



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

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

Stock Code: 1274



2025
INTERIM REPORT

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Corporate Information

CHINESE NAME OF THE COMPANY

知行汽車科技(蘇州)股份有限公司

ENGLISH NAME OF THE COMPANY

iMotion Automotive Technology (Suzhou) Co., Ltd.

BOARD OF DIRECTORS

Executive Directors

Mr. Song Yang (*Chairman of the Board*)
Mr. Lu Yukun
Mr. Li Shuangjiang
Ms. Jiang Jingfang (appointed with effect from June 20, 2025)
Ms. Liu Fang (appointed with effect from June 20, 2025)

Non-executive Directors

Mr. Li Chengsheng (resigned with effect from April 11, 2025)
Mr. Tao Zhixin (resigned with effect from May 2, 2025)
Mr. Yang Yuankui (resigned with effect from April 25, 2025)

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION AND APPRAISAL COMMITTEE

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

NOMINATION COMMITTEE

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

STRATEGY COMMITTEE

Mr. Song Yang (*Chairman*)
Mr. Lu Yukun
Mr. Yang Yuankui (resigned with effect from April 25, 2025)
Dr. Zhang Weigong (appointed with effect from May 21, 2025)

BOARD OF SUPERVISORS

Mr. Luo Hong (*Chairman*)
(resigned with effect from May 9, 2025)
Mr. Zhu Qinghua (*Chairman*)
Ms. Gao Liyun (appointed with effect from May 9, 2025)
Mr. Wang Bingjie

AUTHORISED REPRESENTATIVES

Mr. Song Yang
Mr. Chung Ming Fai

JOINT COMPANY SECRETARIES

Ms. Liu Fang
Mr. Chung Ming Fai

HEADQUARTERS, REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN PRC

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Suzhou, Jiangsu Province
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AUDITORS

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PRINCIPAL BANKERS

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Jiangsu Pilot Free Trade Zone Suzhou Branch
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STOCK CODE

01274

Definitions

“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this interim report, Hong Kong, Macau and Taiwan
“Company”	iMotion Automotive Technology (Suzhou) Co., Ltd., a joint stock company incorporated in the PRC with limited liability
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules, and unless the context otherwise requires
“Director(s)”	director(s) of the Company
“EUR”	Euro, the lawful currency of European Union
“Group”, “we” or “us”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	December 20, 2023, the date on which the H Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange

Definitions

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“PCBA”	printed circuit boards assembly
“Prospectus”	the prospectus of the Company dated December 12, 2023
“R&D”	research and development
“Reporting Period”	the six months ended June 30, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) in the issued share capital of the Company, with a nominal value of RMB1.00 each
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“%”	per cent



Financial Highlights

During the Reporting Period, the Group have recorded:

- Revenue of RMB365.99 million, which was decreased by 42.47% compared to the corresponding period in 2024.
- Gross profit of RMB17.07 million, which was decreased by 61.93% compared to the corresponding period in 2024.
- Gross profit margin was 4.67% (corresponding period in 2024: 7.05%).
- Loss before tax for the Reporting Period was increased by 80.39% to RMB177.86 million (corresponding period in 2024: RMB98.60 million).
- Loss attributable to the equity holders of the Company for the Reporting Period was increased by 80.38% to RMB177.88 million (corresponding period in 2024: RMB98.61 million).
- Basic and diluted loss per share attributable to ordinary equity holders of the parent amounted to RMB0.75 for the Reporting Period (corresponding period in 2024: RMB0.44).
- The Board does not recommend the payment of an interim dividend for the Reporting Period (corresponding period in 2024: Nil).

Management Discussion and Analysis

I. MARKET REVIEW

In the first half of 2025, China's Automotive Market witnessed a steady growth

In the first half of 2025, China's automotive production and sales reached 15.621 million units and 15.653 million units, representing period-on-period growth of 12.5% and 11.4% respectively. Among them, production and sales of passenger vehicle reached 13.522 million units and 13.531 million units, representing period-on-period growth of 5.4% and 6.3% respectively. It is noteworthy that Chinese-branded passenger vehicles maintained strong momentum with sales of 9.26 million units recorded, accounting for 68.4% of total passenger vehicle sales and representing a 6.5 percentage point increase as compared with the corresponding period of the previous year in terms of market share. Production and sales of new energy vehicles continued to sustain rapid growth, with the market share steadily increasing. In the first half of 2025, China's production and sales of new energy vehicle totaled 6.968 million units and 6.937 million units, representing period-on-period growth of 41.4% and 40.3% respectively and capturing a market share of 44.3%. Simultaneously, China's automobile exports maintained steady growth and reached 3.083 million units, representing period-on-period growth of 10.4%.

In the first half of 2025, the PRC government authorities launched various policies to promote and regulate the development of autonomous driving industry

On April 30, 2025, the Ministry of Industry and Information Technology (工業和信息化部) solicited public comments on the draft mandatory national standard "Technical Requirements and Test Methods for Light Vehicle Automatic Emergency Braking Systems" (《輕型汽車自動緊急制動系統技術要求及試驗方法》) ("Draft"). According to the Draft, the automatic emergency braking system will transition from a recommended to a mandatory requirement, and its applicability will be expanded to cover more vehicle models. This move is expected to accelerate the development of the advance driver assistance industry. During the Reporting Period, several regional supportive regulations also took effect in multiple regions including Beijing, Guangzhou, Wuhan, and Anhui Province, and etc. For instance, the "Beijing Autonomous Driving Vehicle Regulations" (《北京市自動駕駛汽車條例》) officially came into force on April 1, 2025, becoming China's first regional regulation explicitly authorizing the Level 3 autonomous driving private vehicles for legal public roads use. Concurrently, policies placed strong emphasis on product safety and technical compliance requirements. On February 25, 2025, Ministry of Industry and Information Technology (工業和信息化部) and the State Administration for Market Regulation (國家市場監督管理總局) jointly issued the "Notice on Further Strengthening the Management of Product Admission, Recalls, and Over-the-Air ("OTA") Software Updates for Intelligent Connected Vehicles" (《關於進一步加強智慧網聯汽車產品准入、召回及軟體線上升級管理的通知》), explicitly placing advanced driver assistance and OTA functions into the mandatory regulatory framework. On June 4, 2025, the National Standards Information Public Service Platform published a notice soliciting opinions on the proposed mandatory national standard project "Safety Requirements of Combined Driver Assistance System for Intelligent Connected Vehicle" (《智慧網聯汽車組合駕駛輔助系統安全要求》). These policies will help standardize the development of the autonomous driving industry, advance technological progress, enhance consumer confidence, and promote the commercialization of autonomous driving.

Management Discussion and Analysis

The penetration rate of advanced driver assistance systems continued to increase

In the first half of 2025, leading domestic Original Equipment Manufacturers (“OEMs”) such as BYD, Changan Automobile, Geely Auto, Chery Automobile, and GAC Group held press conferences in rapid succession to promote the universal access to autonomous driving technology. Benefiting from the efforts by these leading OEMs and the general decline in costs, advanced driver assistance systems rapidly spread to vehicle models priced below RMB200,000 and the overall penetration rate of advanced driver assistance systems continued to rise.

Autonomous driving algorithms continues to upgrade and iterate

In the first half of 2025, autonomous driving algorithm models exhibited a trend of rapid iteration, evolving from “perception-decision” end-to-end large models towards “understanding-reasoning” capabilities. Vision-Language Models (“VLM”), by unifying perception and natural language reasoning in a shared embedding space, demonstrated stronger generalization capabilities when facing new objects, weather conditions, and driving rules. Furthermore, Vision-Language-Action (“VLA”) large models integrate sensor data streams, high-level natural language instructions, and low-level execution commands into a single strategy, endowing vehicles with enhanced scene understanding and reasoning capabilities.

II. BUSINESS REVIEW

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

During the Reporting Period, we delivered more than 116,000 advanced driver assistance solutions and products to our customers, representing an increase of 20.8% as compared to the same period last year, as more and more customer vehicle models equipped with our advanced driver assistance solutions and products entered serial production and delivery stage. During the Reporting Period, we recorded revenue of approximately RMB365.99 million, representing a period-over-period decrease of 42.47%, and realized gross profit of RMB17.07 million, representing a period-over-period decrease of 61.93%.

Advanced driver assistance solutions and products

During the Reporting Period, we generated most of our revenue from the sales of our advanced driver assistance solutions and products to OEMs, which included advanced driver assistance domain controllers and intelligent front camera products. We develop advanced driver assistance solutions and products for OEMs by leveraging core vertically integrated competencies in product design and development, algorithm and function development, system integration and manufacturing, etc. Our solutions and products for advanced driver assistance can be installed on both new energy vehicles (NEVs) and internal combustion engine (ICE) vehicles, and are capable of realizing a wide variety of advanced driver assistance functions.

During the Reporting Period, we generated revenue of approximately RMB327.50 million (corresponding period in 2024: RMB613.26 million) from the provision of advanced driver assistance solutions and products, representing a decrease of 46.60% as compared to that for the corresponding period in 2024, accounting for approximately 89.48% of our total revenue during the Reporting Period. Among which, revenue from the sales of advanced driver assistance domain controllers amounted to approximately RMB294.40 million (corresponding period in 2024: RMB597.94 million), representing a decrease of 50.76% as compared to that for the corresponding period in 2024. The decrease was mainly attributable to a significant decrease in the order for Supervision from customers. However, the revenue from the self-developed iDC series advanced driving assistance domain controller amounted to approximately RMB74.38 million (corresponding period in 2024: RMB34.49 million), representing an increase of 115.66% compared to the corresponding period in 2024 and indicating self-developed iDC series advanced driver assistance domain controller has a rapid growth trend; revenue from the sales of intelligent front cameras amounted to approximately RMB33.09 million (corresponding period in 2024: RMB15.32 million), representing an increase of 115.99% as compared to that for the corresponding period in 2024, the increase of which was mainly attributable to multiple new vehicle models of customers entering the serial production and delivery phase.

