



雅迪集團控股有限公司

YADEA GROUP HOLDINGS LTD.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1585



2025

ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Dong Jinggui (*Chairman*)
Ms. Qian Jinghong (*Chief executive officer*)
Mr. Shen Yu

Non-executive Director:

Mr. Zhang Yiyin (*resigned with effect from 29 April 2025*)

Independent Non-executive Directors:

Mr. Wong Lung Ming
Mr. Chen Mingyu
Ms. Ma Chenguang
Ms. Liang Qin

BOARD COMMITTEES

Audit Committee

Mr. Chen Mingyu (*Chairman*)
Mr. Wong Lung Ming
Mr. Zhang Yiyin (*resigned with effect from 29 April 2025*)
Ms. Ma Chenguang
Ms. Liang Qin

Remuneration Committee

Ms. Ma Chenguang (*Chairman*)
Mr. Zhang Yiyin (*resigned with effect from 29 April 2025*)
Mr. Wong Lung Ming
Ms. Liang Qin

Nomination Committee

Mr. Dong Jinggui (*Chairman*)
Ms. Qian Jinghong
Mr. Zhang Yiyin (*resigned with effect from 29 April 2025*)
Mr. Chen Mingyu
Ms. Ma Chenguang
Ms. Liang Qin
Mr. Wong Lung Ming

JOINT COMPANY SECRETARIES

Mr. Shen Yu
Mr. Leung Chi Kit, ACG, HKACG

AUTHORISED REPRESENTATIVES

Ms. Qian Jinghong
Mr. Leung Chi Kit

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Xishan Road
Dacheng Industrial Zone
Anzhen Town
Xishan District
Wuxi, Jiangsu Province
China

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th floor, One Pacific Place,
88 Queensway,
Hong Kong

LEGAL ADVISER

As to Hong Kong Law
Eric Chow & Co. in Association with
Commerce & Finance Law Offices
3401, Alexandra House
18 Chater Road
Central
Hong Kong

PRINCIPAL BANKERS

China CITIC Bank Corporation Limited,
Wuxi Wu'ai Sub-branch
No. 112 Renmin West Road, Liangxi District
Wuxi City, Jiangsu Province
China

Industrial and Commercial Bank of China Limited,
Fogang Sub-branch
Industrial and Commercial Bank of China
No. 106 National Road (Tangtang Section)
Tangtang Town
Fogang County
Qingyuan City, Guangdong Province
China

China Everbright Bank, Tianjin Huayuan Branch
No. 62-68 Caizi Yuan
Junction of Huayuan Road and Yashi Avenue
Nankai District, Tianjin
China

STOCK CODE

1585

WEBSITE

www.yadea.com.cn

CORPORATE PROFILE

Founded in 2001, Yadea Group Holdings Ltd. (“Yadea” or the “Company” and together with its subsidiaries, the “Group”) is a leading electric two-wheeled vehicle brand in the People’s Republic of China (“PRC” or “China”), focusing on designing, researching, developing, manufacturing and selling electric scooters, electric bicycles, batteries and related accessories, with its headquarters in Wuxi, Jiangsu Province. Over the course of 25 years, it has successfully established “Yadea” as a premium brand of electric two-wheeled vehicles in the PRC. Under “Yadea” brand, the Group offers a wide range of electric scooters and electric bicycles with diverse designs, styles and functionalities catering to the needs of a broad customer base.

Yadea is dedicated in mastering the innovation and core technology of electric vehicles, adhering to international safety and quality standards, thus to provide the world with superior green solutions for e-mobility. The Group has six technology R&D centers, one design center, and four CNAS

laboratories, housing over 1,000 R&D experts and more than 2,000 patents. It has eight self-operated production facilities located in Wuxi City in Jiangsu Province, Qingyuan City in Guangdong Province, Ningbo City in Zhejiang Province, Jinzhai City in Anhui Province, Chongqing City and Tianjin City in the PRC, Bắc Ninh City in Vietnam, and Indonesia. As at 31 December 2025, the Group had annual electric two-wheeled vehicle production capacity over 20 million units, supported by more than 11,000 employees.

The Group’s domestic distribution network covered almost every administrative region of the PRC and consisted of 5,122 distributors as well as their sub-distributors with over 40,000 points of sales as at 31 December 2025. The Group also has established distribution channels in over 100 countries across Europe, South East Asia, South America, and Central America.

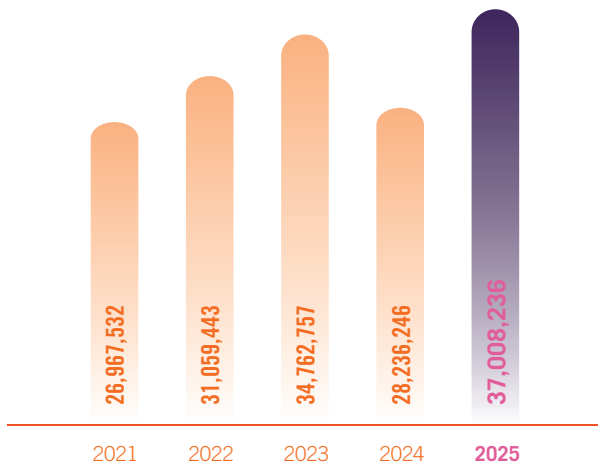
The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 19 May 2016 under the stock code of 1585.



