minieye Technology Co., Ltd 2024 Annual Report (the "**annual report**") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including the corporate information, financial highlights and management discussion and analysis prior to the date of this auditor's report. The remaining other information, including the directors' report, corporate governance report, chairman's statement and the other sections to be included in the annual report, is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action considering our legal rights and obligations.

Responsibilities of Directors and Those Charged with Governance 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.

Those charged with governance are 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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.

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

- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance 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 those charged with governance, 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 CHAN Chiu Kong, Edmond.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	Note	Year ended 31 December 2024 RMB'000	2023
Revenue	5	**654,481**	476,206
Cost of sales	6	**(549,705)**	(408,184)
Gross profit		**104,776**	68,022
Selling expenses	6	**(71,096)**	(72,735)
General and administrative expenses	6	**(106,887)**	(74,294)
Research and development expenses	6	**(156,107)**	(149,826)
Net impairment losses on financial assets	11	**(22,648)**	(6,116)
Other income	8	**25,736**	27,922
Other gains – net	9	**3,726**	1,338
Operating loss		**(222,500)**	(205,689)
Finance income	10	**2,273**	1,967
Finance costs	10	**(7,494)**	(3,373)
Finance costs – net		**(5,221)**	(1,406)
Loss before income tax		**(227,721)**	(207,095)
Income tax expense	12	**(17)**	(60)
Loss and total comprehensive loss for the year		**(227,738)**	(207,155)
Loss and total comprehensive loss for the year attributable to:			
Owners of the Company		**(216,487)**	(197,238)
Non-controlling interests		**(11,251)**	(9,917)
		(227,738)	(207,155)
Loss per share attributable to the owners of the Company (in RMB)			
Basic and diluted loss per share	13	**(0.61)**	(0.59)

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

CONSOLIDATED BALANCE SHEET

	Note	Year ended 31 December 2024 RMB'000	2023
ASSETS			
Non-current assets			
Property, plant and equipment	15	**43,883**	35,697
Right-of-use assets	16	**61,101**	32,535
Intangible assets	17	**18,926**	10,340
Investment properties	18	**4,529**	4,771
Other non-current assets	19	**10,754**	12,358
		139,193	95,701
Current assets			
Inventories	20	**124,161**	144,961
Trade and notes receivables	21	**506,490**	333,585
Other current assets	22	**79,756**	66,878
Financial assets at fair value through other comprehensive income	23	**29,105**	36,462
Financial assets at fair value through profit or loss	24	**800**	210,597
Restricted cash	25	**4,842**	1,690
Cash and cash equivalents	25	**793,943**	197,934
		1,539,097	992,107
Total assets		**1,678,290**	1,087,808
EQUITY			
Equity attributable to owners of the Company			
Share capital	26	**399,190**	360,000
Reserves	27	**1,359,274**	780,675
Accumulated losses		**(623,662)**	(407,175)
		1,134,802	733,500
Non-controlling interests		**8,323**	19,574
Total equity		**1,143,125**	753,074

CONSOLIDATED BALANCE SHEET

	Note	Year ended 31 December 2024 RMB'000	2023
LIABILITIES			
Non-current liabilities			
Lease liabilities	16	**5,558**	19,095
Deferred income	31	**7,701**	12,885
Borrowings	30	**32,100**	18,800
		45,359	50,780
Current liabilities			
Trade payables	33	**226,341**	130,098
Contract liabilities	5	**7,724**	5,405
Borrowings	30	**159,408**	77,860
Lease liabilities	16	**15,479**	15,196
Other payables and accruals	34	**80,854**	55,395
		489,806	283,954
Total liabilities		**535,165**	334,734
Total equity and liabilities		**1,678,290**	1,087,808

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

The financial statements on pages 118 to 206 were approved by the Board of Directors on 28 March 2025 and were signed on its behalf.

Liu Guoqing
Director

Yang Guang
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company						
		Paid-in capital	Share capital	Reserves	Accumulated losses	Total	Non-controlling interests	Total equity
					RMB'000			
As at 1 January 2024		**–**	**360,000**	**780,675**	**(407,175)**	**733,500**	**19,574**	**753,074**
Loss for the year		**–**	**–**	**–**	**(216,487)**	**(216,487)**	**(11,251)**	**(227,738)**
Total comprehensive loss		**–**	**–**	**–**	**(216,487)**	**(216,487)**	**(11,251)**	**(227,738)**
Issuance of ordinary shares upon global offering		**–**	**39,190**	**549,888**	**–**	**589,078**	**–**	**589,078**
Share-based payment	28	**–**	**–**	**28,711**	**–**	**28,711**	**–**	**28,711**
As at 31 December 2024		**–**	**399,190**	**1,359,274**	**(623,662)**	**1,134,802**	**8,323**	**1,143,125**
As at 1 January 2023		36,139	–	1,105,785	(612,342)	529,582	14,491	544,073
Loss for the year		–	–	–	(197,238)	(197,238)	(9,917)	(207,155)
Total comprehensive loss		–	–	–	(197,238)	(197,238)	(9,917)	(207,155)
Conversion into a joint stock company		(36,139)	36,139	(402,405)	402,405	–	–	–
Capital contributions from owners of the Company		–	2,519	341,236	–	343,755	–	343,755
Capital injection by a non-controlling shareholder		–	–	35,000	–	35,000	15,000	50,000
Share-based payment	28	–	–	22,401	–	22,401	–	22,401
Conversion of capital reserves into share capital		–	321,342	(321,342)	–	–	–	–
As at 31 December 2023		–	360,000	780,675	(407,175)	733,500	19,574	753,074

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 31 December 2024 RMB'000	2023
Cash flows from operating activities			
Cash used in operations	35(a)	**(218,021)**	(278,245)
Interest received		**2,273**	1,967
Income taxes paid		**(17)**	(60)
Net cash used in operating activities		**(215,765)**	(276,338)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(21,497)**	(24,540)
Purchase of land use rights		**(42,605)**	–
Purchase of intangible assets		**(6,918)**	(2,648)
Proceeds from disposal of property, plant and equipment		**433**	1,061
Proceeds from disposal of financial assets at fair value through profit or loss	3.3(c)	**1,851,009**	1,489,970
Purchase of financial assets at fair value through profit or loss	3.3(c)	**(1,637,600)**	(1,652,200)
Net cash generated from/(used in) investing activities		**142,822**	(188,357)
Cash flows from financing activities			
Receipt of share capital from ordinary shareholders		**–**	348,480
Proceeds from issuance of H shares upon global offering		**616,729**	–
Proceeds from contributions of non-controlling interests		**–**	50,000
Proceeds from bank borrowings		**253,975**	104,760
Repayment of bank borrowings		**(159,127)**	(63,660)
Interest paid for borrowings		**(6,170)**	(2,139)
Payment of transaction costs related to equity financing		**–**	(4,725)
Payment of listing expense		**(20,273)**	–
Principal elements and interest elements of lease payments		**(16,429)**	(13,846)
Net cash generated from financing activities		**668,705**	418,870
Net increase/(decrease) in cash and cash equivalents		**595,762**	(45,825)
Cash and cash equivalents at the beginning of the year		**197,934**	243,785
Effects of foreign exchange rate changes on cash and cash equivalents		**247**	(26)
Cash and cash equivalents at the end of the year	25	**793,943**	197,934

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Minieye Technology Co., Ltd ("**Minieye**", or the "**Company**") was incorporated in Shenzhen on 10 December 2014 as a limited liability company. The address of the Company's registered office is Floor 25, 9285 Binhe Avenue, Futian District, Shenzhen, Guangdong Province, the People's Republic of China (the "**PRC**").

Upon approval by the shareholders' general meeting held in April 2023, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "Minieye Technology Co., Ltd. (深圳佑駕創新科技有限公司)" to "Minieye Technology Co., Ltd (深圳佑駕創新科技股份有限公司)" on 7 June 2023.

The Company and its subsidiaries (together, "**the Group**") are principally engaged in the development, manufacture and sales of intelligent driving products and solutions in the PRC.

On 27 December 2024, the Company has been successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited.

These consolidated financial statements were approved for issue by the Board of Directors on 28 March 2025.

2. Basis of preparation and changes in accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards (IFRS) and interpretations issued by IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

2. Basis of preparation and changes in accounting policies (continued)

2.2 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

A number of new or amended standards and interpretation became applicable for the current reporting period. The adoption of these new standards and amendments did not have material impact on the Group's financial position or operating result and did not require retrospective adjustment.

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

The amendments listed above did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amended standards not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group.

2. Basis of preparation and changes in accounting policies (continued)

2.2 Changes in accounting policies and disclosures (continued)

(b) New and amended standards not yet adopted (continued)

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

Standards and amendments	**Effective for accounting periods beginning on or after**
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025
Amendments to IFRS 7 and IFRS 9 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 7 and IFRS 9 – Contracts referencing nature-dependent electricity	1 January 2026
Annual improvements to IFRS – Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 – Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28 – Sale or contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have a significant impact on the financial performance and positions of the Group when they become effective.

3. Financial risk management

3.1 Financial risk factors

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

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Company and its primary subsidiaries were incorporated in the PRC and considered RMB as their functional currency.

The Group is primarily exposed to changes in RMB/USD and RMB/HKD exchange rates. As at 31 December 2024, if USD or HKD strengthened/weakened by 10% against RMB, with all other variables held constant, loss before income tax for the year then ended would have been approximately RMB 1,053,000 higher/lower and RMB 59,139,000 higher/lower (31 December 2023: RMB 513,000 higher/lower and RMB nil higher/lower) as a result of foreign exchange losses/gains on translation of USD or HKD denominated cash and cash equivalents, financial assets at fair value through profit or loss ("**FVPL**"), trade and notes payables as well as other payables and accruals.

(ii) Cash flow and fair value interest rate risk

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

The Group's interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 30. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the reporting period.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

As at 31 December 2024 and 2023, if the Group's interest rates on borrowings obtained at variable rates had been 100 basis points higher/lower, the loss before income tax for the year then ended would have been approximately RMB 237,000 and RMB 168,000 higher/lower respectively.

(iii) Price risk

The Group is exposed to price risk in respect of FVPL, which mainly include investments in structured deposits and wealth management products. The Group is not exposed to commodity price risk. See Note 3.3 for details.

(b) Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, trade and notes receivables, other receivables, FVOCI, FVPL, long-term receivables and non-current rental deposits. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

Risk management

To manage this risk, cash and cash equivalents and restricted cash are mainly placed with state-owned or reputable financial institutions in Mainland China which are all high-credit-quality financial institutions.

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

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Risk management (continued)

For other receivables, non-current rental deposits and long-term receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experiences, and forward-looking information.