Autonomous driving-related R&D services

We continued to provide autonomous driving-related R&D services to OEMs. Our autonomous driving-related R&D services are primarily focused on three aspects: (1) the development of software and hardware for advanced driver assistance; (2) the development of algorithms and functions for advanced driver assistance; and (3) functional safety consulting and validation. Our autonomous driving-related R&D services are primarily focused on two areas: (1) proof-of-concept projects. In these projects, OEMs engage us to conduct concept validation for new technology. Leveraging our comprehensive R&D capabilities and utilizing advanced technology, we develop and provide prototypes to OEMs within a short time to conduct concept validation; and (2) R&D services in relation to the supply of our advanced driver assistance solutions. After receiving the letter of nomination, we start providing R&D services to customers, which primarily include R&D of hardware, software, algorithms and advanced driver assistance functions, as well as implementation, integration, verification and testing services.

Management Discussion and Analysis

During the Reporting Period, we recorded revenue from the autonomous driving-related R&D services of approximately RMB25.79 million (corresponding period in 2024: RMB19.61 million), representing approximately 7.05% of our total revenue in the Reporting Period. The increase in revenue from autonomous driving-related R&D services for the Reporting Period as compared to that for the corresponding period in 2024 was primarily due to that the Company obtained new R&D projects and completed the corresponding development tasks and obtained the customer's acceptance.

Sales of PCBA products

During the Reporting Period, we continue to be engaged in the manufacturing and sales of PCBA products to third parties. We mount different electronic components on the PCB, such as SoCs, resistors, capacitors, and transmitters to prepare a fully usable PCBA based on our customers' specifications.

During the Reporting Period, we recorded revenue from the sale of PCBA products of approximately RMB12.71 million (corresponding period in 2024: RMB3.29 million), accounting for approximately 3.47% of our total revenue in the Reporting Period. The increase in revenue from sales of PCBA products for the Reporting Period as compared to that for the corresponding period in 2024 was primarily due to the increase in orders from customers.

Project Acquisition

During the Reporting Period, we obtained a total of 19 letters of nomination from well-known OEM customers including, among others, Chery, Geely Auto, and Dongfeng Motor. Most of those vehicle models will be put into production in 2025 and 2026, which will help us consolidate our commercial advantages and capture a larger market share.

R&D Progress

During the Reporting Period, our products and algorithms underwent rapid iteration. In terms of product, our fully self-developed advanced driver assistance domain controllers – iDC500 entered serial production phase. This is the world's first mass-produced advanced driver assistance solution that successfully deploys BEV Transformer + OCC perception algorithm on the Renesas V4H computing platform. In January 2025, we officially signed a strategic cooperation agreement with Horizon Robotics (stock code: 09660) to accelerate serial production collaboration based on the latest-generation Journey 6 series. In the second half of 2025, advanced driver assistance domain controllers powered by Horizon Robotics' Journey 6 series will achieve serial production on multiple popular models from several leading Chinese automotive groups.

In terms of algorithms, we developed a leading two-stage end-to-end solution, achieving deep fusion of multi-dimensional perception. Our integrated “Perception-Prediction-Planning” network enables driving behavior to be more human-like and capable of handling complex urban scenarios, resulting in a significant leap forward in driving capabilities. We refined a highly automated, full-link data closed-loop system, significantly improving automated annotation levels. By leveraging multimodal large models, we have built strong data mining capabilities, not only maximizing data value but also substantially shortening the entire R&D cycle and yielding significant efficiency advantages. Concurrently, we have begun deploying VLA large models to develop safer, more generalizable, and more human-aligned autonomous driving algorithms.

Progress in Embodied Intelligence

During the Reporting Period, we actively expanded into the field of embodied intelligence. In March 2025, we established a wholly-owned subsidiary named iMotion Robotics (Suzhou) Co., Ltd. (“**iMotion Robotics**”). Based on the parent company’s technological and industrial foundation and leveraging the technical commonality between embodied intelligence and autonomous driving systems in visual perception, multimodal interaction and other aspects, iMotion Robotics will focus on the R&D and commercialization of embodied intelligence technology. In May 2025, we entered into a framework agreement for equity transfer with the shareholders of Suzhou Artiarm Robotics Co., Ltd. (“**Artiarm Robotics**”), quickly tapping into key components market for embodied intelligence and taking a solid step forward in accelerating the expansion into specific application scenarios. Simultaneously, based on our technical expertise and mass production experience in advanced driver assistance domain controllers, we are actively collaborating with leading embodied intelligence platform enterprises to develop embodied intelligence main controller products, which is expected to be launched in the second half of 2025.

Overseas Layout

During the Reporting Period, we actively promoted overseas expansion. On May 13, 2025, our wholly-owned subsidiary, iMotion Automotive Technology (Singapore) Pte. Ltd. entered into a joint venture agreement with Delloyd Technology Berhad, a benchmark enterprise in Malaysia’s local automotive supply chain. We plan to jointly invest in the establishment of two joint ventures in Malaysia to build a localized operational system and facilitate the rapid expansion of our business footprint into the Southeast Asian market.

Management Discussion and Analysis

III. FINANCIAL REVIEW

Revenue

Revenue for the Reporting Period was RMB365.99 million, representing a decrease of RMB270.16 million or 42.47% as compared to that for the corresponding period in 2024. The decrease in revenue was mainly due to the uneven distribution of our revenue between the first and second halves of the year, which is affected by the demand of OEM customers, with a higher volume of delivery requirement expected to be concentrated in the latter half. Additionally, the decrease is also attributable to the shift in our client mix and product mix, with sales of Supervision declining while sales of iDC products increasing. Among which, revenue from sales of advanced driver assistance solutions and products was RMB327.50 million, representing a decrease of RMB285.76 million or 46.60% as compared to that for the corresponding period in 2024; revenue from rendering of autonomous driving-related R&D services was RMB25.79 million, representing an increase of RMB6.18 million or 31.51% as compared to that for the corresponding period in 2024; and revenue from sales of PCBA products was RMB12.71 million, representing an increase of RMB9.42 million or 286.26% as compared to that for the corresponding period in 2024.

A substantial portion of the revenue of the Group was generated from sales of advanced driver assistance solutions and products, accounting for 89.48% of its revenue for the Reporting Period (corresponding period in 2024: 96.40%). In addition, revenue generated from rendering of autonomous driving-related R&D services accounted for 7.05% of its revenue for the Reporting Period (corresponding period in 2024: 3.08%), and revenue from sales of PCBA products accounted for 3.47% of its revenue for the Reporting Period (corresponding period in 2024: 0.52%). Revenue of the Group was mainly derived from our operations in the PRC.

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

	For the six months ended June 30,			
	2025		2024	
	Amount (RMB'000) (Unaudited)	Percentage of total revenue	Amount (RMB'000) (Unaudited)	Percentage of total revenue
Advanced driver assistance solutions and products				
– Advanced driver assistance domain controller solutions	294,402	80.44%	597,939	93.99%
– Intelligent front cameras	33,093	9.04%	15,318	2.41%
Subtotal	327,495	89.48%	613,257	96.40%
Autonomous driving-related R&D services	25,790	7.05%	19,610	3.08%
Sales of PCBA products	12,708	3.47%	3,290	0.52%
Total	365,993	100.00%	636,157	100.00%

Cost of Sales and Services

Cost of sales and services for the Reporting Period was RMB348.92 million, representing a decrease of RMB242.39 million or 40.99% as compared to that for the corresponding period in 2024, which was mainly due to that cost of sales decreased in line with the decrease in revenue in the first half of 2025. Among which, cost of sales of advanced driver assistance solutions and products for the Reporting Period was RMB320.26 million, representing a decrease of RMB250.30 million or 43.87% as compared to that for the corresponding period in 2024; cost of rendering of autonomous driving-related R&D services was RMB20.48 million, representing an increase of RMB3.57 million or 21.11% as compared to that for the corresponding period in 2024; and cost of sales of PCBA products was RMB8.18 million, representing an increase of RMB4.34 million or 113.02% as compared to that for the corresponding period in 2024.

Gross Profit and Gross Profit Margin

Gross profit for the Reporting Period was RMB17.07 million, representing a decrease of RMB27.78 million or 61.93% as compared to that for the corresponding period in 2024. Of which, gross profit of sales of advanced driver assistance solutions and products for the Reporting Period was RMB7.24 million, representing a decrease of RMB35.46 million or 83.05% as compared to that for the corresponding period in 2024; gross profit of rendering of autonomous driving-related R&D services was RMB5.31 million, representing an increase of RMB2.61 million or 96.81% as compared to that for the corresponding period in 2024; and gross profit of sales of PCBA products was RMB4.52 million, compared to a gross loss of RMB0.55 million for the corresponding period in 2024.

Gross profit margin for the Reporting Period was 4.67% (corresponding period in 2024: 7.05%). The change in gross profit margin was primarily attributable to that we strategically reduced prices of iDC and iFC for certain star vehicle models with high expected sales in the future in order to expand market share and maintain the loyalty of core customers and in response to the impact from automaker customers and market competition.

Other Income

Other income primarily consists of government subsidies for the Group's R&D expenditures and manufacturing bases. Other income for the Reporting Period amounted to RMB2.90 million, representing an increase of 32.12% as compared with RMB2.20 million for the corresponding period in 2024. The increase was mainly due to an increase of government grants for R&D expenditures.

Other Losses – Net

Net other losses primarily consist of (i) net fair value losses or gains on financial assets at fair value through profit or loss in relation to losses or gains from our wealth management; (ii) net foreign exchange losses or gains; (iii) net fair value gains on derivative financial instruments; (iv) net gains or losses on disposals of property, plant and equipment and intangible assets; and (v) others. Net other losses for the Reporting Period amounted to RMB2.44 million, representing a decrease of RMB8.64 million as compared with net other losses RMB11.08 million for the corresponding period in 2024. The decrease was mainly due to an increase in investment income from wealth management products and a decrease in foreign exchange losses.

Management Discussion and Analysis

Selling Expenses

Selling expenses for the Reporting Period amounted to RMB10.47 million, representing a decrease of 9.35% as compared with RMB11.55 million for the corresponding period in 2024. The decrease was mainly attributable to a decrease in the warranty as the revenue declined in the first half of 2025. As a percentage of revenue, the selling expenses increased from 1.82% for corresponding period in 2024 to 2.86% for the Reporting Period, up by 1.04 percentage point.

Administrative Expenses

Administrative expenses for the Reporting Period amounted to RMB31.37 million, representing an increase of 35.19% as compared with RMB23.20 million for the corresponding period in 2024. The increase was mainly attributable to expansion of administrative personnel and corresponding increase in personnel costs to support business development needs. As a percentage of revenue, the administrative expenses increased from 3.65% for corresponding period in 2024 to 8.57% for the Reporting Period, up by 4.92 percentage point.