FINANCIAL HIGHLIGHTS

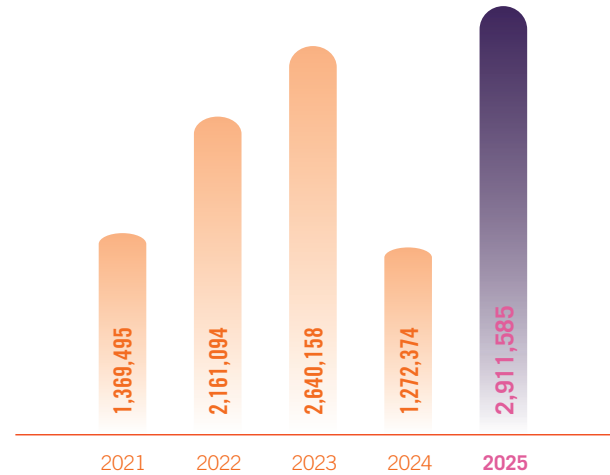
REVENUE

RMB'000



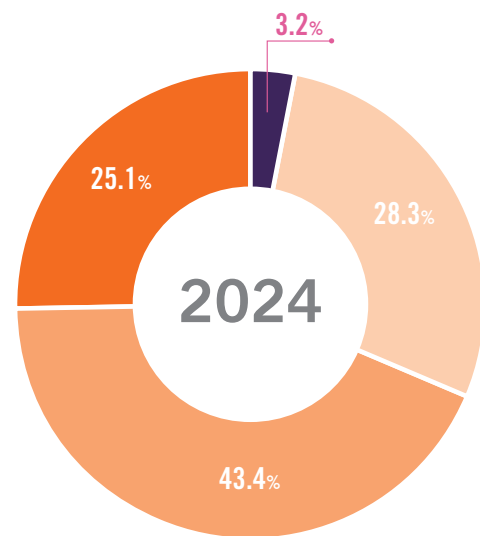
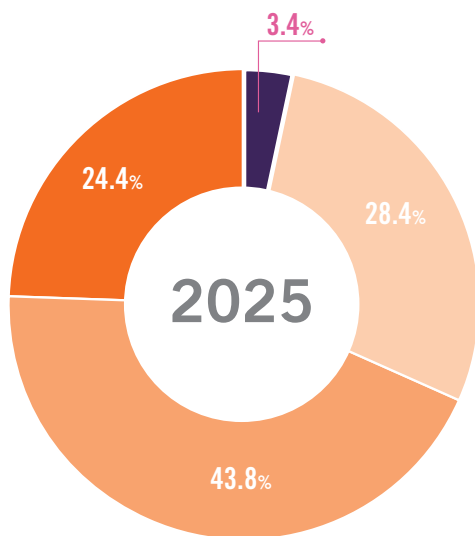
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

RMB'000



Consolidated revenue increased 31.1% year-on-year to RMB37,008.2 million

REVENUE GENERATED BY PRODUCT TYPE



● Electric Scooters

● Batteries and Chargers

● Electric Bicycles

● Electric Two-wheeled Vehicle Parts

FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	37,008,236	28,236,246	34,762,757	31,059,443	26,967,532
Cost of sales	(29,936,822)	(23,947,265)	(28,877,517)	(25,445,432)	(22,866,048)
Gross profit	7,071,414	4,288,981	5,885,240	5,614,011	4,101,484
Profit before tax	3,594,361	1,583,395	3,019,952	2,615,267	1,506,985
Income tax expense	(682,754)	(311,021)	(379,794)	(432,267)	(140,342)
Profit for the year attributable to					
— Owners of the Company	2,911,585	1,272,374	2,640,158	2,161,094	1,369,495
— Non-controlling interests	22	—	—	21,906	(2,852)

CONSOLIDATED ASSETS AND LIABILITIES

	Year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	29,996,707	24,618,893	25,660,098	24,952,686	19,407,793
Total liabilities	19,534,786	15,860,819	17,258,892	18,310,092	14,895,394
Total equity	10,461,921	8,758,074	8,401,206	6,642,594	4,512,399



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”) of the Company, I am pleased to present to you the annual results of the Group for the year ended 31 December 2025 (“Reporting Period”).



BUSINESS REVIEW

Driven by its long-term vision and commitment to operational excellence, Yadea delivered a strong performance in 2025. The Group reported revenue of RMB37,008.2 million for the year, representing an increase of 31.1% compared with RMB28,236.2 million in 2024. This growth was primarily attributable to (i) higher sales volumes supported by favourable market sentiment and government policies boosted demand, (ii) the continued optimisation of the Group’s product mix, and (iii) positive effect brought by increased investments in research and development, marketing and brand-building initiatives. Total sales of electric scooters and electric bicycles increased from approximately 13.0 million units in 2024 to approximately 16.3 million units in 2025.

In 2025, China’s electric two-wheeled vehicle industry continued to undergo technological upgrading and market landscape reshaping, driven by the implementation of the New National Standard and evolving consumer preferences. The electric two-wheeler industry in China is increasingly transitioning from a functional mode of transportation to smart, design-oriented and lifestyle-focused mobility products. Younger consumers are emerging as a key customer segment, driving upgrades in product aesthetics, intelligent connectivity and personalized riding experiences. In response to these market trends, Yadea implemented a series of strategic initiatives aimed at strengthening its core business, reinforcing its market leadership and driving sustainable long-term growth.