Impairment of financial assets

The Group has four types of financial assets that are subject to the expected credit loss model: (i) cash and cash equivalents and restricted cash; (ii) trade and notes receivables; (iii) other receivables; (iv) long-term receivables; and (v) non-current rental deposits.

(i) Cash and cash equivalents and restricted cash

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

(ii) Trade receivables, notes receivables and financial assets at FVOCI

Trade receivables

Management applied a simplified approach prescribed by IFRS 9 to measure ECL which uses a lifetime expected loss allowance for all trade receivables.

For trade receivable balances with objective evidence of impairment and significant different credit risk characteristics, individual provision was made based on the present value of the difference between contractual cashflows and the cash flows that were expected to be received, with the considerations on current and future economic situations.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

(ii) Trade receivables, notes receivables and financial assets at FVOCI (continued)

Trade receivables (continued)

Trade receivables without objective evidence of impairment have been grouped based on shared credit risk characteristics to measure the ECL and, management's estimation of ECL has taken into consideration of certain information, including credit profiles and the payment profiles of counter parties. The expected loss rates are adjusted to reflect current conditions and forward-looking information on macroeconomic environment. Management identified the Gross Domestic Product, Consumer Price Index and Producer Price Index to be the most relevant factors.

The Group's trade receivables mainly represented receivables received from the sales of products and providing solutions and services to customers as described in Note 21. The Group's credit period to its customers was typically within one year.

Impaired trade receivables include:

Category 1: customers who are listed companies with relatively low credit risk and no default history.

Category 2: customers with objective evidences of impairment and significant different credit risk characteristics

Category 3: customers who are not listed companies and grouped based on shared credit risk characteristics and not listed.

With different types of customers, the Group calculated the expected credit loss rates respectively.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

(ii) Trade receivables, notes receivables and financial assets at FVOCI (continued)

Trade receivables (continued)

As of 31 December 2024 and 2023, the loss allowance provision for the trade receivables was determined as follows.

	As at 31 December 2024		
	Gross carrying amount RMB'000	**Expected credit loss rate**	**Loss allowance RMB'000**
Category 1 – individual basis	**155,594**	**2.59%**	**(4,028)**
Category 2 – individual basis	**18,848**	**100.00%**	**(18,848)**
Category 3 – collective basis	**315,337**	**3.20%**	**(10,094)**
	489,779	**6.73%**	**(32,970)**

	As at 31 December 2023		
	Gross carrying amount RMB'000	Expected credit loss rate	Loss allowance RMB'000
Category 1 – individual basis	146,036	1.77%	(2,588)
Category 2 – individual basis	5,823	100.00%	(5,823)
Category 3 – collective basis	157,185	3.50%	(5,494)
	309,044	4.50%	(13,905)

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

(ii) Trade receivables, notes receivables and financial assets at FVOCI (continued)

Notes receivables and financial assets at FVOCI

Financial assets at FVOCI mainly relate to notes receivable held both to collect cash flows and to sell. For notes receivables, the Group applies the IFRS 9 simplified approach to measure expected credit losses. As of 31 December 2024 and 2023, management considers that the expected credit loss is immaterial and no loss provision has been made.

(iii) Other receivables

Other receivables that are not credit-impaired on initial recognition are classified in stage 1 and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other receivable has occurred since initial recognition, the financial asset is moved to 'stage 2' but is not yet deemed to be credit impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'stage 3' and the expected credit loss is measured as lifetime expected credit loss.

Management considers the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the years ended 31 December 2024 and 2023. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

Transfer between stage 1, stage 2 or stage 3 due to other receivables experiencing significant increases (or decreases) of credit risk in the period, and the subsequent "step up" (or "**step down**") between 12-month and lifetime ECL.

Other receivables derecognized and write-offs of allowance related to assets that were written off during the year.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

(iii) Other receivables (continued)

The Group considers counter – parties as follows:

'Stage 1' – Counter-parties who have low risk of default and a strong capacity to meet contractual cash flows;

'Stage 2' – Counter-parties whose repayments are past due but with reasonable expectation of recovery;

'Stage 3' – Counter-parties whose repayments are past due and with low reasonable expectation of recovery.

As at 31 December 2024 and 2023, the loss allowance of other receivables are determined as follows:

	As at 31 December	
	2024	2023
	RMB'000	
Expected loss rate	**10.48%**	9.21%
Gross carrying amounts – other receivables	**6,756**	7,815
Loss allowance	**(708)**	(720)

Other receivables mainly include deposits, advance to staff and others. All of the Group's financial assets at amortized cost are 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 as described in Note 22. As there has been no significant increase in credit risk since initial recognition, most of the Group's other receivables as at 31 December 2024 and 2023 were classified in Stage 1 and their expected credit losses were measured on a 12-month basis. Other receivables are written off when there is no reasonable expectation of recovery.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

(iv) Other non-current assets

The Group's other non-current assets include non-current rental deposits and long-term receivables, which are sales proceeds collected over a three-year period.

The Group chooses to apply the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) for long-term receivables which contain a significant financing component.

As at 31 December 2024 and 2023, the loss allowance of non-current assets are determined as follows:

	As at 31 December	
	2024	2023
	RMB'000	
Expected loss rate	**83.83%**	100.00%
Gross carrying amounts – other non-current assets	**6,883**	3,420
Loss allowance	**(5,770)**	(3,420)

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

(v) Summary of impairment of financial assets

Impairment losses on the above mentioned trade receivables and other receivables are presented as net impairment losses within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

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

	Trade and notes receivables	Other receivables	Other non-current assets	Total
		RMB'000		
As at 1 January 2024	**(13,905)**	**(720)**	**(3,420)**	**(18,045)**
Increase in loss allowance recognized in Profit or loss during the year	**(20,293)**	**(5)**	**(2,350)**	**(22,648)**
Written off	**1,228**	**17**	**–**	**1,245**
As at 31 December 2024	**(32,970)**	**(708)**	**(5,770)**	**(39,448)**
As at 1 January 2023	(9,890)	(307)	(1,732)	(11,929)
Increase in loss allowance recognized in Profit or loss during the year	(4,015)	(413)	(1,688)	(6,116)
Written off	–	–	–	–
As at 31 December 2023	(13,905)	(720)	(3,420)	(18,045)

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

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

Maturities of financial liabilities

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
		RMB'000		
As at 31 December 2024				
Borrowings (including interest payables)	**162,748**	**32,866**	**–**	**195,614**
Trade payables (Note 33)	**226,341**	**–**	**–**	**226,341**
Other payables and accruals (excluding salaries and welfare payables, VAT and other taxes payables and warranty provision) (Note 34)	**42,043**	**–**	**–**	**42,043**
Lease liabilities	**16,111**	**5,510**	**131**	**21,752**
	447,243	**38,376**	**131**	**485,750**

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Maturities of financial liabilities (continued)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
		RMB'000		
As at 31 December 2023				
Borrowings (including interest payables)	78,545	19,118	–	97,663
Trade payables (Note 33)	130,098	–	–	130,098
Other payables and accruals (excluding salaries and welfare payables, VAT and other taxes payables and warranty provision) (Note 34)	16,565	–	–	16,565
Lease liabilities	16,485	14,831	4,915	36,231
	241,693	33,949	4,915	280,557

3.2 Capital management

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

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

3. Financial risk management (continued)

3.2 Capital management (continued)

As at 31 December 2024 and 2023, the liability-to-asset ratios were as follows:

	As at 31 December	
	2024	2023
	RMB'000	
Total liabilities	**535,165**	334,734
Total assets	**1,678,290**	1,087,808
Liability-to-asset ratio	**31.89%**	30.77%

3.3 Fair value estimation

(a) Fair value hierarchy

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

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

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

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

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

(a) Fair value hierarchy (continued)

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

	Level 1	Level 2	Level 3	Total
		RMB'000		
As at 31 December 2024				
Assets				
Financial assets at FVOCI (Note 23)	**–**	**–**	**29,105**	**29,105**
Financial assets at FVPL (Note 24)	**–**	**–**	**800**	**800**
	–	**–**	**29,905**	**29,905**

	Level 1	Level 2	Level 3	Total
		RMB'000		
As at 31 December 2023				
Assets				
Financial assets at FVOCI (Note 23)	–	–	36,462	36,462
Financial assets at FVPL (Note 24)	–	–	210,597	210,597
	–	–	247,059	247,059

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

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

(b) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no changes in valuation techniques during the years ended 31 December 2024 and 2023.

The fair value of trade and notes receivables, other receivables, cash and cash equivalents, trade payables, other payables and accruals (excluding salaries and welfare payables, VAT and other taxes payables and warranty provision), current borrowings, and lease liabilities approximated their carrying amounts due to their short maturities or interest bearing.

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

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

	Financial assets at FVOCI RMB'000
As at 1 January 2024	**36,462**
Acquisitions	**71,146**
Disposals	**(78,503)**
As at 31 December 2024	**29,105**
As at 1 January 2023	23,558
Acquisitions	108,438
Disposals	(95,534)
As at 31 December 2023	36,462

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

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

	Financial assets at FVPL RMB'000
As at 1 January 2024	**210,597**
Acquisitions	**1,637,600**
Disposals	**(1,851,009)**
Fair value gains (Note 9)	**3,612**
As at 31 December 2024	**800**
As at 1 January 2023	44,581
Acquisitions	1,652,200
Disposals	(1,489,970)
Fair value gains (Note 9)	3,786
As at 31 December 2023	210,597

The changes of financial assets at FVOCI for the years ended 31 December 2024 and 2023 have been presented in Note 23. The changes of financial assets at FVPL for the years ended 31 December 2024 and 2023 have been presented in Note 24.

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

(d) Valuation inputs and relationships to fair value

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

As at 31 December 2024

Description	**Fair value RMB'000**	**Unobservable inputs**	**Range of inputs**	**Relationship of unobservable inputs to fair value**
Structured deposits and wealth management products	800	Expected rate of return	1.80%	The higher the expected rate of return, the higher the fair value
Financial assets at FVOCI – Notes receivables	29,105	Discount rate	0.76%–1.5%	The higher the discount rate, the lower the fair value

As at 31 December 2023

Description	**Fair value RMB'000**	**Unobservable inputs**	**Range of inputs**	**Relationship of unobservable inputs to fair value**
Structured deposits and wealth management products	210,597	Expected rate of return	1%–2.8%	The higher the expected rate of return, the higher the fair value
Financial assets at FVOCI – Notes receivables	36,462	Discount rate	1.03%–1.7%	The higher the discount rate, the lower the fair value

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

(d) Valuation inputs and relationships to fair value (continued)

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

As at 31 December 2024, if the expected rate of return had been 50 basis points higher/lower, the fair value of financial assets at FVPL would have been approximately RMB4,000 higher/lower (31 December 2023: RMB1,052,000 higher/lower).