Research and Development Expenses

Research and development expenses for the Reporting Period amounted to RMB156.53 million, representing an increase of 57.18% as compared with RMB99.59 million for the corresponding period in 2024. The increase was mainly attributable to further increase in research and development investment in self-developed new products and autonomous driving technology. As a percentage of revenue, the research and development expense increased from 15.65% for corresponding period in 2024 to 42.77% for the Reporting Period, up by 27.12 percentage point.

Finance Income

Finance income primarily consists of interest income on cash at bank. Finance income for the Reporting Period amounted to RMB6.22 million, representing an increase of RMB2.56 million as compared with RMB3.66 million for the corresponding period in 2024. The increase was mainly attributable to the completion of the 2025 Placing in February 2025, which led to an increase in cash and thus an increase in interest income.

Finance Costs

Finance costs for the Reporting Period amounted to RMB1.84 million, representing a decrease of RMB0.35 million as compared with RMB2.19 million for the corresponding period in 2024. The decrease was mainly attributable to the decrease in interest expenses on bank borrowings.

Loss for the Reporting Period

As a result of the foregoing, loss for the Reporting Period amounted to RMB177.95 million, representing an increase of 80.42% as compared with RMB98.63 million for the corresponding period in 2024.

Loss for the Reporting Period Attributable to the Equity Holders of the Company

For the Reporting Period, loss for the period attributable to owners of the parent amounted to RMB177.88 million, representing an increase of 80.38% as compared with RMB98.61 million for the corresponding period in 2024.

IV. LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

For the Reporting Period, the Group's net cash outflow in operating activities was RMB97.51 million, as compared with RMB406.91 million of its net cash outflow used in operating activities for the corresponding period in 2024. The decrease in net cash outflow of operating activities was mainly attributable to the decrease in the payment for procuring raw materials.

For the Reporting Period, the Group's net cash inflow of investing activities was RMB65.71 million, as compared with RMB168.73 million of its net cash outflow used in investing activities for the corresponding period in 2024. The increase in net cash inflow of investing activities was mainly attributable to a significant amount of proceeds from disposal of financial assets at fair value through profit or loss in the first half of 2025.

For the Reporting Period, the Group's net cash inflow from financing activities was RMB230.08 million, as compared with RMB65.37 million of its net cash inflow from financing activities for the corresponding period in 2024. The increase in net cash inflow generated from financing activities was mainly attributable to the proceeds from the 2025 Placing in February 2025.

Net Current Assets

As at June 30, 2025, the Group's net current assets amounted to RMB661.72 million, as compared to its net current assets of RMB673.13 million as at December 31, 2024.

Inventories

The Group's inventories consist of (i) raw materials; (ii) work in progress; and (iii) finished goods. As at June 30, 2025, the Group's inventories amounted to RMB280.02 million, representing a decrease of 6.33% as compared with RMB298.94 million as at December 31, 2024. The decrease in the inventories amount was mainly due to the decrease of raw material.

In the first half of 2025, the Group's average inventory turnover days (the average inventory turnover days are calculated by dividing the average of opening and ending balance of inventories by cost of sales for that year and multiplying by 180 days.) were 149 days, representing an increase as compared with 92 days in 2024, which was mainly attributable to strategic inventory build-up in advance in preparation for the upcoming relocation of the Company's headquarters, which led to an increase in finished goods.

Management Discussion and Analysis

Borrowings

As at June 30, 2025, the Group's borrowings were RMB366.52 million, representing an increase of 16.39% as compared with RMB314.90 million as at December 31, 2024. All the Group's bank loans and other borrowings are denominated in Renminbi.

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

	As at	
	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
<i>Secured</i>		
Bank borrowings	240,399	170,173
Borrowings included in current liabilities:		
<i>Secured</i>		
Bank borrowings	15,933	–
<i>Unsecured</i>		
Bank borrowings	80,000	114,500
Other loans	30,000	30,000
Interest payables	187	225
	126,120	144,725
Total borrowings	366,519	314,898

Gearing Ratio

Gearing ratios, which is calculated as total borrowings divided by total equity of the Group, are 40.37% and 29.20% as at June 30, 2025 and June 30, 2024, respectively.

Pledge of Assets

The Group has pledged its land use rights with carrying amounts of approximately RMB29.96 million to bank as the security for the long-term bank borrowings of RMB256.33 million as at June 30, 2025.

Capital Expenditures and Investment

The Group's capital expenditures comprise primarily expenditures on land use rights, property, plant and equipment and intangible assets. During the Reporting Period, the Group's total capital expenditures were RMB124.43 million, representing an increase of 51.29% as compared with RMB82.28 million for the corresponding period in 2024. The increase was mainly due to the increase in payments for the construction expense of new factory and the purchase of equipment.

Treasury Policies and Exposure to Fluctuation in Exchange Rates

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

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

Contingent Liabilities

As at June 30, 2025, the Group did not have any contingent liabilities.

Staff Cost and Employee Remuneration Policy

As at June 30, 2025, the Group had 559 employees (as at June 30, 2024: 460 employees). Staff cost of the Group increased by 31.87% from RMB96.36 million for the corresponding period in 2024 to RMB127.07 million for the Reporting Period, which was mainly attributable to increase in labor costs for R&D personnel and administrative personnel.

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

Management Discussion and Analysis

V. SIGNIFICANT INVESTMENTS

As of June 30, 2025, the Group did not have any significant investments. As of June 30, 2025, save as the application of the remaining net proceeds from the global offering and placings as disclosed in this interim report, the Group did not have other future plans for material investments and capital assets.

VI. MATERIAL ACQUISITIONS AND DISPOSALS

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

VII. FUTURE STRATEGY AND PROSPECTS

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

In the first half of 2025, China's vehicle exports surged by 10.4% period-on-period, reaching a record high of 3.083 million units. With the products and brand power of local vehicle enterprises have been improved continuously and received high recognition from domestic and overseas end-users, the export of which, therefore, is projected to increase notably. As end customers' awareness is becoming more comprehensive and acceptance of autonomous driving is increasing, there is a growing demand for autonomous driving; especially for new-energy vehicles, the autonomous driving function is becoming an integral part reflective of its intelligence.

In the first half of 2025, the embodied intelligence industry also experienced rapid development, demonstrating positive momentum across multiple dimensions. In terms of technology, embodied intelligence has transitioned from primarily focusing on single perception and single tasks to the integration of multi-source perception (including vision, language and touch), with continuous breakthroughs in key areas such as perception, control, and decision-making. In terms of application expansion, the application scenarios for embodied intelligence have continued to diversify. Meanwhile, the synergistic development between autonomous driving technology and embodied intelligence has become more pronounced, with several automakers entering the humanoid robotics field through investments or in-house R&D.

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

We will continuously optimize and refine our existing product lines, and expand our in-house manufacturing capacity to reinforce our business expansion; and provide more cost-effective solutions and products to our customers through technological advancement and supply chain optimization. Our new smart factory has been officially put into operation. With the integration of the newly implemented SAP and MES systems, we have significantly enhanced the digitalization level of the supply chain and manufacturing processes, significantly enhancing production efficiency and quality.

Increase our R&D investment to solidify our leading position

The Company focuses on delivering large-scale commercial intelligent driving solutions to the market. At present, we have independently developed core algorithms, middleware and cloud platforms. Moving forward, we will continue to optimize our software, enhance technical barriers and cost-effectiveness of our solutions, and continuously improve the core competitiveness of our products. In terms of algorithms, we will strengthen the deployment of the VLA multimodal large model to develop safer, more generalizable, and human-aligned autonomous driving algorithms. In terms of data, we will continuously refine the full-link data closed-loop system to enhance data mining capabilities and data value and shorten R&D cycles. We will persistently refine our self-developed software middleware to make it more automatic and programmatic, ensuring compatibility with diverse computing platforms while improving operational resource efficiency. In terms of computing platforms, we will strengthen collaboration with Horizon Robotics to develop a new generation of computing frameworks based on the Journey 6 platform, which are compatible with our algorithm iterations in order to achieve a seamless integration of hardware and software. Meanwhile, we will collaborate with our partners to build integrated cockpit-driving platform and vehicle central computing platform.

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

We will strengthen our cooperation with existing customers and strive to expand our products and solutions to more vehicle models. Meanwhile, we will continue to grow our sales and marketing teams to achieve breakthroughs with key potential customers. In addition, we will collaborate with our strategic partners to broaden our OEM customer base.

Enhance our value chain integration capabilities

We will continue to collaborate with existing international first-class system-on chips (“SoC”) suppliers, and actively promote the R&D and commercialization of products and solutions of Horizon Journey system chips based on our strategic cooperation with Horizon Robotics. We aim to deepen our cooperation with sensor suppliers to develop modular solutions to shorten the development cycle and improve the adaptability of our solutions. In addition, we plan to strengthen our vertical integration capabilities by investing in or acquiring quality companies that can create synergies.



Management Discussion and Analysis

Build an international brand with a global presence

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

Actively explore more diversified business models

Our current solutions focus primarily on intelligent driving of passenger vehicles. In addition, there are also broad application prospects for autonomous driving solutions in specialized scenarios such as public transportation, freight logistics, agricultural machinery, industry and warehousing, mines and ports, which can help improve transportation efficiency, reduce injuries and lower costs. We have engaged in in-depth discussions with multiple leading unmanned logistics companies and plan to extend our domain controller solutions to the unmanned logistics sector. Meanwhile, as a leading company in the autonomous driving industry, we possesses significant advantages in technology, data, algorithms, hardware, safety, ecosystem, market, and cross-domain applications, and are actively expanding our presence in the field of embodied intelligence. We have engaged in-depth discussions with several leading embodied intelligence enterprises to explore collaboration opportunities in main controllers, key components, and algorithms.

Corporate Governance and Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting high standards of corporate governance, to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has complied with all applicable code provisions under the CG Code as set out in Appendix C1 to the Listing Rules as the basis for its corporate governance practices during the Reporting Period, except for code provision C.2.1 described below. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Reporting Period (corresponding period in 2024: Nil).