Technological innovation remained core of Yadea’s strategy in 2025. The Group continued to invest in research and development, prioritising in new product innovation and advanced technologies for core components, enabling it to meet evolving customer preference while upholding compliance with the New National Standard. During the year, the Group launched several product series/models targeting different consumer segments. For example, the Modern Series was designed to meet the needs of female riders, while the Guanneng Series, particularly the White Shark model, attracted younger riders seeking stylish design and improved riding performance. These models contributed to the continued optimisation of the Group’s product portfolio and supported the shift toward higher value-added products. Leveraging its strong in-house technological capabilities, Yadea also achieved a major breakthrough in sustainable mobility with the launch of its first sodium-ion battery-powered electric bicycles, which entered mass production in early January 2025. Sodium-ion batteries bring key advantages, including abundant raw materials, better performance in cold-weather condition, and environmentally friendly production and recycling, all of which help diversify supply chains and reduce carbon impact. Compared with traditional lead-acid battery models, sodium-ion battery-powered vehicles offer lighter weight, longer riding range and advanced energy supply ecosystem. This milestone represents an important step in advancing Yadea’s green mobility technologies and addressing key challenges related to energy efficiency, cost effectiveness and environmental sustainability.

CHAIRMAN'S STATEMENT

At the same time, the Group continued to strengthen its brand positioning and engagement with younger consumers. Leveraging the strong influence of its brand ambassador, Mr. Dylan Wang (王鹤棣), among younger audiences and integrating social media engagement with product marketing, Yadea further enhanced its brand visibility and strengthened its connection with the next generation of riders. The Group also continued to expand cross-industry collaborations to boost brand exposure. Yadea partnered with the popular variety show Keep Running (《奔跑吧》), integrating its electric two-wheelers into the program through innovative marketing initiatives. On Lunar New Year's Eve, CCTV's 2025 "Young in the Spring Festival Gala", in which Yadea served as the exclusive sponsor, brought a "younger and more participatory" way of celebrating the Spring Festival around the world through live broadcast. These marketing initiatives significantly increase Yadea's product visibility while reinforcing the brand's youthful, energetic and dynamic image.

Building on the global momentum toward sustainable mobility, the Group also accelerated its international expansion with a strategic focus on Southeast Asia. The region represents one of the most promising growth markets for electric two-wheelers, supported by its large motorcycle user base, rapid urbanization and increasing government support for green mobility. With the market expected to grow at a double-digit rate in the coming years, countries such as Vietnam, Indonesia and Philippines are emerging as key growth engines for the adoption of electric scooters and electric bicycles. Yadea's revenue from Southeast Asia recorded strong growth during the year, supported by continued investments in overseas manufacturing capacity and supply chain capabilities. In early 2026, Yadea officially inaugurated its US\$100 million smart manufacturing plant in Bắc Ninh, Vietnam, marking a major milestone in its regional expansion strategy. The facility has an initial annual production capacity of one million units and will serve as a key manufacturing hub supporting both local demand and exports. This investment reflects Yadea's commitment to deepening localization, strengthening supply chain resilience and enhancing smart manufacturing capabilities across the region.

OUTLOOK

Looking ahead to 2026, the management remains cautiously optimistic about the long-term prospects of the electric two-wheeler industry. Supported by ongoing global de-carbonization initiatives, supportive government policies and growing consumer interest in smart and environmentally friendly mobility solutions, the industry is expected to continue its steady development.

The Group expects its future growth to be supported by several key factors, including stable demand for its core product categories, the gradual expansion of certain higher-growth product segments, continued development of its overseas markets, and the ongoing growth of its battery and aftersales ecosystem. In the coming year, the Group will continue to invest in research and development, particularly in areas such as battery technologies, intelligent connectivity and smart riding systems, while continuing to refine its product offerings. At the same time, the Group will remain focused on improving manufacturing efficiency, strengthening supply chain management and maintaining disciplined cost control. With its established brand, ongoing innovation efforts and expanding international presence, the Group believes it is well positioned to respond to evolving market dynamics and pursue sustainable and balanced growth in 2026 and the years ahead.

Mr. Dong Jinggui

Chairman

30 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group recorded revenue of RMB37,008.2 million in 2025, representing an increase of approximately 31.1% from RMB28,236.2 million in 2024, primarily due to (i) higher sales volume driven by favorable market sentiment and government policies boosted demand; (ii) continued optimisation of the Group's product mix, and (iii) positive effect brought by increased investments in research and development, marketing and brand-building initiatives.



MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets out the breakdown of the Group's revenue for the periods indicated.

Product Type	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Revenue RMB'000	% of total	Volume '000 units	Revenue RMB'000	% of total	Volume '000 units
Electric bicycles	16,208,695	43.8	11,453.5	12,244,215	43.4	9,089.5
Electric scooters	9,045,907	24.4	4,815.7	7,090,602	25.1	3,931.0
Subtotal	25,254,602	68.2	16,269.2	19,334,817	68.5	13,020.5
Batteries and chargers	10,523,089	28.4	Batteries: 18,275.1 Chargers: 17,005.8	7,995,475	28.3	Batteries: 14,125.8 Chargers: 14,496.2
Electric two-wheeled vehicle parts	1,230,545	3.4	–	905,954	3.2	–
Total	37,008,236	100.0	51,550.1	28,236,246	100.0	41,642.5

Sales volume of electric scooters increased by approximately 22.5% from approximately 3,931,000 units in 2024 to approximately 4,815,700 units in 2025, and the sales volume of electric bicycles increased by approximately 26% from approximately 9,089,500 units in 2024 to approximately 11,453,500 units in 2025.

Segment information

For management purpose, the Group is organised into two operating segments from a product perspective. The “Electric two-wheeled vehicles and related accessories” segment is mainly engaged in the development, manufacture and sales of electric two-wheeled vehicles and related accessories, and the “Batteries and electric drives” segment is mainly engaged in the production and sales of batteries and electric drives.