As at 31 December 2024, if the discount rate had been 50 basis points higher/lower, the fair value of financial assets at FVOCI would have been approximately RMB143,000 lower/higher (31 December 2023: RMB178,000 lower/higher).

4. Critical accounting estimates and judgements

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

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

(a) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default 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 past 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 the tables in Note 3.1.

4. Critical accounting estimates and judgements (continued)

(b) Fair value of financial assets at FVPL

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

(c) Inventory provision

Inventories are stated at the lower of cost and net realizable value ("**NRV**"). 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.

(d) Impairment of non-financial assets

Assets that are subject to amortization or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss, if any, is recognized in profit or loss for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use, both involve significant assumptions and estimates. The directors of the Company concluded that no impairment provision was required as at December 31, 2024.

(e) Recognition of share-based payment expenses

As disclosed in Note 28, the Group granted shares to the Group's employees, which are viewed as share-based payment transaction in substance. These transactions resulted in the recognition of share-based payment expenses. The directors of the Company calculated the fair value of each awarded restricted shares based on the most recent transaction price of the Company's shares at the grant date. Significant estimate on assumptions are made based on management's best estimates.

4. Critical accounting estimates and judgements (continued)

(f) Income taxes and deferred taxation

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

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 has tax losses.

(g) Estimation of provision for warranty claims

Provision for product warranties granted by the Group in respect of certain products is recognized based on sales volume and past experience of the level of repair. The Group accrues a warranty reserve for the goods sold by multiplying the expected unit costs for warranty services by the sales volume, which includes the best estimate of projected costs to repair or replace items under warranties. 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.

5. Revenue and segment information

(a) Description of segments and principal activities

During the years ended 31 December 2024 and 2023, the Group is engaged in the development, manufacture and sales of intelligent driving products and solutions. The executive directors of the Company review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one business segment which is used to make strategic decisions.

Geographical information

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

5. Revenue and segment information (continued)

(b) Revenue during the current year

	Year ended 31 December	
	2024	2023
	RMB'000	
Sales of products	**538,228**	356,356
Services and Vehicle infrastructure cooperative systems	**112,841**	119,594
Others (i)	**3,412**	256
	654,481	476,206

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

(i) Others mainly refer to revenue generated from sales of spare parts and rendering of maintenance services.

(c) Contract liabilities

The Group recognized the following contract liabilities related to the contracts with customers:

	As at 31 December	
	2024	2023
	RMB'000	
Contract liabilities	**7,724**	5,405

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services or goods are yet to be provided.

Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized during the years ended 31 December 2024 and 2023 relates to carried-forward contract liabilities.

	Year ended 31 December	
	2024	2023
	RMB'000	
Revenue recognized that was included in the contract liabilities balance at the beginning of the year	**5,000**	21,678

5. Revenue and segment information (continued)

(c) Contract liabilities (continued)

(i) Assets recognized from costs to fulfill contracts

	As at 31 December	
	2024	2023
	RMB'000	
Assets recognized from costs incurred to fulfill contracts (Note 20)	**22,936**	26,732
Impairment loss recognized as cost of providing services during the year	**(2,921)**	(2,247)
	20,015	24,485

There were no unsatisfied performance obligations to which the transaction price should be allocated as at 31 December 2024 and 2023.

(d) Information about major customers

For the years ended 31 December 2024 and 2023, revenue derived from customer who accounted for more than 10% of total revenue was set out below:

	Year ended 31 December	
	2024	2023
	RMB'000	
Customer 1	**11.60%**	N/A
Customer 2	**N/A**	11.36%

N/A: The customer contributed less than 10% of total revenue for the corresponding year.

5. Revenue and segment information (continued)

(e) Revenue recognition

Revenue is recognized when or as the control of the goods or services is transferred to a customer. A customer is the party that contracts with the Group to purchase goods or services which are the output of the Group's ordinary activities in exchange for consideration.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

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

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.

The revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of return, trade allowances and amounts collected on behalf of third parties.

The accounting policies for the Group's principal revenue sources are as follows:

(i) Sales of products

The Group manufactures and sells intelligent driving products in the market and generates revenue from sales of driving assistance products (iSafety), intelligent navigation assistance products (iPilot), intelligent cabin products (iCabin) and other related products.

The revenue for sales of products mentioned above is recognized at a point in time when the control of the products mentioned above is transferred to the customer. Specifically, sales are recognized when the products have been shipped to the specific location in accordance with the sales contract and the customers have inspected and accepted the products.

5. Revenue and segment information (continued)

(e) Revenue recognition (continued)

(ii) Services and Vehicle infrastructure cooperative systems

The Group provides services and vehicle infrastructure cooperative systems to customers. The Group recognizes revenue at a point in time when performance obligations are satisfied as well as the agreed deliverables are accepted by customers. The Group does not have any enforceable right to payment before the agreed deliverables are accepted by customers.

(iii) Others

Others mainly refer to revenue generated from sales of spare parts and rendering maintenance services. The revenue is recognized at a point in time.

6. Expenses by nature

The detailed analysis of cost of sales, selling expenses, general and administrative expenses and research and development expenses is as follow:

	Year ended 31 December	
	2024	2023
	RMB'000	
Changes in inventories of finished goods and working in progress (Note 20)	**13,369**	(25,616)
Raw materials and consumables used (Note 20)	**472,144**	379,514
Employee benefit expenses (Note 7)	**196,294**	203,104
Services fees	**74,543**	50,206
Listing expenses	**32,336**	–
Office and travel expenses	**19,410**	22,033
Depreciation of right-of-use assets (Note 16)	**15,904**	14,588
Depreciation and amortization (Notes 15, 17, 18)	**14,644**	12,033
Processing expenses	**7,058**	4,969
Write-down of inventories to NRV (Note 20)	**4,753**	6,235
Warranty costs	**4,632**	4,417
Legal and professional fees	**3,466**	3,697
Auditors' remuneration	**2,200**	248
Outsourced installation expenses	**2,192**	4,087
Testing expenses	**1,551**	2,242
Advertising and publicity expenses	**1,248**	6,949
Others	**18,051**	16,333
	883,795	705,039

7. Employee benefit expenses

	Year ended 31 December	
	2024	2023
	RMB'000	
Wages, salaries and bonuses	**147,548**	157,566
Share-based payment expenses (Note 28)	**28,711**	22,401
Pension obligations, housing funds, medical insurances and other social insurances (a)	**16,925**	16,691
Other employee benefits (b)	**3,110**	6,446
	196,294	203,104

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

Full time employees of the Group in the PRC are members of 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 for the pension obligations, housing funds, medical insurances and other social insurances to fund the benefits. The Group's liabilities in respect of benefits schemes are limited to the contribution payable in each year.

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

(b) Other employee benefits

Other employee benefits mainly include termination benefits and employee welfare expenses.

7. Employee benefit expenses (continued)

(c) Five highest paid employees

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2024 and 2023 include no director, whose emoluments are disclosed in the Note 37. The emoluments payable to the 5 highest paid individuals during the year are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	
Wages, salaries and bonuses	**4,013**	3,631
Share-based payment expenses	**12,326**	7,730
Pension obligations, housing funds, medical insurances and other social insurances	**203**	182
	16,542	11,543

The emoluments fell within the following bands:

	Year ended 31 December	
	2024	2023
Emolument bands (in Hong Kong dollars)		
HKD1,000,001 – HKD1,500,000	**–**	1
HKD1,500,001 – HKD2,000,000	**–**	2
HKD2,000,001 – HKD2,500,000	**–**	1
HKD2,500,001 – HKD3,000,000	**1**	1
HKD3,000,001 – HKD3,500,000	**1**	–
HKD3,500,001 – HKD4,000,000	**1**	–
HKD4,000,001 – HKD 4,500,000	**2**	–
	5	5

8. Other income

	Year ended 31 December	
	2024	2023
	RMB'000	
Government grants	**17,014**	21,370
Value added tax ("**VAT**") refund	**8,722**	6,552
	25,736	27,922

During the years ended 31 December 2024 and 2023, the government grants mainly include financial subsidies from local government authorities with certain specified conditions, as well as the amortization of deferred government grants. There are no unfulfilled conditions or other contingencies attaching to the grants recognized.

9. Other gains – net

	Year ended 31 December	
	2024	2023
	RMB'000	
Net fair value gains on financial assets at FVPL (Note 24)	**3,612**	3,786
Net foreign exchange losses	**(250)**	(198)
Net losses on disposals of property, plant and equipment, intangible assets and right-of-use assets	**(134)**	(60)
Others	**498**	(2,190)
	3,726	1,338

10. Finance costs – net

	Year ended 31 December 2024 RMB'000	2023
Finance income		
Interest income from cash and cash equivalents	**2,188**	1,760
Other interest income	**85**	207
Total finance income	**2,273**	1,967
Finance costs		
Interest expenses on bank borrowings	**(6,170)**	(2,139)
Interest expenses on lease liabilities	**(1,324)**	(1,234)
Total finance costs	**(7,494)**	(3,373)
Finance costs – net	**(5,221)**	(1,406)

11. Net impairment losses on financial assets

	Year ended 31 December 2024 RMB'000	2023
Impairment losses – net:		
– trade and notes receivables	**(20,293)**	(4,015)
– other non-current assets	**(2,350)**	(1,688)
– other receivables	**(5)**	(413)
	(22,648)	(6,116)

12. Income tax expense

	Year ended 31 December 2024 RMB'000	2023
Current income tax expense	**17**	60
Deferred income tax expense	**–**	–
	17	60

Taxes on profits assessable have been calculated at the rates of tax prevailing in the jurisdictions in which relevant entities operate.

(i) PRC corporate income tax ("PRC CIT")

The Company and its subsidiaries in the PRC are subject to PRC CIT which is calculated based on the applicable tax rate of 25% on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulations for the year ended 31 December 2024 and 2023, except for disclosed below.

The Company obtained its High and New Technology Enterprises ("**HNTE**") status in year 2017 and hence is entitled to a preferential tax rate of 15% for a three-year period commencing 2017. In 2020 and 2023, the Company succeeded the qualification for HNTE and is therefore subject to a preferential income tax rate of 15% for a three-year period commencing 2020 and 2023. In addition, the Group's subsidiary, Nanjing Youjia Technology Co., Ltd. (南京佑駕科技有限公司) was qualified as HNTE in year 2020 and succeeded the qualification for HNTE in 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 March 2021, the additional deduction ratio increased to 100% for manufacturing industry. Starting from 1 October 2022, the additional deduction ratio was increased to 100% for other industries.

During the years ended 31 December 2024 and 2023, certain subsidiaries in mainland China qualified as "small low-profit enterprises" under the Enterprise Income Tax Law of the PRC and enjoyed a preferential income tax rate of 20%.