Corporate Governance and Other Information

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date. The net proceeds from the from the global offering of the H Shares (the “**Global Offering**”), after deduction of the underwriting commission, fees and estimated expenses in connection with the Global Offering and other expenses, were approximately RMB575.83 million (equivalent to approximately HK\$595.23 million). The following table sets forth the Company’s use of the proceeds from the Global Offering as at June 30, 2025:

	Approximate percentage of the total net proceeds	Net proceeds from the Global Offering (RMB' million)	Unutilized net proceeds as of January 1, 2025 (RMB' million)	Actual use of proceeds during the Reporting Period (RMB' million)	Unutilized net proceeds as of June 30, 2025 (RMB' million)	Expected time to utilize the remaining net proceeds in full
Enhancing research and development of our autonomous driving solutions and products	45.0%	259.12	43.88	43.88	–	Fully utilized
Capital expenditure in relation to our R&D headquarters, manufacturing premises and new production lines	35.0%	201.54	18.43	18.43	–	Fully utilized
Expanding our sales and service network	10.0%	57.58	44.03	5.60	38.43	By the end of the year 2026
Working capital and general corporate purposes	10.0%	57.58	–	–	–	Fully utilized
Total (Note)	100.0%	575.83	106.34	67.91	38.43	

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

As at June 30, 2025, the unutilized net proceeds from the Global Offering amounted to approximately RMB38.43 million. The Group will utilize the net proceeds in accordance with the intended purposes and the same portion as stated in the Prospectus. In order to enhance overall operational efficiency and the level of capital returns, the Group has been proactively strengthening the sharing and reusability of domestic and international resources and adopting a prudent approach towards overseas investments. As a result, there has been a delay in the expected timetable table of utilizing the net proceeds for expanding our sales and service network. Save as the change of the expected timetable to utilize the net proceeds for expanding our sales and service network, the net proceeds for other intended purposes had been fully utilized in light of the expected timetable and portion as disclosed in the annual report of the Company for the year ended December 31, 2024 (“**2024 Annual Report**”). The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and will be subject to change based on future development of market conditions and actual business needs. Should there be any change in the intended use of the unutilized net proceeds, the Company will make appropriate announcement(s) in due course.

Corporate Governance and Other Information

USE OF PROCEEDS FROM PLACING OF NEW H SHARES UNDER 2024 PLACING

The net proceeds raised by the Company from placing of new H Shares under general mandate on December 2, 2024 are approximately HK\$73.28 million (after deducting all fees, costs and expenses incurred by the Company in connection with the placing including the commission and levies) (the “**2024 Placing**”). The following table sets forth the Company’s use of the proceeds from the 2024 Placing as at June 30, 2025:

	Approximate percentage of the total net proceeds	Net proceeds from the 2024 Placing (HKD' million)	Unutilized net proceeds as of January 1, 2025 (HKD' million)	Actual use of proceeds during the Reporting Period (HKD' million)	Unutilized net proceeds as of June 30, 2025 (HKD' million)	Expected time to utilize the remaining net proceeds in full
Enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products	40.0%	29.31	8.26	8.26	-	Fully utilized
Capital expenditure in relation to enhancing the R&D and manufacturing facilities	20.0%	14.66	-	-	-	Fully utilized
Expanding the overseas sales and service network	20.0%	14.66	12.36	1.28	11.08	By the end of year 2026
Working capital and general corporate purposes	20.0%	14.66	5.31	5.31	-	Fully utilized
Total (Note)	100.0%	73.28	25.93	14.85	11.08	

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

Reference is made to the 2024 Annual Report. The Company wishes to clarify that the net proceeds from the 2024 Placing has yet been fully utilized as at the date of the 2024 Annual Report and all other information contained in the 2024 Annual Report remains unchanged.

As at June 30, 2025, the unutilized net proceeds from the 2024 Placing amounted to approximately HK\$11.08 million, and the Group will utilize the net proceeds in accordance with the intended purposes and the same portion as stated in the Company’s announcement dated December 2, 2024. In order to enhance overall operational efficiency and the level of capital returns, the Group has been proactively strengthening the sharing and reusability of domestic and international resources and adopting a prudent approach towards overseas investments. As a result, there has been a delay in the expected timetable of utilizing the net proceeds for expanding our sales and service network. Save as the change of the expected timetable to utilize the net proceeds for expanding our sales and service network, the net proceeds for other intended purposes had been fully utilized in light of the expected timetable and portion as disclosed in the 2024 Annual Report. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and will be subject to change based on future development of market conditions and actual business needs. Should there be any change in the intended use of the unutilized net proceeds, the Company will make appropriate announcement(s) in due course.



Corporate Governance and Other Information

PLACING OF NEW H SHARES UNDER GENERAL MANDATE DURING THE REPORTING PERIOD

On February 8, 2025, the Company entered into a placing agreement (the “**Placing Agreement**”) with Guotai Junan Securities (Hong Kong) Limited (as the placing agent). Pursuant to the Placing Agreement, the placing agent has conditionally agreed to procure, on a best effort basis, not less than six placees who are individual, professional, institutional and/or other investors and who together with respective ultimate beneficial owners were independent of, and not connected with the Company and its connected persons, to purchase up to an aggregate of 11,190,200 new H Shares (the “**Placing Shares**”) at the placing price of HK\$20.88 per Placing Share, exclusive of applicable brokerage, trading fees, transaction fees and levies (the “**2025 Placing**”). The placing price of HK\$20.88 per Placing Share represented (i) a discount of approximately 13.00% to the closing price of HK\$24.00 per H Share as quoted on the Stock Exchange on February 7, 2025, being the last trading day immediately prior to the date of the Placing Agreement; (ii) a premium of approximately 8.86% to the average closing price of HK\$19.18 per H Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement; and (iii) a premium of approximately 30.99% to the average closing price of HK\$15.94 per H Share as quoted on the Stock Exchange for the last 20 consecutive trading days immediately prior to the date of the Placing Agreement.

The aggregate nominal value of the Placing Shares was HKD11,190,200 based on a nominal value of RMB1.00 per Placing Share. The net placing price per share was approximately HKD20.41, after deducting relevant expenses. The 2025 Placing will further provide financial assurance for the Group’s continued robust development and meet the Group’s needs to advance its AI large model-driven autonomous driving technology.

Corporate Governance and Other Information

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

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

The following table sets forth the Company's use of the proceeds from the placing and the planned timetable as at June 30, 2025:

	Approximate percentage of the total net proceeds	Net proceeds from the 2025 Placing (HKD' million)	Actual use of proceeds during the Reporting Period (HKD' million)	Unutilized net proceeds as of June 30, 2025 (HKD' million)	Expected time to utilize the remaining net proceeds in full
Enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products	60.0%	137.02	76.27	60.75	By the end of year 2025
Capital expenditure in relation to enhancing the R&D and manufacturing facilities	10.0%	22.84	5.53	17.31	By the end of year 2025
Expanding the overseas sales and service network	5.0%	11.42	–	11.42	By the end of year 2026
Working capital and general corporate purposes	25.0%	57.09	57.09	–	Fully utilized
Total (Note)	100.0%	228.37	138.89	89.48	

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

As at June 30, 2025, the unutilized net proceeds from the 2025 Placing amounted to approximately HK\$89.48 million, and the Group will utilize the net proceeds in accordance with the intended purposes and the same portion as stated in the Company's announcement dated February 17, 2025. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and will be subject to change based on future development of market conditions and actual business needs. Should there be any change in the intended use of the unutilized net proceeds, the Company will make appropriate announcement(s) in due course.

Corporate Governance and Other Information

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the Reporting Period, save for the 2,104,000 H Shares purchased by the trustee of the first H Share award and trust scheme on the Stock Exchange at the total consideration of HK\$29.52 million pursuant to the terms of the trust deed under such scheme, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares).

As at June 30, 2025, the Company did not hold any treasury shares.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

The change in information of the Directors, Supervisors and chief executive pursuant to Rule 13.51B(1) of the Listing Rules since the date of the annual report of the Company and up to the date of this interim report is set out below:

- (1) Mr. Li Chengsheng has resigned as the non-executive Director with effect from April 11, 2025;
- (2) Mr. Yang Yuankui has resigned as the non-executive Director and a member of the strategy committee of the Board with effect from April 25, 2025;
- (3) Mr. Tao Zhixin has resigned as the non-executive Director with effect from May 2, 2025;
- (4) Mr. Luo Hong has resigned as the employee representative supervisor and chairman of the Board of Supervisors with effect from May 9, 2025, and Ms. Gao Liyun was elected as the employee representative supervisor and Mr. Zhu Qinghua was elected as the chairman of the Board of Supervisors with effect from May 9, 2025; and
- (5) Each of Ms. Jiang Jingfang and Ms. Liu Fang has been appointed as the executive Director with effect from June 20, 2025.

Save as disclosed above, the Company is not aware of any changes in the information of Directors, Supervisors and chief executive which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the annual report of the Company and up to the date of this interim report.

Corporate Governance and Other Information

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

As at June 30, 2025, the interests and short positions of the Directors, the Supervisors 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) as 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 he/she is keen to taken or deemed to have under such provisions of the SFO), or as recorded in the registered maintained by the Company under Section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Capacity/Nature of interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the total number of issued Shares of our Company ⁽²⁾
Mr. SONG Yang ⁽³⁾	Beneficial owner; Interest in controlled corporation	H Shares	73,282,020(L)	30.29%
Mr. LU Yukun ⁽⁴⁾	Interest in controlled corporation	H Shares	14,555,520(L)	6.02%
Mr. LI Shuangjiang	Beneficial owner	H Shares	14,238,460(L)	5.88%
Ms. JIANG Jingfang ⁽⁵⁾	Beneficiary of a trust	H Shares	360,000(L)	0.15%
Ms. LIU Fang ⁽⁶⁾	Other	H Shares	325,000(L)	0.13%

Notes:

- The letter “L” denotes the person’s long position in the Shares.
- The calculation is based on the total number of 241,947,540 Shares in issue as at June 30, 2025.
- Mr. SONG Yang is the general partner of each of Suzhou Lanchi Management Consulting Partnership (L.P.) (蘇州藍馳管理諮詢企業(有限合夥)) (“**Lanchi Platform**”), Suzhou Zichi Management Consulting Partnership (L.P.) (蘇州紫馳管理諮詢合夥企業(有限合夥)) (“**Zichi Platform**”), Suzhou Hongchi Management Consulting Partnership (L.P.) (蘇州紅馳管理諮詢合夥企業(有限合夥)) (“**Suzhou Hongchi**”) and Suzhou Luchi Management Consulting Partnership (L.P.) (蘇州綠馳管理諮詢合夥企業(有限合夥)) (“**Suzhou Luchi**”). Therefore, Mr. SONG Yang will be deemed to be interested in the Shares held by Lanchi Platform, Zichi Platform, Suzhou Hongchi and Suzhou Luchi under the SFO.
- As at June 30, 2025, Lanchi Platform was owned as to 44.99% by Mr. LU Yukun as its limited partner. Therefore, Mr. LU Yukun is deemed to be interested in Shares held by Lanchi Platform under the SFO.
- Ms. JIANG Jingfang has been granted 360,000 H Share awards under the first H Share award and trust scheme and such awards remain unvested and held by the trustee.
- Ms. LIU Fang has been granted incentive awards under the employee incentive scheme held by Lanchi Platform, one of the employee incentive platforms. Lanchi Platform held a total of 14,555,520 H Shares. Mr. LIU Fang held 2.23% partnership interest in Lanchi Platform, corresponding to 325,000 H Shares.