The segment information for the reportable segments for the years ended 31 December 2025 and 2024 is as follows:

	Year ended 31 December 2025				Year ended 31 December 2024			
	Electric two-wheeled vehicles and related accessories RMB'000	Batteries and electric drives RMB'000	Elimination RMB'000	Total RMB'000	Electric two-wheeled vehicles and related accessories RMB'000	Batteries and electric drives RMB'000	Elimination RMB'000	Total RMB'000
Total segment revenue	35,466,222	7,466,036	(5,924,022)	37,008,236	27,726,357	5,009,952	(4,500,063)	28,236,246
Total segment cost	(29,015,706)	(6,844,703)	5,923,587	(29,936,822)	(23,979,051)	(4,446,727)	4,478,513	(23,947,265)
Gross profit	6,450,516	621,333	–	7,071,414	3,747,306	563,225	–	4,288,981
Other material expense items								
Raw materials and consumables used	27,768,998	6,518,298	(5,923,587)	28,363,709	23,160,560	4,069,061	(4,478,513)	22,751,108
Employee benefits expenses	2,389,544	275,042	–	2,664,586	1,754,001	253,514	–	2,007,515
Depreciation of property, plant and equipment	300,197	56,922	–	357,119	268,518	44,051	–	312,569

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales

Cost of sales of the Group increased by approximately 25.0% from RMB23,947.3 million in 2024 to RMB29,936.8 million in 2025. Such increase was primarily due to the increase in sales volume of electric two-wheeled vehicles and in line with the increase in revenue.

Gross profit and gross profit margin

As a result of the foregoing, gross profit for the Group increased by approximately 64.9% from RMB4,289.0 million in 2024 to RMB7,071.4 million in 2025. The gross profit margin increased by approximately 25.7% from approximately 15.2% in 2024 to approximately 19.1% in 2025, primarily attributable to the optimisation of product portfolio catering different customer segments and vertical integration of the supply chain.

Other income and gains, net

Other income and gains of the Group increased by approximately 10.4% from RMB642.9 million in 2024 to RMB710.0 million in 2025, primarily attributable to the increase in net fair value gains on financial assets at FVTPL, government grants and super-deduction of value-added-tax.

Selling and distribution expenses

Selling and distribution expenses increased by approximately 33.3% from RMB1,215.3 million in 2024 to RMB1,619.6 million in 2025, primarily attributable to the increase in the employee benefits expenses, advertising expenses and promotional campaigns.

Administrative expenses

Administrative expenses of the Group increased by approximately 23.7% from RMB904.5 million in 2024 to RMB1,118.6 million in 2025, primarily attributable to the increase in employee benefits expenses and outsourcing labour fees.

Research and development costs

Research and development costs increased by approximately 22.5% from RMB1,146.8 million in 2024 to RMB1,404.5 million in 2025, primarily attributable to the increase in employee benefits expenses, mould costs, and raw materials and consumables used, relating to new products and new technologies for intelligent platform and connectivity, batteries and chargers.

Finance costs

Finance costs of the Group consist of interest charges for borrowings, lease liabilities and other interest expenses. Finance costs increased by approximately 28.4% from RMB36.0 million in 2024 to RMB46.2 million in 2025, primarily attributable to the increase in interest charge for borrowings resulting from the increase in bank borrowing.

Income tax expense

Income tax expense increased by approximately 119.5% from RMB311.0 million in 2024 to RMB682.8 million in 2025, primarily attributable to the increase in current PRC enterprise income tax as a result of profit increase.

Profit for the year

As a result of the cumulative effect of the foregoing, profit of the Group increased by approximately 128.8% from RMB1,272.4 million in 2024 to RMB2,911.6 million in 2025.

LIQUIDITY AND FINANCIAL RESOURCES

Cash flow

As of 31 December 2025, cash and cash equivalents amounted to approximately RMB5,991.4 million, representing a decrease of approximately 23.9% from approximately RMB7,868.9 million as of 31 December 2024. As at 31 December 2025, the cash and cash equivalents of the Group were substantially denominated in RMB.

The Group's primary uses of cash were daily operating expenses, payment for marketing and advertising expenses and funding of working capital. The Group financed its liquidity requirements through operating cash flows and existing cash and cash equivalents.

Net cash inflow generated from operating activities was approximately RMB5,989.8 million in 2025, as compared with approximately RMB298.9 million in 2024. Net cash outflow used in investing activities was approximately RMB6,983.6 million in 2025, as compared with net cash inflow generated from investing activities of approximately RMB92.5 million in 2024. Net cash outflow used in financing activities was approximately RMB833.8 million in 2025, as compared with net cash outflow used in financing activities of approximately RMB465.5 million in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's primary source of funding comes from cash flows generated from its operating activities. As at 31 December 2025, the Group recorded borrowings of approximately RMB1,462.4 million with fixed interests at a range of 0.55% to 2.83%.

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position for the year ended 31 December 2025. Taking into account the Group's existing cash and cash equivalents, anticipated cash flow from its operating activities, it is anticipated that the Group should have adequate financial resources to meet its ongoing operating and development requirements.

Net current liabilities

As at 31 December 2025, the Group had net current liabilities of RMB1,877.7 million, as compared with net current assets of RMB626.2 million as at 31 December 2024. This change was mainly attributable to term deposits of RMB3,131.4 million and pledged bank deposits of RMB1,456.0 million, both with maturities exceeding one year, which have been classified as non-current assets. Taking into consideration of the Company's current level of cash and cash equivalents, management undertook proactive treasury management measures by placing more bank deposits with maturities over one year to capture higher interest rates.

Inventories

The Group's inventories consist of raw materials, work in progress and finished goods. The Group's inventories increased by approximately 11.5% from RMB1,279.4 million as at 31 December 2024 to RMB1,426.6 million as at 31 December 2025, primarily attributable to the increase in the stock reserve of raw materials and finished goods for the anticipated demand for the Chinese New Year holiday in the PRC. The average inventory turnover days decreased from 17.03 days in 2024 to 16.5 days in 2025.