12. Income tax expense (continued)

(i) PRC corporate income tax ("PRC CIT") (continued)

The difference between the actual income tax expense charged to the consolidated statements of comprehensive loss and the amounts which would result from applying the enacted tax rates to loss before income tax can be reconciled as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	
Loss before income tax	**(227,721)**	(207,095)
Income tax credit computed at the applicable income tax rate of 25%	**(56,930)**	(51,774)
Tax effects of preferential tax rate	**23,140**	19,831
Tax losses for which no deferred tax asset was recognized	**49,082**	50,358
Super deduction in respect of R&D expenditures	**(24,426)**	(25,690)
Expenses not deductible for taxation purposes	**752**	654
Temporary differences for which no deferred income tax asset was recognized	**8,399**	6,681
Income tax expense	**17**	60

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 2017, the expiry period of the accumulated unexpired tax losses of the Company, which is qualified as HNTE, from 2017 had been extended from 5 years to 10 years. The Company re-applied for HNTE status in 2020 and 2023 and the approval was obtained in 2020 and 2023. The expiry period of the accumulated unexpired tax losses of Group's subsidiary, Nanjing Youjia Technology Co., Ltd. (南京佑駕科技有限公司) which is qualified as HNTE, from 2020 had been extended from 5 years to 10 years. Nanjing Youjia re-applied for HNTE status in 2023.

12. Income tax expense (continued)

(i) PRC corporate income tax ("PRC CIT") (continued)

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

	Year ended 31 December	
	2024	2023
	RMB'000	
2024	**–**	4,459
2025	**9,136**	9,136
2026	**37,649**	37,649
2027	**64,928**	64,928
2028	**143,869**	143,869
2029	**154,201**	62,233
2030	**125,980**	125,980
2031	**181,539**	181,539
2032	**279,394**	279,394
2033	**248,832**	248,832
2034	**239,105**	–
	1,484,633	1,158,019

13. Loss per share

(a) Basic loss per share

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

	Year ended 31 December	
	2024	2023
	RMB'000	
Loss attributable to owners of the Company	**(216,487)**	(197,238)
Weighted average number of ordinary shares in issue	**353,033**	332,252
Basic loss per share	**(0.61)**	(0.59)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As the Group incurred losses for the years ended 31 December 2024 and 2023, any potential ordinary shares included in the calculation of diluted loss per share would be anti-dilutive. Accordingly, diluted loss per share for the years ended 31 December 2024 and 2023 are the same as basic loss per share of the respective year.

14. Subsidiaries

(a) Subsidiaries of the Company

As at the date of this report, the Company has direct or indirect interests in the following subsidiaries:

Name of entity	Date of incorporation	Place of incorporation/ operation	Registered share capital	Effective interest held by the Group As at 31 December 2024	2023	Principal activities
Directly held:						
Shanghai Youjia Zhixing Electronic Technology Co., Ltd. 上海佑嘉智行電子科技有限公司	27 September 2023	Shanghai, China	RMB10,000,000	**100%**	100%	Research and development
Tongxiang Wuzhen Youjia Intelligent Automobile Co., Ltd. 桐鄉烏鎮佑駕智能汽車有限公司	25 September 2023	Zhejiang, China	RMB5,000,000	**100%**	100%	Manufacturing and assembly of products
Guangzhou Youjia Innovation Technology Co., Ltd. 廣州佑駕創新科技有限公司	18 May 2023	Guangdong, China	RMB100,000,000	**100%**	100%	Manufacturing and assembly of products
Wuhan Youjia Innovation Technology Co., Ltd. 武漢佑駕創新科技有限公司	16 August 2022	Hubei, China	RMB80,000,000	**100%**	100%	Research and development
Nanjing Kaiyun Shuchuang Technology Co., Ltd. 南京開雲數創科技有限公司	9 August 2022	Jiangsu, China	RMB75,000,000	**100%**	100%	Research and development
Youjia Innovation (Beijing) Technology Co., Ltd. 佑駕創新(北京)技術有限公司	14 December 2020	Beijing, China	RMB1,000,000	**100%**	100%	Research and development
Hunan Youxiang Wanglian Intelligent Technology Co., Ltd. 湖南佑湘網聯智能科技有限公司	16 November 2020	Hunan, China	RMB30,000,000	**100%**	100%	Research and development

14. Subsidiaries (continued)

(a) Subsidiaries of the Company (continued)

Name of entity	Date of incorporation	Place of incorporation/ operation	Registered share capital	Effective interest held by the Group As at 31 December 2024	2023	Principal activities
Shenzhen Youjia Data Technology Co., Ltd. 深圳佑駕數據科技有限公司 (ii)	16 April 2020	Guangdong, China	RMB30,000,000	**N/A, deregistered**	100%	Research and development
Nanjing Youjia Technology Co., Ltd. 南京佑駕科技有限公司	24 February 2018	Jiangsu, China	RMB30,000,000	**100%**	100%	Research and development
Hubei Youjia Technology Co., Ltd. 湖北佑駕科技有限公司	22 December 2017	Hubei, China	RMB10,000,000	**100%**	100%	Manufacturing and assembly of products
Hangzhou Ruijian Zhixing Technology Co., Ltd. 杭州鋭見智行科技有限公司	17 November 2022	Zhejiang, China	RMB13,333,333	**75%**	75%	Research and development
Shanghai Youqu Information Technology Co., Ltd. 上海佑覷信息科技有限公司	30 June 2020	Shanghai, China	RMB30,000,000	**60%**	60%	Research and development
Shanghai Youxing Automotive Electronics Co., Ltd. 上海佑行汽車電子有限公司	14 October 2020	Shanghai, China	RMB20,000,000	**55%**	55%	Research and development
Jiangsu Yuanshi Technology Co., Ltd. 江蘇源駛科技有限公司	17 June 2022	Jiangsu, China	RMB62,000,000	**52%**	52%	Research and development
Zhongyan Youjia Intelligent Technology (Shanghai) Co., Ltd. 中研佑駕智能科技(上海)有限公司	25 January 2022	Shanghai, China	RMB11,000,000	**51%**	51%	Research and development

14. Subsidiaries (continued)

(a) Subsidiaries of the Company (continued)

Name of entity	Date of incorporation	Place of incorporation/ operation	Registered share capital	Effective interest held by the Group As at 31 December 2024	2023	Principal activities
Chongqing Yongnuo Xincheng Technology Service Co., Ltd. 重慶永諾信誠科技服務有限公司 (iii)	25 April 2021	Chongqing, China	RMB2,000,000	**N/A, deregistered**	51%	Manufacturing and assembly of products
Chongqing Youjia Innovation Technology Co., Ltd. 重慶佑駕創新科技有限責任公司	14 March 2019	Chongqing, China	RMB1,000,000	**51%**	51%	Research and development
Shaanxi Youjia Zhixing Technology Co., Ltd. 陝西佑駕智行科技有限公司	1 March 2024	Shaanxi, China	RMB3,000,000	**60%**	N/A	Research and development
Xian Youjia Intelligent Technology Co., Ltd. 西安佑駕智能科技有限公司	9 August 2024	Shaanxi, China	RMB5,000,000	**55%**	N/A	Research and development
Indirectly held:						
MINSIGHT PTE. LTD. 鋭見智行科技(新加坡)有限公司 (iv)	20 November 2023	Singapore	Singapore Dollars 100,000	**75%**	75%	Research and development
Minieye (Hong Kong) Technology Limited 香港佑駕創新有限公司 (v)	13 September 2024	Hong Kong, China	Hong Kong Dollars 100,000	**100%**	N/A	Research and development

(i) The English name of the subsidiaries with Chinese names represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(ii) Shenzhen Youjia Data Technology Co., Ltd. was deregistered on 9 April 2024.

(iii) Chongqing Yongnuo Xincheng Technology Service Co., Ltd. was deregistered on 17 April 2024.

(iv) Minsight Pte. Ltd. is 100% directly held by Hangzhou Ruijian Zhixing Technology Co., Ltd.

(v) Minieye (Hong Kong) Technology Limited is 100% directly held by Wuhan Youjia Innovation Technology Co., Ltd.

(vi) All the principal subsidiaries presented are limited liability companies.

15. Property, plant and equipment

	Machinery and molds RMB'000	Transportation RMB'000	Computers and electronic equipment RMB'000	Other equipment RMB'000	Leasehold improvements RMB'000	Construction in progress ("CIP") RMB'000	Total RMB'000
As at 31 December 2023 and 1 January 2024							
Cost	**28,212**	**5,369**	**9,303**	**1,012**	**7,937**	**8,378**	**60,211**
Accumulated depreciation	**(10,312)**	**(2,179)**	**(6,048)**	**(316)**	**(5,659)**	**–**	**(24,514)**
Net book amount	**17,900**	**3,190**	**3,255**	**696**	**2,278**	**8,378**	**35,697**
Year ended 31 December 2024							
Opening net book amount	**17,900**	**3,190**	**3,255**	**696**	**2,278**	**8,378**	**35,697**
Additions	**1,143**	**–**	**–**	**–**	**2,603**	**27,949**	**31,695**
Disposals	**(240)**	**(168)**	**(47)**	**(20)**	**–**	**–**	**(475)**
Depreciation	**(6,984)**	**(885)**	**(1,768)**	**(246)**	**(2,368)**	**–**	**(12,251)**
Reclassification	**19,388**	**631**	**824**	**122**	**–**	**(20,965)**	**–**
Transfer (Note 17)	**–**	**–**	**–**	**–**	**–**	**(10,783)**	**(10,783)**
Closing net book amount	**31,207**	**2,768**	**2,264**	**552**	**2,513**	**4,579**	**43,883**
As at 31 December 2024							
Cost	**48,503**	**5,832**	**10,080**	**1,114**	**10,540**	**4,579**	**80,648**
Accumulated depreciation	**(17,296)**	**(3,064)**	**(7,816)**	**(562)**	**(8,027)**	**–**	**(36,765)**
Net book amount	**31,207**	**2,768**	**2,264**	**552**	**2,513**	**4,579**	**43,883**
As at 1 January 2023							
Cost	18,894	4,622	7,811	520	6,388	584	38,819
Accumulated depreciation	(5,055)	(1,289)	(4,169)	(126)	(3,196)	–	(13,835)
Net book amount	13,839	3,333	3,642	394	3,192	584	24,984
Year ended 31 December 2023							
Opening net book amount	13,839	3,333	3,642	394	3,192	584	24,984
Additions	3,075	56	10	–	1,549	19,869	24,559
Disposals	(195)	(191)	(302)	(16)	–	–	(704)
Depreciation	(5,257)	(890)	(1,879)	(190)	(2,463)	–	(10,679)
Reclassification	6,438	882	1,784	508	–	(9,612)	–
Transfer (Note 17)	–	–	–	–	–	(2,463)	(2,463)
Closing net book amount	17,900	3,190	3,255	696	2,278	8,378	35,697
As at 31 December 2023							
Cost	28,212	5,369	9,303	1,012	7,937	8,378	60,211
Accumulated depreciation	(10,312)	(2,179)	(6,048)	(316)	(5,659)	–	(24,514)
Net book amount	17,900	3,190	3,255	696	2,278	8,378	35,697