Corporate Governance and Other Information

Save as disclosed above, as at June 30, 2025, to the knowledge of the Board, none of the Directors, the Supervisors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives were deemed or taken to have under the provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at June 30, 2025, the following entities/persons (other than the Directors, Supervisors or chief executives of the Company) had interests and short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or are directly and indirectly interested in 5% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholder	Capacity/Nature of interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the total number of Shares ⁽²⁾
Mixed Reform Fund ⁽³⁾	Beneficial owner	H Shares	18,412,760 (L)	7.61%
China Chengtong ⁽³⁾	Interest in controlled corporation	H Shares	18,412,760 (L)	7.61%
SME Fund ⁽⁴⁾	Beneficial owner	H Shares	15,440,480 (L)	6.38%
GZVCM ⁽⁴⁾	Interest in controlled corporation	H Shares	15,440,480 (L)	6.38%
Mr. SHI Anping ⁽⁴⁾	Interest in controlled corporation	H Shares	15,440,480 (L)	6.38%
HL Klemove Suzhou ⁽⁵⁾	Beneficial owner	H Shares	15,316,080 (L)	6.33%
HKL ⁽⁵⁾	Interest in controlled corporation	H Shares	15,316,080 (L)	6.33%
HL Mando ⁽⁵⁾	Interest in controlled corporation	H Shares	15,316,080 (L)	6.33%
Lanchi Platform	Beneficial owner	H Shares	14,555,520 (L)	6.02%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- The calculation is based on the total number of 241,947,540 Shares in issue as at June 30, 2025.
- China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司) ("**Mixed Reform Fund**") is a state-owned fund approved by the State Council of the People's Republic of China. As of June 30, 2025, Mixed Reform Fund is held as to 34.23% by China Chengtong Holdings Group Co., Ltd. (中國誠通控股集團有限公司) ("**China Chengtong**"). Therefore, China Chengtong is deemed to be interested in the Shares held by Mixed Reform Fund under the SFO.

Corporate Governance and Other Information

4. Shenzhen Guozhong SME Development Private Equity Investment Fund Partnership (L.P.) (深圳國中中小企業發展私募股權投資基金合夥企業(有限合夥)) (“**SME Fund**”) is managed by its general partner, Shenzhen Guozhong Venture Capital Management Co., Ltd. (深圳國中創業投資管理有限公司) (“**GZVCM**”), which is in turn controlled by Mr. SHI Anping, an independent third party. Therefore, each of GZVCM and Mr. SHI Anping is deemed to be interested in the Shares held by SME Fund under the SFO.
5. HL Klemove Electronics (Suzhou) Co., Ltd. (漢拿科銳動電子(蘇州)有限公司) (“**HL Klemove Suzhou**”) is wholly owned by HL Klemove Corp. (“**HKL**”), which is an affiliate of HL Mando Corporation (“**HL Mando**”), a company listed on the Korea Exchange (ticker symbol: 204320). Therefore, each of HKL and HL Mando is deemed to be interested in the Shares held by HL Klemove Suzhou under the SFO.

Save as disclosed above, as at June 30, 2025, no person, other than the Directors, Supervisors or chief executives of the Company whose interests are set out in the section headed “Directors’, Supervisors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, had registered an interest or a short position in the Shares or underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

MATERIAL LITIGATION

For the Reporting Period and as at the date of this interim report, the Company was neither involved in any material litigation or arbitration, nor may be brought up or accused of any pending material litigation or claims.

AUDIT COMMITTEE REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the unaudited consolidated financial statements and interim results of the Group for the six months ended June 30, 2025, and is of the view that the Group’s unaudited consolidated interim results for the six months ended June 30, 2025 are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Placing of H Shares under General Mandate in 2025

On July 12, 2025, the Company entered into a placing agreement (the “**2025 Second Placing Agreement**”) with Macquarie Capital Limited and CCB International Capital Limited (as the placing agents). Pursuant to the 2025 Second Placing Agreement, the placing agents have conditionally agreed to procure, on a best effort basis, not less than six placees who, together with their respective ultimate beneficial owners, will be independent of, and not connected with the Company and its connected persons, to purchase up to an aggregate of 15,495,000 new H Shares at the placing price of HK\$15.22 per H Share, exclusive of applicable brokerage, trading fees, transaction fees and levies (the “**2025 Second Placing**”).

On July 21, 2025, the Company completed the allotment and issue of the 15,495,000 new H Shares under general mandate to not less than six placees pursuant to the 2025 Second Placing Agreement. The net proceeds from the placing (after deducting all fees, costs and expenses incurred by the Company in connection with the placing including the commission and levies) amount to approximately HK\$230.7 million. The net proceeds from the 2025 Second Placing are intended to be used by the Group for (i) enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products, (ii) capital expenditure in relation to enhancing the R&D and manufacturing facilities, (iii) R&D, mergers and acquisitions of the Company’s robotics business, and (iv) working capital and general corporate purposes.



Corporate Governance and Other Information

For further details of the 2025 Second Placing, please refer to the Company's announcements dated July 13, 2025 and July 21, 2025.

Save as disclosed above, there were no material events after June 30, 2025 and up to the date of this interim report that would materially affect the Group's operating and financial performance.

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

Hong Kong, August 31, 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025 – unaudited
(Expressed in RMB)

	Note	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	4	365,993	636,157
Cost of sales		(348,919)	(591,305)
Gross profit		17,074	44,852
Selling expenses		(10,470)	(11,550)
Administrative expenses		(31,365)	(23,201)
Research and development expenses		(156,526)	(99,587)
Impairment losses		(1,413)	(1,698)
Other income	5	2,904	2,198
Other losses – net	6	(2,444)	(11,077)
Operating loss		(182,240)	(100,063)
Finance income	7	6,215	3,655
Finance costs	7	(1,836)	(2,192)
Finance income – net	7	4,379	1,463
Loss before income tax		(177,861)	(98,600)
Income tax expense	9	(85)	(29)
Loss for the period		(177,946)	(98,629)
Other comprehensive income: <i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		64	16
Loss and total comprehensive loss for the period attributable to the equity holders of the Company		(177,882)	(98,613)
Loss per share attributable to the equity holders of the Company (in RMB)			
Basic and diluted loss per share	10	(0.75)	(0.44)

Condensed Consolidated Statement of Financial Position

at 30 June 2025 – unaudited
(Expressed in RMB)

	Note	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	11	382,086	308,486
Right-of-use assets	12	31,143	33,991
Intangible assets	13	35,620	38,004
Financial assets at fair value through profit or loss	19	6,778	4,778
Other non-current assets	14	38,243	26,409
		493,870	411,668
Current assets			
Inventories	15	280,015	298,943
Other current assets	18	92,552	93,400
Trade receivables	16	267,007	222,121
Financial assets at fair value through other comprehensive income	17	11,299	95,768
Financial assets at fair value through profit or loss	19	63,501	223,908
Restricted cash	20	–	34,000
Cash and cash equivalents	20	378,622	181,114
		1,092,996	1,149,254
Total assets		1,586,866	1,560,922
Equity			
Share capital	21	241,948	230,757
Reserves	22	1,352,677	1,181,008
Accumulated losses		(686,687)	(508,741)
Total equity		907,938	903,024

Condensed Consolidated Statement of Financial Position

at 30 June 2025 – unaudited
(Expressed in RMB)

	Note	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Borrowings	25	240,399	170,173
Lease liabilities	12	228	548
Provisions	26	4,195	7,983
Deferred income	27	2,827	3,066
		<u>247,649</u>	<u>181,770</u>
Current liabilities			
Trade and notes payables	28	136,932	114,918
Other payables and accruals	29	146,109	186,555
Contract liabilities	4	17,628	22,289
Borrowings	25	126,120	144,725
Lease liabilities	12	893	2,949
Provisions	26	3,597	4,692
		<u>431,279</u>	<u>476,128</u>
Total liabilities		<u>678,928</u>	<u>657,898</u>
Total equity and liabilities		<u>1,586,866</u>	<u>1,560,922</u>
Net current assets		<u>661,717</u>	<u>673,126</u>

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025 – unaudited
(Expressed in RMB)

		Attributable to equity holders of the Company			
	Note	Share capital RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 January 2025		230,757	1,181,008	(508,741)	903,024
Loss for the period		–	–	(177,946)	(177,946)
Other comprehensive loss		–	(64)	–	(64)
Provision of safety fund surplus reserve		–	200	(200)	–
Utilisation of safety fund surplus reserve		–	(200)	200	–
		<u>–</u>	<u>(64)</u>	<u>(177,946)</u>	<u>(178,010)</u>
Transactions with the equity holders of the Company					
Placing of new shares	21 + 22	11,191	198,991	–	210,182
Shares purchased under Share Award Scheme	22	–	(27,258)	–	(27,258)
		<u>11,191</u>	<u>171,733</u>	<u>–</u>	<u>182,924</u>
As at 30 June 2025 (Unaudited)		241,948	1,352,677	(686,687)	907,938