Trade receivables

Trade receivables increased by approximately 2.7% from RMB457.7 million as at 31 December 2024 to RMB470.3 million as at 31 December 2025, primarily because the increase in sales revenue.

Financial assets at FVTPL

The financial assets at FVTPL held by the Group mainly consist of wealth management products and structured deposits with relatively low level of risk purchased from the PRC state-owned banks and the PRC large-scale commercial banks, with variable returns linked to gold price or foreign exchange rates or floating interest rates and investment terms/maturity dates within six months after the purchasing date. As at 31 December 2025, each of such investments (both on a standalone and an aggregated basis by each bank) has a value of less than 5% of the total assets of the Group and none of such investments constituted a notifiable transaction of the Company. The aggregated value of the financial assets at FVTPL increased by approximately 92.9% from RMB2,471.2 million as at 31 December 2024 to RMB4,766.0 million as at 31 December 2025, which was primarily attributable to the increase in structured deposits purchased from various banks, partially offset by the disposal of other financial assets of RMB15.3 million. The changes in financial assets at FVTPL, other than wealth management products and structured deposits and other financial assets, are not significant and mainly due to fair value changes. The Company's subscription for the wealth management products and structured deposits is for treasury management purpose in order to maximise the utilisation of its surplus cash received from its business operations, with a view to achieving balanced yields whilst maintaining high liquidity and a low level of risk. For the year ended 31 December 2025, the Company recorded a gain in fair

MANAGEMENT DISCUSSION AND ANALYSIS

value of the financial assets at FVTPL of approximately RMB179.5 million in the consolidated statement of profit or loss and other comprehensive income. The breakdown for the financial assets at FVTPL for the years ended 31 December 2025 and 2024 is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Wealth management products and structured deposits	4,600,791	2,299,890
Unlisted equity investment	83,724	82,248
Listed equity investment	74,722	67,478
Bond investment	6,749	6,279
Other financial assets	–	15,269
	4,765,986	2,471,164

Trade and bills payables

Trade and bills payables increased by approximately 18.8% from RMB11,871.4 million as at 31 December 2024 to RMB14,099.5 million as at 31 December 2025, primarily attributable to the increase in bills payables owing to the suppliers as a result of the increase in purchases of raw materials.

Gearing Ratio

Gearing ratio is calculated by other non-current liabilities and borrowings divided by total equity. As at 31 December 2025, the gearing ratio of the Group is 17.4% (31 December 2024: 16.4%), mainly because the increase in borrowings.

Currency risk

The Group operates in the PRC with most of the transactions settled in RMB except for certain sales to international market that are conducted in United States dollar (“USD”). Foreign currency risk arises when commercial transactions or recognised assets or liabilities are denominated in currency other than the entities’ functional currency. The Group is exposed to foreign currency risk primarily with respect to USD.

The Group manages its foreign currency risk by performing regular reviews of the Group’s net foreign currency exposures and may enter into currency forward contracts, when necessary, to manage its foreign exchange exposure.

As at 31 December 2025, substantially all of the Group’s assets and liabilities were denominated in RMB. The Group did not use any derivative financial instruments to hedge its exposure to the foreign exchange rate risks during the Reporting Period.

Human resources

As at 31 December 2025, the Group had 11,245 employees, as compared with 12,002 employees as at 31 December 2024. Total employees costs, including outsourcing cost but excluding the Directors’ remunerations, were RMB3,133.9 million in 2025, representing an increase of approximately 33.0% from RMB2,355.6 million in 2024, such increase was primarily due to the increase in employees bonus. The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered with discretionary bonus, cash awards and share awards based on individual performance. The Group provides trainings for its employees so that new employees can master the basic skills required to perform their functions and existing employees can upgrade or improve their relevant skills.

Contingent liabilities

As at 31 December 2025, the Group did not have any material contingent liabilities or guarantees.

Pledge of the Group’s assets

The Group pledged its assets as securities for bills payable which were used to finance daily business operation. As at 31 December 2025, the pledged assets of the Group amounted to RMB4,359.8 million (2024: RMB3,599.3 million).

MANAGEMENT DISCUSSION AND ANALYSIS

PLACING OF NEW SHARES UNDER GENERAL MANDATE

During the year ended 31 December 2025, the Group did not place any new shares under general mandate.

SIGNIFICANT INVESTMENT, ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Group, nor was there any plan authorised by the Board for other material investments or additions of capital assets, during the year ended 31 December 2025.

EVENTS AFTER THE REPORTING PERIOD

There were no significant subsequent events relevant to the business or financial performance of the Group that has come to the attention of the Directors since the end of the Reporting Period up to the date of this annual report.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report of the Group for the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Group is committed to achieving high corporate governance standards.

The Group believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders of the Company (“**Shareholders**”) and to enhance corporate value and accountability.

The Company has adopted the code provisions set out in the Corporate Governance Code (“**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules and has also put in place certain recommended best practices as set out in the CG Code. Throughout the year ended 31 December 2025, the Company has fully complied with the code provisions set out in the CG Code. The Board will continue to review and monitor the corporate governance status of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions of the Directors. Specific enquiries have been made to all the Directors who have confirmed that they have complied with the Model Code throughout the year ended 31 December 2025.

The Board has also adopted the Model Code as guidelines for its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the securities of the Company. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

THE BOARD

(1) Responsibilities

The Board is responsible for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervising the Group’s affairs. The Board focuses on formulating the Group’s overall strategies, authorising the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the risk management and internal control systems; supervising and managing management’s performance of the Group; and setting the Group’s values and standards. The Group has internal audit function.