15. Property, plant and equipment (continued)

(a) Depreciation expenses

Depreciation expenses have been charged to the consolidated statements of comprehensive loss as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	
Cost of sales	**5,344**	3,038
General and administrative expenses	**2,714**	2,833
Selling expenses	**407**	572
Research and development expenses	**3,786**	4,236
	12,251	10,679

(b) Depreciation methods and useful lives

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

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives as follows:

Machinery and molds	3–10 years
Transportation	4–10 years
Computers and electronic equipment	2–5 years
Other equipment	3–5 years
Leasehold improvements	Estimated useful lives or remaining lease terms, whichever is shorter

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

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

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

16. Leases

(a) Amounts recognized in the consolidated balance sheet

	As at 31 December	
	2024	2023
	RMB'000	
Right-of-use assets		
Offices and factories	**19,007**	32,535
Land use rights (i)	**42,094**	–
	61,101	32,535
Lease liabilities		
Current	**15,479**	15,196
Non-current	**5,558**	19,095
	21,037	34,291

(i) In June and August 2024, the Group acquired land use right to build factories for manufacture and sales of intelligent driving products and solutions in Guangzhou, Guangdong Province, the PRC and Wuzhen, Zhejiang Province, the PRC with values of RMB 25,397,000 and RMB 17,208,000 respectively. Additions to land use rights during the years ended 31 December 2024 and 2023 were RMB42,605,000 and nil respectively.

(b) Amounts recognized in the consolidated statements of comprehensive loss

	Year ended 31 December	
	2024	2023
	RMB'000	
Depreciation charge of right-of-use assets	**15,904**	14,588
Interest expenses (included in finance costs)	**1,324**	1,234
Expense relating to short-term leases (included in cost of sales, research and development expenses, selling expenses, and general and administrative expenses)	**2,650**	1,500
	19,878	17,322

The total cash outflows for leases payments for the years ended 31 December 2024 and 2023 were approximately RMB19,367,000 and RMB15,820,000 respectively.

16. Leases (continued)

(c) The Group's leasing activities and how they are accounted for

The Group leases various offices and factories. Rental contracts are typically made for fixed periods of one year to four years but may have extension options as described in (d) below.

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.

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

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

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

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

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

See Note 43.19 for the other accounting policies relevant to leases.

16. Leases (continued)

(d) Extension and termination options

Extension and termination options are included in a number of leases of buildings across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

17. Intangible assets

	Software RMB'000
Year ended 31 December 2024	
Opening net book amount	**10,340**
Transfer (Note 15)	**10,783**
Amortization charge	**(2,151)**
Disposal	**(46)**
Closing net book amount	**18,926**
As at 31 December 2024	
Cost	**23,334**
Accumulated amortization	**(4,408)**
Net book amount	**18,926**
Year ended 31 December 2023	
Opening net book amount	9,161
Transfer (Note 15)	2,463
Additions	185
Amortization charge	(1,112)
Disposal	(357)
Closing net book amount	10,340
As at 31 December 2023	
Cost	12,597
Accumulated amortization	(2,257)
Net book amount	10,340

17. Intangible assets (continued)

(a) Amortization methods and periods

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

Software	10 years

(b) Amortization expenses

Amounts recognized in the consolidated statements of comprehensive loss:

	Year ended 31 December	
	2024	2023
	RMB'000	
Cost of sales	**–**	36
Research and development expenses	**1,663**	981
General and administrative expenses	**471**	95
Selling expenses	**17**	–
	2,151	1,112

18. Investment properties

	Year ended 31 December	
	2024	2023
	RMB'000	
Opening net book amount	**4,771**	5,013
Depreciation charge	**(242)**	(242)
Closing net book value	**4,529**	4,771
At end of the year		
Cost	**5,094**	5,094
Accumulated depreciation	**(565)**	(323)
Net book value	**4,529**	4,771

The investment properties are stated at cost less depreciation and impairment, if any.

The fair values of the Group's investment properties are close to the book value.

19. Other non-current assets

	As at 31 December	
	2024	2023
	RMB'000	
Long-term receivables	**1,113**	–
Non-current rental deposits	**7,663**	7,100
Prepayment for purchase of property, plant and equipment	**1,978**	5,258
	10,754	12,358

20. Inventories

	As at 31 December	
	2024	2023
	RMB'000	
Raw materials	**62,364**	64,718
Semi-finished goods	**9,990**	6,799
Finished goods	**45,508**	64,944
Contract fulfillment costs	**22,936**	26,732
	140,798	163,193
Less: provision of inventories		
– Raw materials	**(9,672)**	(3,773)
– Semi-finished goods	**(301)**	(34)
– Finished goods	**(3,743)**	(12,178)
– Contract fulfillment costs	**(2,921)**	(2,247)
	(16,637)	(18,232)
	124,161	144,961

20. Inventories (continued)

Raw materials primarily consist of materials for volume production and research and development, which will be transferred into production cost and research and development expenses respectively when incurred.

Semi-finished goods and finished goods include products prepared for sale at production plants or in transit to fulfill customer orders.

Provision of inventories is recognized at the amount by which the carrying amount of inventories exceeds the net recoverable amount. All these expenses and impairment charge have been included in "cost of sales" in the consolidated statements of comprehensive loss. The provision for inventories recognized for the year ended 31 December 2024 was RMB4,753,000 (2023: RMB6,235,000).

Raw materials and consumables used and recorded as cost of sales during the year ended 31 December 2024 was RMB472,144,000 (2023: RMB379,514,000).

21. Trade and notes receivables

	As at 31 December	
	2024	2023
	RMB'000	
Notes receivables	**49,681**	38,446
Trade receivables		
Due from third parties	**489,779**	309,044
Less: credit loss allowances	**(32,970)**	(13,905)
	456,809	295,139
	506,490	333,585

21. Trade and notes receivables (continued)

The Group's credit period to its customers was typically within one year. As at 31 December 2024, the aging analysis of the trade and notes receivables based on recognized date is as follows:

	As at 31 December	
	2024	**2023**
	RMB'000	
Up to 1 year	**459,444**	323,236
1 to 2 years	**65,479**	16,704
2 to 3 years	**9,109**	4,662
Over 3 years	**5,428**	2,888
	539,460	347,490

Trade and notes receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 1 year and therefore they are classified as current. Trade and notes receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade and notes receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1 for a description of the Group's impairment policies.

The Group applies the simplified approach under IFRS 9, which requires lifetime expected losses to be recognized from initial recognition of the assets. Information about the impairment of trade and notes receivables and the Group's exposure to credit risk is described in Note 3.1.

The carrying amounts of the Group's trade and notes receivables approximated their fair values as at the balance sheet dates.

22. Other current assets

	As at 31 December	
	2024	2023
	RMB'000	
Other receivables		
– Advance to staff	**2,275**	961
– Deposits	**4,081**	4,712
– Others	**400**	2,142
	6,756	7,815
Less: credit loss allowances	**(708)**	(720)
	6,048	7,095
Prepayment		
– Products and services procurement	**52,699**	32,918
Value-added tax ("**VAT**") recoverable	**17,451**	24,163
Others	**3,558**	2,702
	79,756	66,878

As at 31 December 2024, the fair values of other current assets of the Group, except for the prepayments and VAT recoverable to be deducted which are not financial assets, approximated their carrying amounts.

The carrying amounts of the Group's other current assets are all denominated in RMB.

23. Financial assets at fair value through other comprehensive income

The Group's financial assets measured at FVOCI include the following:

	As at 31 December	
	2024	2023
	RMB'000	
Notes receivables classified as financial assets at FVOCI	**29,105**	36,462

Notes receivables 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.

24. Financial assets at fair value through profit or loss

(a) Classification of financial assets at FVPL

The Group classifies the followings as financial assets at FVPL:

- debt investments that do not qualify for measurement at either amortized cost or FVOCI;
- equity investments that are held for trading; and
- equity investments for which the Group has not elected to recognize fair value gains and losses through FVOCI.

The Group's financial assets measured at FVPL include the following:

	As at 31 December	
	2024	2023
	RMB'000	
Investment in structured deposits and wealth management products issued by banks	**800**	210,597

24. Financial assets at fair value through profit or loss (continued)

(a) Classification of financial assets at FVPL (continued)

The principal and return of the structured deposits and wealth management products are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, the structured deposits and wealth management products issued by banks are measured at FVPL.

Information about the Group's exposure to financial risk and information about the methods and assumptions used in determining fair value of these financial assets at FVPL are set out in Note 3.3.

(b) Amounts recognized in profit or loss

During the year, the following net fair value gains were recognized in the consolidated statements of comprehensive loss:

	As at 31 December	
	2024	2023
	RMB'000	
Net fair value gains on financial assets at FVPL recognized in other gains – net (Note 9)		
– realized	**3,612**	3,189
– unrealized	**–**	597
	3,612	3,786

25. Cash and cash equivalents

	As at 31 December	
	2024	2023
	RMB'000	
Cash at banks	**798,785**	199,624
Less: restricted cash	**(4,842)**	(1,690)
Cash and cash equivalents	**793,943**	197,934

25. Cash and cash equivalents (continued)

Cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2024	2023
	RMB'000	
– RMB	**202,349**	197,865
– HKD	**591,115**	–
– USD	**426**	69
– SGD	**53**	–
	793,943	197,934

As at 31 December 2024 and 2023, restricted cash in the amount of RMB15,000 and RMB10,000 is the frozen funds used for electronic toll collection, and RMB4,827,000 and RMB1,680,000 is the frozen funds for litigation.

26. Share capital

A summary of movements in the Company's authorized, issued and fully paid share capital is as follows:

	Number of shares	**Share capital RMB'000**
As at 1 January 2024	**360,000,000**	**360,000**
Issuance of ordinary shares upon global offering	**39,190,000**	**39,190**
As at 31 December 2024	**399,190,000**	**399,190**

27. Reserves

The following table shows a breakdown of the statements of balance sheets line items "reserves" and their movements during the respective years. A description of the nature and purpose of each reserve is provided below the table.