		Attributable to equity holders of the Company			
	Note	Share capital RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 January 2024		226,330	1,117,780	(220,402)	1,123,708
Loss for the period		–	–	(98,629)	(98,629)
Other comprehensive loss		–	16	–	16
Provision of safety fund surplus reserve		–	34	(34)	–
Utilisation of safety fund surplus reserve		–	(34)	34	–
		<u>–</u>	<u>16</u>	<u>(98,629)</u>	<u>(98,613)</u>
As at 30 June 2024 (Unaudited)		226,330	1,117,796	(319,031)	1,025,095

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2025 – unaudited
(Expressed in RMB)

		Six months ended 30 June	
	Note	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows from operating activities			
Net cash used in operations		(103,487)	(410,566)
Interest received from cash at banks	7	5,980	3,655
Net cash used in operating activities		(97,507)	(406,911)
Cash flows from investing activities			
Payments for property, plant and equipment		(121,399)	(46,674)
Payments for intangible assets		(3,028)	(35,608)
Proceeds from sale of property, plant and equipment		149	2
Proceeds from disposals of financial assets at fair value through profit or loss		520,260	374,659
Payments for financial assets at fair value through profit or loss		(326,573)	(461,739)
Payments for equity investments		(3,700)	–
Proceeds from settlement of derivative financial instruments		–	626
Net cash generated from/(used in) investing activities		65,709	(168,734)
Cash flows from financing activities			
Proceeds from contributions from equity holders		210,182	–
Payments of lease liabilities		(2,673)	(2,067)
Repayments of borrowings		(54,500)	(116,384)
Proceeds from borrowings		106,159	189,551
Interest paid for borrowings		(1,826)	(2,210)
Payments for shares purchased under Share Award Scheme		(27,258)	–
Payments for listing expenses		–	(3,516)
Net cash generated from financing activities		230,084	65,374
Net increase/(decrease) in cash and cash equivalents		198,286	(510,271)
Cash and cash equivalents at beginning of the period		181,114	720,453
Exchange (losses)/gains on cash and cash equivalents	6	(778)	2,208
Cash and cash equivalents at end of the period	20	378,622	212,390

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

iMotion Automotive Technology (Suzhou) Co., Ltd. was incorporated in Suzhou on 27 December 2016 as a limited liability company. The address of its registered office is G2-1901 1902 2002, No. 88 Jinji Lake Avenue, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC. Upon approval by the shareholders' general meeting held in November 2022, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "iMotion Automotive Technology (Suzhou) Co., Ltd. (知行汽車科技(蘇州)有限公司)" to "iMotion Automotive Technology (Suzhou) Co., Ltd. (知行汽車科技(蘇州)股份有限公司)" on 29 December 2022.

The Company and its subsidiaries (together, the "Group") are principally engaged in the development, manufacturing and sale of advanced driver assistance solutions and products.

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

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, Interim financial reporting, issued by International Accounting Standards Board ("IASB"). It was authorised for issue on 31 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards ("IFRSs").

The interim financial report is unaudited.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31 December 2024 are available in the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 26 March 2025.



Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

3 CHANGES IN ACCOUNTING POLICES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

During the six months ended 30 June 2025, the Group is mainly engaged in the production, research and development and sales of advanced driver assistance solutions and products in the PRC. The executive directors of the Company (i.e., the CODM) review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

Geographical information

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

(b) Revenue during the reporting period

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

Revenue mainly comprises sales of advanced driver assistance solutions and products and rendering of services. An analysis of the Group's revenue by category for the six months ended 30 June 2024 and 2025 is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Advanced driver assistance solutions and products	327,495	613,257
Autonomous driving-related R&D services	25,790	19,610
Sales of PCBA products	12,708	3,290
	365,993	636,157

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

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT INFORMATION (Continued)

(c) Assets and liabilities related to contracts with customers

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

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current assets recognised for upfront payments to customers	2,625	3,500
Current assets recognised for upfront payments to customers	1,750	1,750
Total assets recognised for upfront payments to customers (i)	4,375	5,250
Non-current assets recognised for costs incurred to fulfill contracts	1,439	1,825
Current assets recognised for costs incurred to fulfill contracts	42,691	40,400
Total assets recognised for costs incurred to fulfill contracts (ii)	44,130	42,225
Current liabilities – rendering of services	17,623	22,288
Current liabilities – sales of products	5	1
Total contract liabilities	17,628	22,289

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT INFORMATION (Continued)

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

(i) Assets recognised for upfront payments to customers

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Assets recognised for upfront payments to customers	5,250	7,000
Amortisation recognised as a reduction of revenue during the period	(875)	(1,750)
	<u>4,375</u>	<u>5,250</u>

(ii) Assets recognised from costs to fulfill contracts

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Assets recognised from costs incurred to fulfill contracts	47,854	44,474
Less: provisions for impairment of contract fulfillment costs	(3,724)	(2,249)
	<u>44,130</u>	<u>42,225</u>

Contract fulfillment costs represented costs that relate directly to a contract for autonomous driving related R&D services provided by the Group, primarily including direct labour, direct materials and allocations of costs incurred in providing the promised services directly to the customers. The provision for impairment of contract fulfillment costs as recognised was RMB1,475,000 (2024: RMB77,000) for the six months ended 30 June 2025.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4 REVENUE AND SEGMENT INFORMATION (Continued)

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

(iii) Significant changes in contract liabilities

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

(iv) Revenue recognised in relation to contract liabilities

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognised that was included in the contract liability balance at the beginning of the period	15,529	6,162

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

5 OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Government grants	<u>2,904</u>	<u>2,198</u>

During the six months ended 30 June 2025 and 2024, the government grants mainly include government subsidies for the Group's research and development expenditures as well as construction for advanced industry base. There are no unfulfilled conditions or other contingencies attaching to the grants recognised.

6 OTHER LOSSES – NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net fair value gains on derivative financial instruments	–	626
Net gains/(losses) on disposals of property, plant and equipment and intangible assets	1	(1)
Net fair value gains/(losses) on financial assets at FVPL	1,280	(5,708)
Net foreign exchange losses	(3,732)	(6,026)
Others	<u>7</u>	<u>32</u>
	<u>(2,444)</u>	<u>(11,077)</u>

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(a) Finance income and costs:		
Finance income:		
Interest income on cash at banks	6,215	3,655
Finance cost:		
Interest on bank loans and other borrowings	(4,471)	(2,714)
Interest on lease liabilities	(48)	(80)
Total interest expense	(4,519)	(2,794)
Less: interest expense capitalised into properties under development*	2,683	602
	4,379	1,463

* During the six months ended 30 June 2025 and 2024, the interest rate applicable to the Group's capitalisation of borrowings costs in construction in progress was 2.40% and 3.00% separately.

		Six months ended 30 June	
	Note	2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
(b) other items:			
Cost of inventories		339,370	567,442
Depreciation:			
– property, plant and equipment	11	7,033	5,243
– right-of-use assets	12	2,530	1,784
Research and development expenses (i)		156,526	99,587
Amortisation of intangible assets	13	5,055	2,942

(i) During the six months ended 30 June 2025 and 2024, staff costs and depreciation expenses in research and development expenses are RMB117,097,000 and RMB77,187,000, respectively, which are also included in the total amounts disclosed separately above.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

8 EMPLOYEE BENEFIT EXPENSES

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Wages, salaries and bonuses	104,617	80,781
Pension obligations, housing funds, medical insurances and other social insurances (a)	21,237	14,090
Other employee benefits (b)	1,216	1,493
	<u>127,070</u>	<u>96,364</u>

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

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

(b) Other employee benefits

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

9 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current income tax expense	85	29
Deferred income tax expense	—	—
Income tax expense	<u>85</u>	<u>29</u>

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

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

The Company was entitled to a preferential corporate income tax rate of 15% during the six months ended 30 June 2025 and 2024. The Company obtained its High and New Technology Enterprises ("HNTE") qualification in the year 2019, and hence it is entitled to a preferential tax rate of 15% for a three-year period commencing 2019. This qualification is subject to a requirement that the Company should reapply for HNTE qualification every three years. The Company re-applied for HNTE qualification and the application was approved for another three-year period commencing from 2022.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

9 INCOME TAX EXPENSE (Continued)

In accordance with the Public Notice Jointly Issued by the MOF and STA Regarding the Further Supporting of Preferential Tax Policies for Small and Micro Enterprises (“SMEs”) and Individual Businesses (STA Public Notice [2023] No. 12), for SMEs, the policy that their annual taxable income shall be reduced by 25% and subject to CIT at the rate of 20% was extended to 31 December 2027.

Except for iMotion Electronics Technology (Suzhou) Co., Ltd., and iMotion Automotive Technology (Jiaxing) Co., Ltd., the Company’s subsidiaries qualified as a small low-profit enterprise and enjoyed the above preferential income tax policy. The effective corporate income tax rate was 20% during the six months ended 30 June 2025 and 2024.

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

10 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss of the Group attribute to owners of the Company by weighted average number of ordinary shares issued during the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss attributable to the ordinary equity holders of the Company (RMB'000)	(177,946)	(98,629)
Weighted average number of ordinary shares outstanding (thousand shares) (Note)	236,775	226,330
Basic loss per share (expressed in RMB per share)	(0.75)	(0.44)

Note: The weighted average number of ordinary shares for the year ended 30 June 2025 was adjusted for the effect of both the placing of new shares (as defined in Note 21) completed in February 2025 and the purchase of shares reserved for Share Award Scheme (as defined in Note 23) in 2025.