The Company has arranged appropriate insurance cover for Director’s liabilities in respect of legal action against its Directors arising out of corporate activities.

(2) Authorisation

The Board delegates the day-to-day management, administration and operation of the Group to management and contributes to the Group through monitoring daily business operation, development plan and implementation. In addition, the Board has established several Board committees and delegates to the Board committees the responsibilities set out in their written terms of reference. The Board regularly reviews the delegated functions to ensure that they suit the needs of the Group.

CORPORATE GOVERNANCE REPORT

(3) Board composition

The Board currently comprises seven Directors, including three executive Directors and four independent non-executive Directors.

Executive Directors:

Mr. Dong Jinggui (*Chairman*)
Ms. Qian Jinghong (*Chief executive officer*)
Mr. Shen Yu

Independent Non-executive Directors:

Mr. Wong Lung Ming
Mr. Chen Mingyu
Ms. Ma Chenguang
Ms. Liang Qin

The biographical information of the Directors are set out in the section headed “Directors & Senior Management Profiles” from page 29 to page 33 of this annual report. Mr. Dong Jinggui, who is the executive Director, is the spouse of Ms. Qian Jinghong, who is also the executive Director. Save as disclosed above, none of the members of the Board is related to one another.

All the Directors, including the independent non-executive Directors, bring invaluable operating experiences, knowledge and professionalism to the Board, which allows for its effective and efficient operation.

The independent non-executive Directors are identified as such in all corporate communications containing the names of the Directors. A list of the Directors indicating their respective roles is published on the websites of the Company and the Stock Exchange.

(4) Independent non-executive Directors

For the year ended 31 December 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

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

(5) Appointment, resignation and re-election of Directors

Each of the executive Directors has entered into a service contract with the Company on 22 April 2016 for an initial term of three years commencing from 19 May 2016 (the “**Listing Date**”) and has subsequently signed appointment letters with the Company for a term of three years commencing on 19 May 2019. Mr. Dong Jinggui, Ms. Qian Jinghong and Mr. Shen Yu have renewed their service contracts with the Company for a term of three years commencing from 19 May 2025. They were all re-elected as executive Directors at the annual general meeting held on Tuesday, 17 June 2025.

Mr. Zhang tendered his resignation to the Board on 25 April 2025 and resigned with effect from 29 April 2025 in order to devote more time to his other business commitments.

CORPORATE GOVERNANCE REPORT

Each of Mr. Chen Mingyu, Ms. Ma Chenguang and Ms. Liang Qin has entered into an appointment letter with the Company on 16 June 2023 for an initial term of three years commencing on 16 June 2023. They were all re-elected as independent non-executive Directors at the annual general meeting held on Monday, 17 June 2024.

Mr. Wong Lung Ming has entered into an appointment letter with the Company as an independent non-executive Director for a term of three years commencing from 29 April 2019 and has renewed his appointment letter with the Company on 29 April 2025. Mr. Wong Lung Ming was re-elected as independent non-executive Director at the annual general meeting held on Monday, 17 June 2024.

Pursuant to the articles of association of the Company (the “**Articles of Association**”), the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting.

During the year ended 31 December 2025, the key methods of attaining continuous professional development by each of the Directors are summarised as follows:

Name of Directors	Attending courses/ seminars	Reading regulatory material
Executive Directors		
Mr. Dong Jinggui (<i>Chairman</i>)	✓	✓
Ms. Qian Jinghong (<i>Chief executive officer</i>)	✓	✓
Mr. Shen Yu	✓	✓
Non-executive Director		
Mr. Zhang Yiyin (<i>resigned with effect from 29 April 2025</i>)	✓	✓
Independent Non-Executive Directors		
Mr. Wong Lung Ming	✓	✓
Mr. Chen Mingyu	✓	✓
Ms. Ma Chenguang	✓	✓
Ms. Liang Qin	✓	✓

During the year, each of the Directors have undertaken 15 hours of continuous professional development.

In accordance with article 108(a) of the Articles of Association and the CG code, Mr. Chen Mingyu, Ms. Ma Chenguang and Ms. Liang Qin will retire as Directors, and each of them is eligible for re-election at the annual general meeting to be held on Wednesday, 17 June 2026 (the “**2026 AGM**”).

(6) Continuous professional development of Directors

Directors keep abreast of responsibilities as a Director and of the business activities and development of the Company. In 2025, each Director, namely Mr. Dong Jinggui, Ms. Qian Jinghong, Mr. Shen Yu, Mr. Zhang Yiyin, Mr. Wong Lung Ming, Mr. Chen Mingyu, Ms. Ma Chenguang and Ms. Liang Qin participated in continuous professional development. They developed and refreshed their knowledge and skills in respect of the Listing Rules and relevant statutory requirements to make contributions to the Board.

Internally-facilitated briefings for Directors are arranged and reading materials on relevant topics will be circulated to Directors where appropriate so as to ensure that Directors understand the condition of the Company and the latest policies from regulatory bodies in a timely manner. All Directors are encouraged to attend relevant training courses at the Company’s expenses.