	Reserves			
	Share premium RMB'000	**Capital reserves RMB'000**	**Share-based payment reserves RMB'000**	**Total RMB'000**
As at 1 January 2024	**715,341**	**–**	**65,334**	**780,675**
Issuance of ordinary shares upon global offering	**549,888**	**–**	**–**	**549,888**
Share-based payment (Note 28)	**–**	**–**	**28,711**	**28,711**
As at 31 December 2024	**1,265,229**	**–**	**94,045**	**1,359,274**

	Reserves			
	Share premium RMB'000	Capital reserves RMB'000	Share-based payment reserves RMB'000	Total RMB'000
As at 1 January 2023	–	1,062,852	42,933	1,105,785
Capital contributions from series Pre-IPO investors	341,236	–	–	341,236
Capital injection by a non-controlling shareholder	35,000	–	–	35,000
Share-based payment (Note 28)	–	–	22,401	22,401
Conversion into a joint stock company	–	(402,405)	–	(402,405)
Conversion of capital reserves into share capital	660,447	(660,447)	–	–
Conversion of share premium into share capital	(321,342)	–	–	(321,342)
As at 31 December 2023	715,341	–	65,334	780,675

28. Share-based payment

(a) Share award schemes

(i) In March 2016, the shareholders approved an Employee Share Ownership Plan (ESOP A Plan) which proposes to grant certain incentive shares of the Company to certain executives and employees at a later date by way of transfer of shares held by Dr. Liu Guoqing, in order to attract and retain the talents and to provide incentives that align the interests of Shareholders, the Company and employees, for long-term development of the Company.

In August 2016, 77,855 equity shares were granted to an employee under the ESOP A Plan through an equity transfer with a vesting commencement date of August 2016. These awards did not include a service period condition and were made at a consideration of RMB1 per share as rewards for his services, full time devotion and professional expertise to the Group.

In December 2020, Shenzhen Youjia Qingcheng Investment L.P. (深圳佑駕清成投資企業(有限合夥)) was incorporated in the PRC under the Company Law of the PRC as a vehicle for holding ordinary shares ("**Restricted Shares**") for the remaining employees of the Company, other than those mentioned above, pursuant to ESOP A Plan.

From 2016 to 2023, pursuant to the ESOP A Plan, certain directors, management and employees (the "**Grantees**") were granted 11,954,979 Restricted Shares through Shenzhen Youjia Qingcheng Investment L.P. (深圳佑駕清成投資企業(有限合夥)) at a consideration of RMB0.01 per share as an incentive for their services, full-time commitment and expertise to the Group.

All Restricted Shares granted vest as follows: 4 years of service from the date of commencement for employees granted shares from 2016 t0 2020; 4 years of service from the date of grant for employees granted shares from 2021 to October 2023; 3 years of service from the date of successful listing for employees granted shares after October 2023.

In May 2024, for employees granted shares after 2020, the vesting periods have been modified as follows: 1 year of service from the date of successful listing for half of the restricted shares; 3 years of service from the date of successful listing for the other half of the restricted shares.

If the employee ceases to be employed by the Group during that period, the awarded shares will be forfeited and the forfeited shares will be repurchased by Dr. Liu Guoqing at the subscribed share of the contributed capital at grant date together with the contractually agreed interest price and reallocated in subsequent grants (if any) at the discretion of Dr. Liu Guoqing.

28. Share-based payment (continued)

(a) Share award schemes (continued)

(i) (continued)

	Year ended December 31	
	2024	2023
	Number of total equity awards	Number of total equity awards
At beginning of the year	**11,954,979**	1,219,005
Granted	**537,811**	610,985
Forfeited	**(106,609)**	(546,222)
Capitalization Issue	**–**	10,671,211
At end of the year	**12,386,181**	11,954,979

The fair value of each awarded restricted shares was calculated based on the most recent transaction price of the Company's share at the grant date.

(ii) In March 2022, the shareholders approved an employee stock ownership plan (ESOP B Plan), which proposes to grant certain incentive shares of the Company to certain executives and employees in the form of a capital increase, in order to attract and retain the talents and to provide incentives that align the interests of Shareholders, the Company and employees, for long-term development of the Company.

In April and May 2021, Shenzhen Youjia Licheng L.P. (深圳佑駕礪成企業(有限合夥)) and Shenzhen Youjia Zhongcheng Investment L.P. (深圳佑駕眾成投資企業(有限合夥)) were incorporated in the PRC under the PRC Company Law as a vehicle to hold ordinary shares ("**Restricted Shares**") for the benefit of the employees of the Company under the ESOP B Plan.

Pursuant to ESOP B Plan，certain directors, management and employees (the "**Grantees**") were granted 8,722,901 Restricted Shares through Shenzhen Youjia Zhongcheng Investment L.P. (深圳佑駕眾成投資企業(有限合夥)) and Shenzhen Youjia Licheng L.P. (深圳佑駕礪成企業(有限合夥)) at a consideration of RMB0.01 per share as an incentive for their services, full-time commitment and expertise to the Group. All Restricted Shares granted vest as follows: for employees who are granted shares from 2018 to September 2023, four years from the date of grant of the shares; and for employees who are granted shares after October 2023, three years from the date of the successful IPO.

28. Share-based payment (continued)

(a) Share award schemes (continued)

(ii) (continued)

In May 2024, for employees granted shares after 2020, the vesting periods have been modified as follows: 1 year of service from the date of successful listing for half of the restricted shares; 3 years of service from the date of successful listing for the other half of the restricted shares.

If the employee ceases to be employed by the Group during that period, the awarded shares will be forfeited and the forfeited shares will be repurchased by Dr. Liu Guoqing at the subscribed share of the contributed capital at grant date together with a contractually agreed interest price and reallocated in subsequent grants, if any, at the discretion of Dr. Liu Guoqing.

Set out below are the movement in the number of awarded restricted shares under the ESOP B Plan:

	Year ended 31 December	
	2024	2023
	Number of total equity awards	Number of total equity awards
At beginning of the year	**8,722,901**	917,741
Granted	**1,127,370**	1,068,851
Forfeited	**(1,127,370)**	(1,049,896)
Capitalization Issue	**–**	7,786,205
At end of the year	**8,722,901**	8,722,901

The fair value of each awarded restricted shares was calculated based on the most recent transaction price of the Company's shares at the grant date.

Total expenses arising from share-based payment transactions recognized during the year as part of employee benefit expense were as follows:

	As at 31 December	
	2024	2023
	RMB'000	
Share-based payment expenses	**28,711**	22,401

29. Financial instruments by category

Financial Assets

	Notes	As at 31 December 2024 RMB'000	2023
Financial assets at FVPL	24	**800**	210,597
Financial assets at FVOCI	23	**29,105**	36,462
Financial assets at amortized cost:			
– Trade and notes receivables	21	**506,490**	333,585
– Other receivables	22	**6,048**	7,095
– Restricted cash	25	**4,842**	1,690
– Long-term receivables	19	**1,113**	–
– Non-current rental deposits	19	**7,663**	7,100
– Cash and cash equivalents	25	**793,943**	197,934
		1,350,004	794,463

Financial Liabilities

	Notes	As at 31 December 2024 RMB'000	2023
Financial liabilities at amortized cost:			
– Borrowings	30	**191,508**	96,660
– Trade payables	33	**226,341**	130,098
– Other payables and accruals (excluding salaries and welfare payables, VAT and other taxes payables and warranty provision)	34	**42,043**	16,565
– Lease liabilities	16	**21,037**	34,291
		480,929	277,614

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at end of the reporting period is the carrying amount of each class of financial assets mentioned above.

30. Borrowings

	As at 31 December	
	2024	2023
	RMB'000	
Bank borrowings included in non-current liabilities		
Bank Borrowings – unsecured and unguaranteed	**53,500**	–
Bank Borrowings – unsecured but guaranteed (a)	**39,796**	20,000
Less: long-term borrowings due within one year	**(61,196)**	(1,200)
	32,100	18,800

	As at 31 December	
	2024	2023
	RMB'000	
Bank borrowings included in current liabilities		
Long-term borrowings due within one year-unsecured and unguaranteed	**21,400**	–
Long-term borrowings due within one year-unsecured but guaranteed (a)	**39,796**	1,200
Bank Borrowings – unsecured and unguaranteed	**78,212**	–
Bank Borrowings – unsecured but guaranteed	**–**	76,660
Bank Borrowings – unguaranteed but secured (b)	**20,000**	–
	159,408	77,860

(a) As at 31 December 2024, the unsecured long-term loans of RMB39,796,000 (2023: RMB 20,000,000) with the effective interest rate ranged from 3.5% to 3.8% per annum were guaranteed by the Group's subsidiary, Hubei Youjia Technology Co., Ltd.

(b) As at 31 December 2024, the short-term loan of RMB20,000,000 (2023: RMB nil) at an annualized interest rate of 4.9% was secured by certain non-core patents as the collateral.

31. Deferred income

	As at 31 December	
	2024	2023
	RMB'000	
Government grants	**7,701**	12,885

The Group received government grants for R&D projects and talent subsidies. The government grants were recorded as deferred income and credited to profit or loss according to the use progress of these subsidies.

32. Deferred income taxes

The analysis of deferred income tax assets and deferred income tax liabilities are as follows:

	As at 31 December	
	2024	2023
	RMB'000	
Total deferred income tax assets:	**2,701**	5,753
Set-off of deferred tax liabilities pursuant to set-off provisions (a)	**(2,701)**	(5,753)
Net deferred income tax assets	**–**	–
Deferred income tax assets:		
– to be recovered within 1 year	**2,292**	2,731
– to be recovered more than 1 year	**409**	3,022
	2,701	5,753
Total deferred income tax liabilities	**2,701**	5,753
Set-off of deferred tax assets pursuant to set-off provisions (a)	**(2,701)**	(5,753)
Net deferred income tax liabilities	**–**	–
Deferred income tax liabilities:		
– to be recovered within 1 year	**2,292**	2,731
– to be recovered more than 1 year	**409**	3,022
	2,701	5,753

32. Deferred income taxes (continued)

(a) The Group offset deferred tax assets and deferred tax liabilities for presentation purposes only if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on same tax payee.

The movement in deferred income tax assets are as follows:

Deferred income tax assets

	Lease liabilities RMB'000
As at 1 January 2024	**5,753**
Credit to profit or loss (Note 12)	**(3,052)**
As at 31 December 2024	**2,701**
As at 1 January 2023	2,613
Credit to profit or loss (Note 12)	3,140
As at 31 December 2023	5,753

Deferred income tax liabilities

	Right-of-use assets RMB'000
As at 1 January 2024	**5,753**
Debit to profit or loss (Note 12)	**(3,052)**
As at 31 December 2024	**2,701**
As at 1 January 2023	2,613
Debit to profit or loss (Note 12)	3,140
As at 31 December 2023	5,753

33. Trade payables

	As at 31 December 2024 RMB'000	2023
Payables for purchase of raw materials	**226,341**	130,098

(a) The carrying amounts of trade payables approximated their fair values due to their short-term maturity in nature.