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive instruments. For the six months ended 30 June 2025 and 2024, diluted loss per share was the same as basic loss per share as there were no potentially dilutive ordinary shares outstanding during the periods.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

11 PROPERTY, PLANT AND EQUIPMENT

	Machinery and molds RMB'000	Vehicles RMB'000	Electronic equipment and others RMB'000	Furniture RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
As at 31 December 2024							
<i>(Audited)</i>							
Cost	47,913	5,880	31,740	3,110	8,866	251,530	349,039
Accumulated depreciation	(13,919)	(2,254)	(14,384)	(2,134)	(7,862)	–	(40,553)
Net book amount	33,994	3,626	17,356	976	1,004	251,530	308,486
Six months ended							
30 June 2025							
<i>(Unaudited)</i>							
Opening net book amount	33,994	3,626	17,356	976	1,004	251,530	308,486
Exchange differences	4	12	10	–	–	–	26
Additions	3,226	–	3,591	21	97	76,161	83,096
Transfers	–	–	–	–	–	(2,349)	(2,349)
Disposals	–	–	(137)	(3)	–	–	(140)
Depreciation charge <i>(Note 7)</i>	(2,612)	(428)	(2,927)	(152)	(914)	–	(7,033)
Closing net book amount	34,612	3,210	17,893	842	187	325,342	382,086
As at 30 June 2025							
<i>(Unaudited)</i>							
Cost	51,210	5,892	34,918	3,075	8,866	325,342	429,303
Accumulated depreciation	(16,598)	(2,682)	(17,025)	(2,233)	(8,679)	–	(47,217)
Net book amount	34,612	3,210	17,893	842	187	325,342	382,086

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

11 PROPERTY, PLANT AND EQUIPMENT (Continued)

- (a) Depreciation of property, plant and equipment charged to profit or loss is analyzed as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of sales	2,192	1,752
Selling expenses	8	10
Administrative expenses	712	403
Research and development expenses	4,121	3,078
	<u>7,033</u>	<u>5,243</u>

12 LEASES

- (a) Amounts recognised in the condensed consolidated statement of financial position of the Group

The condensed consolidated statement of financial position show the following amounts relating to leases:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Right-of-use assets		
Land use rights (i)	29,957	30,524
Leased buildings (ii)	<u>1,186</u>	<u>3,467</u>
	<u>31,143</u>	<u>33,991</u>
Lease liabilities		
Current	893	2,949
Non-current	<u>228</u>	<u>548</u>
	<u>1,121</u>	<u>3,497</u>

(i) In December 2021, the Group acquired land use right to construct headquarter building for manufacturing and research and development in Suzhou, Jiangsu Province, the PRC.

(ii) Additions to leased buildings of the Group and the Company during the six months ended 30 June 2025 and 2024 were approximately RMB249,000 and 3,738,000, respectively.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

12 LEASES (Continued)

(b) Amounts recognised in condensed consolidated statement of profit or loss and other comprehensive income of the Group

The condensed consolidated statement of statement of profit or loss and other comprehensive income show the following amounts relating to leases:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Depreciation charge of right-of-use assets		
Leased buildings	2,530	1,784
	2,530	1,784
Interest expenses (included in finance cost) (Note 7)	48	80
Expenses relating to short-term leases (included in cost of sales, selling expenses, administrative expenses and research and development expenses)	536	275

The total cash outflows for leases of buildings during the six months ended 30 June 2025 and 2024 were approximately RMB3,209,000 and RMB2,342,000, respectively.

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(Expressed in RMB unless otherwise indicated)

13 INTANGIBLE ASSETS

	Automotive technology license RMB'000	Software RMB'000	Total RMB'000
As at 31 December 2024 (Audited)			
Cost	31,132	26,385	57,517
Accumulated amortization	(4,151)	(15,362)	(19,513)
Net book amount	26,981	11,023	38,004
Six months ended 30 June 2025 (Unaudited)			
Opening net book amount	26,981	11,023	38,004
Additions	–	2,679	2,679
Disposal	–	(8)	(8)
Amortization charge (Note 7)	(3,113)	(1,942)	(5,055)
Closing net book amount	23,868	11,752	35,620
As at 30 June 2025 (Unaudited)			
Cost	31,132	28,454	59,586
Accumulated amortization	(7,264)	(16,702)	(23,966)
Net book amount	23,868	11,752	35,620

(a) Amortization of intangible assets has been charged to profit or loss as follows:

	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of sales	1,577	566
Administrative expenses	356	316
Research and development expenses	3,122	2,060
	5,055	2,942

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14 OTHER NON-CURRENT ASSETS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Contract fulfillment costs (a)	1,439	1,825
Prepayment for property, plant and equipment	16,308	7,148
Capitalized upfront fee (b)	4,375	5,250
Less: Non-current capitalized upfront fee to be amortised within one year (Note 18)	(1,750)	(1,750)
	2,625	3,500
Loans to directors (c)	14,171	13,936
Prepayment for potential acquisition (d)	3,700	–
	38,243	26,409

(a) The amortisation of contract fulfillment costs charged to cost of sales was RMB17,845,000 and RMB17,454,000 for the six months ended 30 June 2025 and 2024, respectively.

(b) Capitalised upfront fee represents the payments to customers made by the Group when the customers first entered into a contract with the Group, which are amortised as a reduction of revenue over the expected transfer of relevant goods and services. The amount of amortisation recognised as a reduction of revenue was RMB875,000 for both the six months ended 30 June 2025 and 2024.

As at 30 June 2025, there has been no impairment loss in relation to the capitalised upfront fee. (31 December 2024: nil).

(c) In July 2024, the Company (as the lender) entered into loan agreements with Mr. Song Yang and Mr. Li Shuangjiang, pursuant to which the Company agreed to grant the loans in the amount of RMB11,000,000 to Mr. Song Yang and RMB2,700,000 to Mr. Li Shuangjiang in accordance with the terms and conditions of the loan agreement. The interest rate on the loan is 3.45% per annum with a fixed term of 3 years.

(d) In June 2025, the Group made a prepayment of RMB3,700,000 in respect of the potential acquisition of the shares in Suzhou Little Craftsman Robot Co., Ltd.

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15 INVENTORIES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Raw materials	105,131	145,526
Work in progress	15,559	9,840
Finished goods	162,217	146,283
	282,907	301,649
Less: provisions for impairment	(2,892)	(2,706)
	280,015	298,943

Raw materials primarily consist of materials for volume production which will be transferred into production cost when incurred as well as using for research and development.

Finished goods include products ready for transit at production plants and products delivered to customers but acceptance has not been obtained yet.

During the six months ended 30 June 2025 and 2024, inventories recognised as cost of sales amounted to approximately RMB339,370,000 and RMB567,442,000, respectively, and the provision for impairment of inventories as recognised for the respective periods amounted to approximately RMB4,048,000 and RMB266,000, respectively. All these expenses and impairment charge have been included in “cost of sales” in the condensed consolidated statements of profit or loss and other comprehensive income.

16 TRADE RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables		
Due from third parties	273,987	227,360
Loss allowance	(6,980)	(5,239)
Total	267,007	222,121

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16 TRADE RECEIVABLES (Continued)

As at 30 June 2025 and 31 December 2024, the aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within 3 months	216,285	206,577
3 to 6 months	32,138	7,132
6 to 12 months	17,433	658
Over 12 months	8,131	12,993
	273,987	227,360

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The financial assets at fair value through other comprehensive income comprise:

- Debt securities where the contractual cash flows are solely principal, and interest and the objective of the group's business model is achieved both by collecting contractual cash flows and selling financial assets.

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Current Debt investments		
– bank acceptance notes (a)	11,299	95,768

(a) As at 30 June 2025 and 31 December 2024, notes receivable was bank acceptance notes aged less than six months.

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18 OTHER CURRENT ASSETS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Other receivables		
– Refundable deposits	4,390	3,752
– Payments on behalf of employees	444	338
– Others	1,111	3,433
	<u>5,945</u>	<u>7,523</u>
Loss allowance	(123)	(450)
	<u>5,822</u>	<u>7,073</u>
Prepayments for		
– capitalized upfront fee (Note 14)	1,750	1,750
– raw materials to third parties	1,623	109
– other operating expenses	6,398	10,891
	<u>9,771</u>	<u>12,750</u>
Contract fulfillment costs	46,415	42,649
Less: provisions for impairment of contract fulfillment costs	(3,724)	(2,249)
	<u>42,691</u>	<u>40,400</u>
Input VAT to be deducted	<u>34,268</u>	<u>33,177</u>
Total other current assets	<u>92,552</u>	<u>93,400</u>

As at 30 June 2025 and 31 December 2024, the fair values of other current assets of the Group, except for the prepayments, contract fulfillment costs and input VAT to be deducted which are not financial assets, approximated their carrying amounts.

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19 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 recognise fair value gains and losses through OCI.

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

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current assets		
Unlisted investment with preferred rights (i)	4,778	4,778
Investment in private funds (ii)	2,000	
	<u>6,778</u>	<u>4,778</u>
Current assets		
Investments in wealth management products issued by banks and financial institutes	–	113,352
Investment in private funds (iii)	63,501	110,556
	<u>63,501</u>	<u>223,908</u>

(i) In November 2021, the Group purchased 1.11% equity interest of Lingti Technology (Yancheng) Co., Ltd. (瓚鈦科技(鹽城)有限公司) ("Lingti") with total consideration of RMB3,000,000, which is recorded as investment measured at fair value through profit or loss. Lingti is a company specializing in the development of millimeter wave sensor chips and relative module solutions of algorithm software.

(ii) In January 2025, the Group has invested in Suzhou Yongxin Development No. 2 Equity Investment Partnership Enterprise (Limited Partnership) (蘇州永鑫開拓二號股權投資合夥企業(有限合夥)) (the "Fund") which is recorded as investment measured at fair value through profit or loss.

(iii) As at 30 June 2025, the investment represented a private equity fund with underlying assets primarily consisting of short-term, high-quality money market instruments.

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20 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Cash at banks and in hand	378,622	215,114
Less: restricted cash (b)	—	(34,000)
Cash and cash equivalents	378,622	181,114

The maximum exposure to credit risk at the reporting date is the carrying values of cash and cash equivalents and restricted cash as mentioned above.

(b) Restricted cash

As at 31 December 2024, restricted cash with amount of RMB34,000,000 represented cash in transit used to purchase wealth management products reserved in an intermediary bank.

Cash and cash equivalents are denominated in:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
RMB	50,477	28,988
HKD	4,646	148,667
USD	323,115	2,792
EUR	384	667
	378,622	181,114

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21 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	226,330,340	226,330
Placing of new shares	4,427,000	4,427
As at 31 December 2024	230,757,340	230,757
Placing of new shares (a)	11,190,200	11,191
As at 30 June 2025	241,947,540	241,948

- (a) On 25 February 2025, the Company placed 11,190,200 new ordinary shares at the subscription price of HK\$20.88 per share. The gross proceeds of HK\$233,651,000 (equivalent to RMB215,216,000), net of direct share placement expenses of RMB5,034,000, were raised, of which RMB11,191,000 and RMB198,991,000 was credited to share capital and share premium account, respectively.