CORPORATE GOVERNANCE REPORT

(7) Attendance of Directors and committee members

The attendance of each Director at the Board and committee meetings and the general meeting of the Company held for the year ended 31 December 2025 is set out in the table below:

Director	Attendance/Number of Meetings				
	Board	Nomination Committee	Remuneration Committee	Audit Committee	General Meeting
Executive Directors					
Mr. Dong Jinggui (<i>Chairman</i>)	5/5	1/1	–	–	1/1
Ms. Qian Jinghong (<i>Chief executive officer</i>)	5/5	1/1	–	–	1/1
Mr. Shen Yu	5/5	–	–	–	1/1
Non-executive Director					
Mr. Zhang Yiyin (<i>resigned with effect from 29 April 2025</i>)	1/1	1/1	2/2	1/1	–
Independent Non-executive Directors					
Mr. Wong Lung Ming	5/5	1/1	2/2	4/4	1/1
Mr. Chen Mingyu	5/5	1/1	–	4/4	1/1
Ms. Ma Chenguang	5/5	1/1	2/2	4/4	1/1
Ms. Liang Qin	5/5	1/1	2/2	4/4	1/1

Note: The attendance is calculated based on the respective number of meetings where the relevant Director is eligible to attend.

The Company has annual meeting schedules and draft agenda of each meeting of the Board and the committees made available to Directors in advance, and serves notices of regular Board meetings at least 14 days before the meetings. For other Board and committee meetings, reasonable notices are given. Board papers together with all appropriate, complete and reliable information are sent to all Directors at least three days before each Board meeting or committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and every Director also have separate and independent access to the senior management of the Company where necessary.

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Draft and final versions of minutes are circulated to Directors or relevant committee members for comment and records respectively within a reasonable time after each meeting. Minutes of Board meetings and committee meetings are kept by the company secretary or the duly appointed secretaries of the respective meetings (as the case may be) and are available for inspection by all Directors at all reasonable time. The Articles of Association contain provisions requiring any Director to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Director or any of his/her associates have a material interest.

(8) Mechanism regarding independent views to the Board

The Board has established a mechanism during the year that sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgement to better safeguard Shareholders' interests. The mechanism includes but are not limited to the following aspects:

- The Board comprises a majority of non-executive Directors, with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, independent non-executive Directors will be appointed to Board committees as required under the Listing Rules and as far as practicable to ensure independent views are available.
- The Nomination Committee shall assess the independence of independent non-executive Directors annually with reference to the nomination policy and the Listing Rules to ensure that they can continually exercise independent judgement.
- The Directors (including independent non-executive Directors), upon reasonable request, may seek independent professional advice at the Company's expense, to assist the performance of their duties.

- The Board shall assess and review the time contributed by every independent non-executive Director and their attendance to meetings of the Board and the Board committees so as to ensure that every independent non-executive Director has devoted sufficient time to the Board to discharge his/her responsibilities as a Director of the Company.

The Board will also review the implementation and effectiveness of such mechanism on an annual basis. The Board considers that such mechanism has been implemented properly and effectively during the Reporting Period.

CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code stipulates that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive should be clearly established and set out in writing.

The positions of chairman and chief executive officer are held by Mr. Dong Jinggui and Ms. Qian Jinghong respectively. Mr. Dong Jinggui, the co-founder of the Group, is the chairman and executive Director of the Group. He provides leadership and is responsible for the effective functioning of the Board. Ms. Qian Jinghong is the chief executive officer and executive Director of the Group. She focuses on the Company's business development and daily management and operations generally. The respective responsibilities of Mr. Dong Jinggui and Ms. Qian Jinghong are clearly defined and set out in writing.

The Company has established a general division of responsibilities between the chairman and chief executive in writing. Further, the roles of chairman and chief executive are separated and performed by different individuals. In this connection, the Board is of the opinion that the Company has complied with code provision C.2.1 set out in the CG Code as at 31 December 2025.

The Board believes that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Director, and independent non-executive Directors.

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In accordance with the code provision C.2.7 of the CG Code, the chairman should hold at least one meeting annually with the independent non-executive directors without the other directors present. For the year ended 31 December 2025, the chairman of the Company met with the independent non-executive Directors without other Directors present to understand their concerns and discuss pertinent issues.

BOARD COMMITTEES

The Board has established three committees, namely, the nomination committee (the “**Nomination Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the audit committee (the “**Audit Committee**”), to oversee particular aspects of the Company’s affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company’s website and the Stock Exchange’s website and are available to Shareholders upon request.

Nomination Committee

As at the date of this annual report, the Nomination Committee comprises six members, including two executive Directors, Mr. Dong Jinggui (chairman of the Nomination Committee) and Ms. Qian Jinghong, and four independent non-executive Directors, Mr. Wong Lung Ming, Mr. Chen Mingyu, Ms. Ma Chenguang and Ms. Liang Qin.

The main responsibility of the Nomination Committee includes reviewing the structure, size and composition of the Board on a regular basis and making recommendations on any proposed changes, identify, select or make recommendations to the Board on the selection of individuals nominated for directorship, assess the independence of the independent non-executive Directors and make recommendations to the Board on relevant matters relating to the appointment, re-appointment and removal of the Directors and succession planning for the Directors. The Nomination Committee also reviews the Board diversity policy (the “**Board Diversity Policy**”) adopted by the Board on 22 April 2016 from time to time to ensure its effectiveness.

Dividend Policy

The Company has adopted an overall dividend policy that aims to provide Shareholders with satisfactory and reasonable dividend returns. The Company will determine the proportion of cash dividends for each year based on the actual situation of that year and consider factors including the following:

The declaration and payment of dividends shall be determined by the Board at its absolute discretion and shall comply with all applicable requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Articles of Association (including but not limited to restrictions on declaration and payment of dividends).

When proposing any dividend payment, the Board shall also consider (among other matters):

- Actual and expected financial results of the Group;
- Legal and compliance restrictions;
- Overall business conditions and strategies;
- The level of the Group’s debts to equity ratio, return on equity and financial covenants to which the Group is subject;
- The Group’s expected working capital requirements and future expansion plans;
- Retained profits and distributable reserves of the Company and each of the members of the Group;
- Interests of Shareholders;
- Any contractual restrictions on the payment of dividends by the Company to its Shareholders or the payment of dividends by the Company’s subsidiaries to the Company;
- Possible effects on the Group’s creditworthiness;
- Taxation considerations;
- Liquidity position and future commitments at the time of declaration of dividends;

CORPORATE GOVERNANCE REPORT

- General economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- Other factors that the Board deems appropriate.