(b) As at 31 December 2024 and 2023, the aging analysis of the trade payables based on recognized date is as follows:

	As at 31 December 2024 RMB'000	2023
Within 1 year	**181,829**	100,802
1 to 2 years	**23,787**	26,539
Over 2 years	**20,725**	2,757
	226,341	130,098

34. Other payables and Accruals

	As at 31 December 2024 RMB'000	2023
Payroll and welfare payables	**22,860**	24,507
Accrued listing expenses	**16,654**	–
Warranty provision	**13,292**	9,297
Accrued expenses	**11,237**	7,900
Payable for long-term assets	**10,801**	3,520
VAT and other taxes payables	**2,659**	5,026
Others	**3,351**	5,145
	80,854	55,395

As at 31 December 2024, the carrying amount of the Group's other payables and accruals were primarily denominated in RMB.

35. Cash flow information

(a) Cash used in operations

	Year ended 31 December	
	2024	2023
	RMB'000	
Cash flows from operating activities		
Loss before income tax	**(227,721)**	(207,095)
Adjustments for:		
Depreciation of property, plant and equipment (Note 15)	**12,251**	10,679
Amortization of intangible assets (Note 17)	**2,151**	1,112
Depreciation of right-of-use assets (Note 16)	**15,904**	14,588
Depreciation of investment properties (Note 18)	**242**	242
Inventory provision (Note 20)	**4,753**	6,235
Net losses of disposal of long-term assets (Note 9)	**134**	60
Amortization of deferred income	**(5,184)**	(1,985)
Net impairment losses on financial assets (Note 11)	**22,648**	6,116
Net foreign exchange losses (Note 9)	**250**	198
Share-based payment expenses (Note 28)	**28,711**	22,401
Rent concessions from lessors	**–**	(473)
Finance costs – net (Note 10)	**5,221**	1,406
Fair value gains on financial assets at FVPL (Note 24)	**(3,612)**	(3,786)
Operating loss before changes in working capital	**(144,252)**	(150,302)
Decrease in inventories	**16,047**	17,289
Increase in trade and notes receivables	**(193,198)**	(120,102)
Increase in other current assets	**(12,883)**	(26,458)
(Increase)/decrease in restricted cash	**(4,026)**	18,320
Increase in other non-current assets	**(3,152)**	(4,513)
Decrease/(increase) in financial assets at FVOCI	**7,357**	(12,904)
Increase in trade payables	**96,243**	18,902
Increase/(decrease) in contract liabilities	**2,319**	(18,624)
Increase in other payables and accruals	**17,524**	147
Net cash used in operations	**(218,021)**	(278,245)

35. Cash flow information (continued)

(b) Net cash reconciliation

	As at 31 December 2024 RMB'000	2023
Cash and cash equivalents	**793,943**	197,934
Financial assets at FVPL	**800**	210,597
Lease liabilities	**(21,037)**	(34,291)
Borrowings	**(191,508)**	(96,660)
Net cash	**582,198**	277,580

(c) Reconciliation of liabilities from financing activities

	Borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2024	**(96,660)**	**(34,291)**	**(130,951)**
Cash flows	**(88,678)**	**16,429**	**(72,249)**
Lease addition	**–**	**(1,902)**	**(1,902)**
Interest expenses (Note 10)	**(6,170)**	**(1,324)**	**(7,494)**
Lease termination	**–**	**51**	**51**
As at 31 December 2024	**(191,508)**	**(21,037)**	**(212,545)**
As at 1 January 2023	(55,560)	(14,140)	(69,700)
Cash flows	(38,961)	13,846	(25,115)
Lease addition	–	(33,643)	(33,643)
Interest expenses (Note 10)	(2,139)	(1,234)	(3,373)
Lease termination	–	880	880
As at 31 December 2023	(96,660)	(34,291)	(130,951)

(d) Major non-cash investing and financing activities

Major non-cash investing and financing activities are additions to right-of-use assets in respect of offices – Note 16.

36. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

The table set forth below summaries the names of the related parties and nature of their relationship with the Group.

Name of related party	Relationship with the Group
NavInfo Co., Ltd.	Indirect non-controlling shareholder of the Company
China Design Group Co., Ltd.	Non-controlling shareholder of the subsidiary
Zhongyan Zhike Data Technology (Shanghai) Co., Ltd.	Non-controlling shareholder of the subsidiary
Shanghai Tian Qu Technology Co., Ltd.	Non-controlling shareholder of the subsidiary
China Satellite Navigation and Communication Co., Ltd.	Fellow subsidiary of NavInfo Co., Ltd.
Jiangsu Xintong Intelligent Transportation Technology Development Co., Ltd.	Fellow subsidiary of China Design Group Co., Ltd.
Dr. Liu Guoqing	Founding shareholder
Mr. Yang Guang	Founding shareholder
Mr. Zhou Xiang	Founding shareholder
Mr. Wang Qicheng	Founding shareholder

In the opinion of the management of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective parties.

36. Related party transactions (continued)

(b) Transactions with related parties

	As at 31 December 2024 RMB'000	2023
Sales of goods or services		
Jiangsu Xintong Intelligent Transportation Technology Development Co., Ltd.	**10,722**	166
China Satellite Navigation and Communication Co., Ltd.	**4,713**	7,455
China Design Group Co., Ltd.	**3,016**	19,133
Shanghai Tian Qu Technology Co., Ltd.	**235**	–
NavInfo Co., Ltd.	**–**	30,260
Zhongyan Zhike Data Technology (Shanghai) Co., Ltd.	**–**	7,075
	18,686	64,089

(c) Balance with related parties

	As at 31 December 2024 RMB'000	2023
Trade and notes receivables (trade in nature)		
Jiangsu Xintong Intelligent Transportation Technology Development Co., Ltd.	**10,796**	188
China Design Group Co., Ltd.	**9,158**	9,389
China Satellite Navigation and Communication Co., Ltd.	**7,510**	7,998
Zhongyan Zhike Data Technology (Shanghai) Co., Ltd.	**3,764**	4,000
Shanghai Tian Qu Technology Co., Ltd.	**761**	622
NavInfo Co., Ltd.	**–**	32,918
	31,989	55,115
Other receivables (non-trade in nature)		
Dr. Liu Guoqing	**–**	479

36. Related party transactions (continued)

(d) Guarantees

	As at 31 December	
	2024	2023
	RMB'000	
Guarantees provided by Dr. Liu Guoqing for the Group's bank borrowings	**–**	66,660
Guarantees provided by Dr. Liu Guoqing and Mr. Yang Guang for the Group's bank borrowings	**–**	30,000
	–	96,660

(e) Key management compensation

Key management includes directors (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December	
	2024	2023
	RMB'000	
Wages, salaries and bonuses	**5,297**	3,480
Pension obligations, housing funds, medical insurances and other social insurances	**352**	193
Share-based payment expenses	**8,212**	4,491
	13,861	8,164

37. Benefits and interests of directors and supervisors

(a) Directors and supervisors' emoluments

The remuneration paid or payable to the directors and supervisors of the Company (including emoluments for services as employees/directors/supervisors of the group entities prior to becoming the directors of the Company) for the year ended 31 December 2024 was as follows.

Name	Fees	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based payment expenses	Total
			RMB'000			
Chairman:						
Dr. Liu Guoqing	–	240	400	62	–	702
Executive directors:						
Mr. Wang Qicheng	–	102	80	19	–	201
Mr. Yang Guang	–	240	100	62	–	402
Mr. Zhou Xiang	–	366	200	23	–	589
Non-executive directors:						
Mr. Bi Lei	–	–	–	–	–	–
Ms. Liu Yiran	–	–	–	–	–	–
Independent directors:						
Mr. Tan Kaiguo (i)	100	–	–	–	–	100
Mr. Xiang Yang (ii)	100	–	–	–	–	100
Mr. Tan Mingkui (iii)	100	–	–	–	–	100
Supervisors:						
Mr. Liao Diguang	–	442	130	20	–	592
Mr. Wan Hao	–	302	60	52	176	590
Mr. Ao Zhengguang (iv)	–	645	190	58	50	943
	300	2,337	1,160	296	226	4,319

37. Benefits and interests of directors and supervisors (continued)

(a) Directors and supervisors' emoluments (continued)

The remuneration paid or payable to the directors and supervisors of the Company (including emoluments for services as employees/directors/supervisors of the group entities prior to becoming the directors of the Company) for the year ended 31 December 2023 was as follows.

Name	Fees	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based payment expenses	Total
			RMB'000			
Chairman:						
Dr. Liu Guoqing	–	240	400	20	–	660
Executive directors:						
Mr. Wang Qicheng	–	102	80	19	–	201
Mr. Yang Guang	–	248	100	20	–	368
Mr. Zhou Xiang	–	240	200	23	–	463
Mr. Wu Jianxin (v)	–	120	–	–	–	120
Non-executive directors:						
Mr. Bi Lei	–	–	–	–	–	–
Ms. Liu Yiran	–	–	–	–	–	–
Independent directors:						
Mr. Tan Kaiguo (i)	100	–	–	–	–	100
Mr. Xiang Yang (ii)	100	–	–	–	–	100
Mr. Tan Mingkui (iii)	100	–	–	–	–	100
Supervisors:						
Mr. Liao Diguang	–	416	130	20	–	566
Mr. Wan Hao	–	291	60	53	177	581
Mr. Ao Zhengguang (iv)	–	360	111	34	50	555
	300	2,017	1,081	189	227	3,814

37. Benefits and interests of directors and supervisors (continued)

(a) Directors and supervisors' emoluments (continued)

(i) Mr. Tan Kaiguo was appointed as an independent director in April 2023.

(ii) Mr. Xiang Yang was appointed as an independent director in April 2023.

(iii) Mr. Tan Mingkui was appointed as an independent director in April 2023.

(iv) Mr. Ao Zhengguang was appointed as a supervisor in April 2023.

(v) Mr. Wu Jianxin resigned from the position of an executive director in June 2023.

(b) Directors' retirement and termination benefits

During the years ended 31 December 2024 and 2023, there were neither termination benefit nor additional retirement benefit received by the directors.

(c) Consideration provided to the third parties for making available directors' services

During the years ended 31 December 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

During the years ended 31 December 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 directors.

(e) Directors and supervisors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director or supervisor of the Company or an entity connected with a director or supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended 31 December 2024 and 2023.

38. Commitments

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

	As at 31 December	
	2024	2023
	RMB'000	
Property, plant and equipment	**3,348**	9,416
Intangible assets	**176**	1,000
	3,524	10,416

39. Dividend

No dividend has been paid or declared by the Company during the year ended 31 December 2024 and 2023.