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22 RESERVES

	Shares held for Share Award Scheme		Reserves		Foreign currency translation	Total
	RMB'000	Share premium RMB'000	Special reserves RMB'000	Other reserves RMB'000	RMB'000	RMB'000
As at 1 January 2024	–	1,012,184	–	105,588	8	1,117,780
Placing of new shares (Note 21(a))	–	63,211	–	–	–	63,211
Currency translation differences	–	–	–	–	17	17
Provision of safety fund surplus reserve (ii)	–	–	267	–	–	267
Utilisation of safety fund surplus reserve (ii)	–	–	(267)	–	–	(267)
As at 31 December 2024 (Audited)	–	1,075,395	–	105,588	25	1,181,008
As at 1 January 2025						
Placing of new shares (Note 21(a))	–	198,991	–	–	–	198,991
Currency translation differences	–	–	–	–	(64)	(64)
Share purchased under Share Award Scheme (Note 23(a))	(27,258)					(27,258)
Provision of safety fund surplus reserve (ii)	–	–	200	–	–	200
Utilisation of safety fund surplus reserve (ii)	–	–	(200)	–	–	(200)
As at 30 June 2025 (Unaudited)	(27,258)	1,274,386	–	105,588	(39)	1,352,677

- (i) The Group recorded other reserves to reflect the contributions from shareholders for Share Award Scheme of employees (Note 23).
- (ii) According to the Administrative Measures for the Collection and Utilisation of Enterprise Work Safety Funds (Cai Zi [2022] No. 136) jointly issued by the Ministry of Finance and the State Administration of Emergency Management, the subsidiary of the Group, iMotion Electronics Technology (Suzhou) Co., Ltd. is required to establish a safety fund surplus reserve based on a certain percentage of the prior year's revenue during the six months ended 30 June 2025.

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23 SHARE-BASED PAYMENTS

(a) Share award schemes

Suzhou Lanchi Enterprise Management L.P. (蘇州藍馳管理諮詢企業(有限合夥)) (“Suzhou Lanchi”) and Suzhou Zichi Enterprise Management L.P. (蘇州紫馳管理諮詢企業(有限合夥)) (“Suzhou Zichi”), (collectively referred to as the “Vehicles”) were incorporated in the PRC under the Company Law of the PRC as a vehicle to hold the ordinary shares for the Company’s employees under the Employee Share Ownership Plan (the “ESOP”).

As the Company did not have power to govern the relevant activities of the Vehicles nor repurchase or settlement obligations but only derive benefits from the contributions of the eligible employees who are awarded with the shares under the ESOP, the directors of the Company consider it does not control and not to consolidate the Vehicles. No statutory financial statements had been prepared by the Vehicles during the six months ended 30 June 2025.

In July 2022, 145,195 RSUs were granted to certain directors, managements and employees (the “Grantees”) at a consideration of RMB4.75 per share under the ESOP through Suzhou Lanchi and Suzhou Zichi as rewards for their services, full time devotion and professional expertise to the Group.

In February 2023, 137,700 RSUs were granted to certain directors, managements and employees (the “Grantees”) at a consideration of RMB4.75 per share under the ESOP through Suzhou Lanchi and Suzhou Zichi as rewards for their services, full time devotion and professional expertise to the Group.

The fair value of the restricted shares granted to employees is determined by using the discounted cash flow method and back-solve method to determine the underlying equity fair value of the Company and equity allocation based on Option Pricing Model (“OPM”) model to determine the fair value of common shares. Significant estimates on key assumptions, such as risk-free interest rate, volatility, and dividend yield are made based on management’s best estimates.

All the shares granted mentioned above are vested if Grantees remain as employees of the Group as at the IPO date. Therefore, all the shares are granted and vested as at and 31 December 2023.

In July 2024, the Company adopted a share award scheme (the “Share Award Scheme”) for H shares of the Company, 2,154,000 shares were granted to certain directors, managements and employees (the “Grantees”) at a consideration of RMB5.00 per share to provide incentives to retain them for their contributions to the ongoing operation and development of the Group. As at 30 June 2025, nil was vested for the above-mentioned shares.

During the six months ended 30 June 2025, the Company acquired 2,104,000 ordinary shares through the designated trustees under the Share Award Scheme (for the six months ended 30 June 2024: Nil).

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24 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Financial assets at amortized costs:		
– Trade receivables (Note 16)	267,007	222,121
– Other receivables (Note 18)	5,822	7,073
– Cash and cash equivalents (Note 20)	378,622	181,114
– Restricted cash (Note 20)	–	34,000
Financial assets at FVPL (Note 19)	70,279	228,686
Financial assets at FVOCI (Note 17)	11,299	95,768
	733,029	768,762
Financial liabilities at amortized cost:		
– Borrowings (Note 25)	366,519	314,898
– Trade and notes payables (Note 28)	136,932	114,918
– Other payables and accruals (excluding payroll and welfare payables and other tax payables) (Note 29)	128,285	146,996
– Lease liabilities (Note 12)	1,121	3,497
	632,857	580,309

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25 BORROWINGS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
<i>Secured</i>		
Bank borrowings (a)	240,399	170,173
Borrowings included in current liabilities:		
<i>Secured</i>		
Bank borrowings (a)	15,933	—
<i>Unsecured</i>		
Bank borrowings (b)	80,000	114,500
Other loans (c)	30,000	30,000
Interest payables	187	225
	126,120	144,725
Total borrowings	366,519	314,898

- (a) The Group has pledged its land use rights with carrying amounts of approximately RMB29,957,000 (31 December 2024: RMB30,524,000) to bank as the security for the long-term bank borrowings of RMB256,332,000 (31 December 2024: RMB170,173,000) as at 30 June 2025. The Group's long-term interest bearing borrowings were RMB-denominated borrowings with floating rates linked to Loan Prime Rate. Interest is payable quarterly. The principal for the borrowings are payable in batches from 21 June 2026 to 14 November 2033.
- (b) As at 30 June 2025, the Company had short-term borrowings from a PRC bank with amounts totaling RMB80,000,000 (31 December 2024: RMB114,500,000) and an effective interest rate of 2.4% to 2.65% (31 December 2024: 2.58% to 2.95%) per annum, respectively.
- (c) As at 30 June 2025 and 31 December 2024, borrowings of RMB30,000,000 comprise of short-term borrowings as obtained from financing of letter of credit.

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25 BORROWINGS (Continued)

(d) Other disclosures

During the six months ended 30 June 2025 and the year ended 31 December 2024, the Group had not been in violation of any of the covenants pursuant to the applicable borrowing agreements that the Group entered with the lenders.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity date, whichever is earlier, were as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Less than 6 months	100,000	44,500
Between 6 and 12 months	25,933	100,000
Between 1 and 2 years	35,849	–
Between 2 and 5 years	204,550	170,173
	366,332	314,673

The fair values of current borrowings approximate their carrying amount as the discounting impact is not significant.

26 PROVISIONS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current		
Warranties (b)	4,195	7,983
Current		
Onerous contract to be executed (a)	1,500	700
Warranties (b)	2,097	3,992
	3,597	4,692
	7,792	12,675

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26 PROVISIONS (Continued)

- (a) The Group entered irrevocable contracts with certain customers to provide autonomous driving related R&D services. The costs estimated to execute the contracts exceed the expected revenue to be received under the contracts. As at 30 June 2025 and 31 December 2024, the Group has recognised provision for any excess of unavoidable costs over expected benefits after the contract fulfillment cost have been tested for impairment (Note 18).
- (b) The Group provides warranties for certain products and undertakes the obligation to repair or replace items that fail to perform satisfactorily. The amount of provisions for product warranties is estimated based on the sales volume and industry experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and is revised when appropriate.

The movements of the Group's provisions are analyzed as follows:

	Onerous contract to be executed RMB'000	Warranties RMB'000	Total RMB'000
As at 1 January 2025	700	11,975	12,675
Provisions for the period	1,150	3,211	4,361
Amounts utilised during the period	(350)	(8,894)	(9,244)
As at 30 June 2025 (Unaudited)	1,500	6,292	7,792
As at 1 January 2024	1,039	10,660	11,699
Provisions for the period	700	11,564	12,264
Amounts utilised during the year	(1,039)	(10,249)	(11,288)
As at 31 December 2024 (Audited)	700	11,975	12,675

27 DEFERRED INCOME

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Government grants	2,827	3,066

The Group received government grants mainly for subsidizing the Group's purchases of equipments for research and development. These government grants were recorded as deferred income and credited to profit or loss on a straight-line basis over the useful lives of the related equipments.

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28 TRADE AND NOTES PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables		
– Payables for materials	136,932	114,918

- (a) The carrying amounts of trade payables approximate their fair values due to their short-term maturity in nature.
- (b) The aging analysis of the trade payables based on purchase date is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Up to 1 year	136,932	114,918

29 OTHER PAYABLES AND ACCRUALS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Payables for purchases of property, plant and equipment	62,834	82,816
Payroll and welfare payables	15,435	36,797
Accruals	30,948	39,019
Other taxes payables	2,389	2,762
Others (a)	34,503	25,161
	146,109	186,555

- (a) The Group agreed to collect service fees from an OEM customer and pay on behalf of the customer to a supplier, who provided part of the R&D services in relation to its hardware and software used in autonomous driving products. As at 30 June 2025, the service fees collected by the Company from the customer but unpaid to the supplier were approximately RMB30,559,000 (31 December 2024: RMB21,990,000).

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30 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related because they are subject to common control, common significant influence or joint control in the controlling shareholder's families. Members of key management and their close family member of the Group are also considered as related parties.

(a) Financing arrangements

The directors consider the key management personnel to be the members of the Board of Directors of the Company who have responsibilities for planning, directing and controlling the activities of the Group.

	Amounts owed by the group to related parties	
	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Loans to members of key management personnel and related interests (i)	14,171	13,936

Notes:

(i) No loss allowances have been made in respect of these loans.

31 DIVIDEND

No dividend has been paid or declared by the Company during the six months ended 30 June 2025 and 2024.

32 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, on 21 July 2025, the Company completed the allotment and issue of the 15,495,000 new H shares under general mandate to not less than six places pursuant to the 2025 Placing Agreement. The net proceeds from the placing (after deducting all fees, costs and expenses incurred by the Company in connection with the placing including the commission and levies) amount to approximately HK\$230.70 million.