40. Contingencies

As at 31 December 2024 and 2023, there were no significant contingencies items for the Group and the Company.

41. Subsequent event

In January 2025, the Company issued additional 756,400 H shares for approximately HKD 12,858,000, under the partial exercise of the Over-allotment Option by the Overall Coordinators of the Company's Hong Kong public offering.

42. Balance sheet and reserve movement of the Company

(a) Balance sheet of the Company

	As at 31 December	
	2024	2023
	RMB'000	
ASSETS		
Non-current assets		
Property, plant and equipment	**27,874**	23,071
Right-of-use assets	**13,819**	23,812
Intangible assets	**18,060**	9,810
Investment properties	**4,529**	4,771
Investments in subsidiaries	**216,850**	236,283
Other non-current assets	**5,786**	10,280
	286,918	308,027
Current assets		
Inventories	**107,132**	116,343
Trade and notes receivables	**579,105**	376,716
Other current assets	**207,690**	130,048
Financial assets at fair value through other comprehensive income	**15,801**	18,165
Financial assets at fair value through profit or loss	**–**	210,597
Restricted cash	**1,859**	10
Cash and cash equivalents	**687,596**	78,249
	1,599,183	930,128
Total assets	**1,886,101**	1,238,155

42. Balance sheet and reserve movement of the Company (continued)

(a) Balance sheet of the Company (continued)

	As at 31 December 2024 RMB'000	2023
EQUITY		
Share capital	**399,190**	360,000
Reserves	**1,319,089**	743,296
Accumulated losses	**(501,313)**	(345,104)
Total Equity	**1,216,966**	758,192
LIABILITIES		
Non-current liabilities		
Lease liabilities	**3,696**	14,755
Deferred income	**7,204**	12,387
Borrowings	**32,100**	18,800
	43,000	45,942
Current liabilities		
Trade payables	**191,664**	97,617
Contract liabilities	**782**	973
Borrowings	**159,408**	77,860
Lease liabilities	**11,820**	10,847
Other payables and accruals	**262,461**	246,724
	626,135	434,021
Total liabilities	**669,135**	479,963
Total equity and liabilities	**1,886,101**	1,238,155

The balance sheet of the Company was approved by the Board of Directors on 28 March 2025 and was signed on its behalf.

Liu Guoqing
Director

Yang Guang
Director

42. Balance sheet and reserve movement of the Company (continued)

(b) Reserve movement of the Company

	Attributable to owners of the Company				
	Paid-in capital	Share capital	Reserves	Accumulated losses	Total
			RMB'000		
As at 1 January 2024	**–**	**360,000**	**743,296**	**(345,104)**	**758,192**
Loss for the year	**–**	**–**	**–**	**(156,209)**	**(156,209)**
Total comprehensive loss	**–**	**–**	**–**	**(156,209)**	**(156,209)**
Capital contributions from shareholders	**–**	**39,190**	**549,888**	**–**	**589,078**
Share-based payment	**–**	**–**	**25,905**	**–**	**25,905**
As at 31 December 2024	**–**	**399,190**	**1,319,089**	**(501,313)**	**1,216,966**

	Attributable to owners of the Company				
	Paid-in capital	Share capital	Reserves	Accumulated losses	Total
			RMB'000		
As at 1 January 2023	36,139	–	1,145,066	(568,330)	571,768
Loss for the year	–	–	–	(179,179)	(179,179)
Total comprehensive loss	–	–	–	(179,179)	(179,179)
Conversion into a joint stock company	(36,139)	36,139	(402,405)	402,405	–
Capital contributions from shareholders	–	2,519	341,236	–	343,755
Conversion of capital reserves into share capital	–	321,342	(321,342)	–	–
Share-based payment	–	–	21,848	–	21,848
As at 31 December 2023	–	360,000	743,296	(345,104)	758,192

43. Summary of other accounting policies

43.1 Principles of consolidation and equity accounting

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied throughout each reporting period, unless otherwise stated.

(a) Subsidiaries

Subsidiaries are all entities 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 loss, consolidated statement of changes in equity and consolidated balance sheet, respectively.

43.2 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

43. Summary of other accounting policies (continued)

43.2 Business combination (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

43. Summary of other accounting policies (continued)

43.3 Separate financial statements

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

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

43.4 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 Company and its primary subsidiaries are incorporated in the PRC and 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 at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of comprehensive loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of comprehensive loss on a net basis within other gains – net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

43. Summary of other accounting policies (continued)

43.5 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or 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 any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

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

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

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

43.6 Intangible assets

(a) Software

Computer software are initially recognized and measured at costs incurred to acquire and bring them to use, amortized on a straight-line basis over their estimated useful lives, and recorded in amortization within operating expenses in the consolidated statements of comprehensive loss.

43. Summary of other accounting policies (continued)

43.6 Intangible assets (continued)

*(b) 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 us;
- 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.

43. Summary of other accounting policies (continued)

43.7 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 that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

43.8 Financial assets

(a) Classification

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

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

- those to be measured at amortized cost.

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

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

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

43. Summary of other accounting policies (continued)

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

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

Debt instruments

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

- 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 gains – net". Impairment losses are presented as separate line item in the consolidated statements of comprehensive loss.

43. Summary of other accounting policies (continued)

43.8 Financial assets (continued)

(c) Measurement (continued)

Debt instruments (continued)

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

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

Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognized in profit or loss and presented in "other gains – net" in the consolidated statements of comprehensive loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

43. Summary of other accounting policies (continued)

43.8 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. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For cash and cash equivalents, restricted cash and long-term bank time deposits, the expected credit loss risk is considered immaterial.

For trade and notes receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade and notes receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, 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.

43.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheets where the entity currently 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.

43.10 Cash and cash equivalents

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

43. Summary of other accounting policies (continued)

43.11 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.

43.12 Trade and other payables

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

43.13 Borrowings

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

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

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

43. Summary of other accounting policies (continued)

43.14 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized 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.

All other borrowing costs are expensed in the period in which they are incurred.

43.15 Current and deferred income tax

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

(a) Current income tax

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

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. 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 income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

43. Summary of other accounting policies (continued)

43.15 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

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

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

43.16 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are 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 statements of balance sheets.

(b) Pension obligations

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

43. Summary of other accounting policies (continued)

43.16 Employee benefits (continued)

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

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

(d) Bonus plan

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.

(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.

43. Summary of other accounting policies (continued)

43.17 Share-based payment

The Group operates an equity-settled share-based payment plan, under which the Group receives services from eligible employees as consideration for equity instruments of the Company. The fair value of the employee services received in exchange for the grant of equity instruments is recognized as an expense on the consolidated financial statements. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- 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 total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-marketing performance 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.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period.

43. Summary of other accounting policies (continued)

43.18 Provisions

Provisions for legal claims, warranties and make good obligations 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 can be 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 may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

43.19 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.

43. Summary of other accounting policies (continued)

43.19 Leases (continued)

Lease as lessee (continued)

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.

The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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

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

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

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

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

Payments associated with short-term leases 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.

43. Summary of other accounting policies (continued)

43.20 Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury stock.

(b) Diluted loss per share

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

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

43.21 Government grants

Grants 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.

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

43. Summary of other accounting policies (continued)

43.22 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see Note 9 above.

Interest income on financial assets at amortized cost and financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 above. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"AGM"	the annual general meeting of the Company to be held on Friday, May 23, 2025 or any adjournment thereof
"Amended Concert Party Agreement"	the amended concert party agreement entered into by Dr. Liu Guoqing (劉國清), Mr. Yang Guang (楊廣), Mr. Zhou Xiang (周翔), Mr. Wang Qicheng (王啟程), Mr. Yan Shengye (閆勝業) and Mr. Wu Jianxin (吳建鑫) in May 2024
"Articles" or "Articles of Association"	the articles of association of the Company as amended from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors of our Company
"Board Committees"	the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee
"CG Code" or "Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China, which, for the purposes of this annual report, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Company" or "our Company" or "the Company" or "we" or "us" or "our"	Minieye Technology Co., Ltd (深圳佑駕創新科技股份有限公司), a limited liability company established under the laws of the PRC on December 10, 2014 and converted into a joint stock company with limited liability on June 7, 2023, the H Shares of which are listed on the Stock Exchange (stock code: 2431)
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"controlling shareholders"	has the meaning as ascribed under the Listing Rules
"Directors"	the director(s) of our Company or any one of them

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"Employee Incentive Scheme"	the pre-IPO employee incentive scheme adopted by the Company, which is not subject to Chapter 17 of the Listing Rules and the principal terms of which are set out in the section headed "Appendix VI – Statutory and General Information – D. Employee Incentive Scheme" in the Prospectus
"ESOP Holding Entities"	Youjia Licheng, Youjia Qingcheng and Youjia Zhongcheng
"EU"	the European Union
"Global Offering"	the global offering of the Company as defined in the Prospectus
"Group" or "our Group" or "the Group" or "we" or "us" or "our"	the Company and its subsidiaries
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"H Share(s)"	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Main Board of the Stock Exchange and subscribed for and traded in Hong Kong dollars
"IFRSs"	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 from time to time
"Latest Practicable Date"	April 21, 2025, being the latest practicable date for the purpose of ascertaining certain information in this annual report prior to its publication
"Listing"	the listing of our Shares on the Main Board of the Stock Exchange
"Listing Date"	December 27, 2024, the date on which our H Shares are listed and from which dealings therein first commence on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Company
"OEM"	automotive original equipment manufacturer
"Prospectus"	the prospectus of the Company dated December 17, 2024 in relation to the Global Offering and the Listing
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Company
"Reporting Period"	the year ended December 31, 2024
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"R&D"	research and development
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SGD"	Singapore dollars, the lawful currency of Singapore
"Shares(s)"	Unlisted Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of the Company
"Supervisor(s)"	supervisor(s) of the Company
"Supervisor Committee"	supervisory committee of the Company
"substantial shareholder(s)"	has the meaning as ascribed under the Listing Rules

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"tier-one supplier"	automotive system integrator, company that supply assembled components or systems directly to OEMs
"Unlisted Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are not listed or traded on any stock exchange
"USD"	U.S. dollars, the lawful currency of the United States
"Youjia Licheng"	Shenzhen Youjia Licheng Investment Partnership (Limited Partnership) (深圳佑駕礪成投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on May 28, 2021, and one of the ESOP Holding Entities
"Youjia Qingcheng"	Shenzhen Youjia Qingcheng Investment Partnership (Limited Partnership) (深圳佑駕清成投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on December 10, 2020, and one of the ESOP Holding Entities
"Youjia Zhongcheng"	Shenzhen Youjia Zhongcheng Investment Partnership (Limited Partnership) (深圳佑駕眾成投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on April 29, 2021, and one of the ESOP Holding Entities
"%"	per cent