Except in the case of interim dividends (see below), any dividend declared by the Company must be approved by the Shareholders' ordinary resolution at the annual general meeting and shall not exceed the amount of dividends proposed by the Board.

The Board may from time to time pay to the Shareholders such interim dividends when the Directors prove that the Company has profits available for distribution. In addition to cash, dividends may be distributed in the form of shares of the Company (the "Shares") if they do not contravene but comply with the procedures of the Articles of Association.

The Company will continue to review this policy and reserve its sole and absolute discretion to update, revise, and/or modify this policy at any time.

All dividend decisions made by the Board for the year ended 31 December 2025 were made in accordance with the Company's dividend policy.

Board Diversity Policy

The Board adopted the Board Diversity Policy on 22 April 2016.

The Company recognises the benefits of board diversity. On setting the composition of the Board, the Company endeavours to ensure that the Board appointment should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account professional experience and qualifications, gender, age, ethnicity, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to experience and expertise, professional experience and qualifications, gender, age, ethnicity and cultural and educational background.

The Company values gender diversity. While the Board has a domination of male composition, the Company has three female Directors, achieving female directors representation in the Board, which amounted to approximately 42.9% of the board as at 31 December 2025. In striving to attain gender diversity, the Nomination Committee is delegated with authority to identify potential candidates through different means and channels. The Nomination Committee with reference to the nomination policy will ensure that gender diversity is taken into account when recruiting staff members of mid to senior level and that there will be a pipeline of potential successors to the Board to maintain gender diversity.

The Company is also committed to maintain gender diversity in the workforce. The Group recognises the importance of gender diversity and endeavours to take steps to promote gender diversity at all levels of the Group (including the Board). In order to further promote gender diversity within the Group, the Group endeavours to ensure that there is gender diversity during the recruitment of staff members at mid to senior level and provide training and long-term development opportunities to female staff members to promote gender diversity across the workforce. As at 31 December 2025, 80% of our senior management are male and 20% are female and approximately 70% of the Group's total workforce (excluding senior management) are males and approximately 30% are females, which demonstrates that the Group has achieved gender diversity of employees in a whole. The Nomination Committee will continue to review and monitor the implementation of the Board Diversity Policy to ensure its continuing effectiveness in achieving a diverse workforce, at the senior management level in particular.

Nomination Policy

The purpose of this policy is to state the guidelines for the Nomination Committee on selection, appointment and re-appointment of Directors.

This policy aims to ensure the Board achieves a balance among skills, experience, knowledge and diverse perspectives, which meets the Company's business requirements.

CORPORATE GOVERNANCE REPORT

The Nomination Committee will take into account the following criteria with due consideration for the assessment, selection and recommendation to the Board of the proposed Director. The criteria include but not limited to:

- (a) Diversification, including but not limited to gender, age, cultural background and educational background, professional experience, skills, knowledge and length of service;
- (b) Commitment to the duties of the Board;
- (c) Qualifications, including achievements and experience in the relevant industries the Company's business is involved in;
- (d) Independence;
- (e) Reputation for integrity; and
- (f) Potential contributions that the individual(s) can bring to the Board.

The Nomination Committee will take into account the following criteria with due consideration to assess and recommend to the Board of one or more retiring Directors subject to re-appointment. The criteria include but not limited to:

- (a) The overall contribution and service of the retiring Director(s) to the Company, including but not limited to the attendance at the meetings of the Board and/or meetings and general meetings of its committees (where applicable), and the level of participation and performance of the Board and/or its committees; and
- (b) Whether the retiring Director(s) continue to meet these criteria.

In addition to these criteria, the Nomination Committee will take into account a number of factors with due consideration to assess and recommend one or more candidates to serve as an independent non-executive Director. The factors include but not limited to those factors set out in Rules 3.10(2) and 3.13 of the Listing Rules and are subject to amendments from time to time.

The Nomination Committee will make recommendations to the Board for the appointment of Directors in accordance with the following procedures and processes:

- (a) The Nomination Committee will, after giving due consideration to the current composition and size of the Board, prepare a list of desirable skills, perspectives and experience so as to devote its efforts in identifying candidates from the beginning;
- (b) The Nomination Committee may, after giving due consideration to these criteria, identify or select suitable candidates through various methods, including referrals from existing Directors, advertising, recommendations from third party agency firms and proposals from Shareholders;
- (c) The Nomination Committee may carry out verification by ways such as interviews, reference checks, brief statements and third party references when evaluating the suitability of the candidates;
- (d) Upon considering the suitability of a candidate for the directorship, the Nomination Committee will hold a meeting and/or by way of a written resolution, if thought fit, to approve the recommendations to the Board for appointment;
- (e) The Nomination Committee will then make recommendations to the Board in respect of the proposed appointment; and
- (f) The Board may arrange for the selected candidates to be interviewed by the members of the Board who are not members of the Nomination Committee, and the Board will thereafter deliberate and decide the appointment (as the case may be).

For the year ended 31 December 2025, the Nomination Committee held one meeting to review the structure, size and composition of the Board, the independence of the independent non-executive Directors, and to consider the qualifications of the retiring directors standing for election at the 2025 AGM.

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Remuneration Committee

As at the date of this annual report, the Remuneration Committee comprises three members, including three independent non-executive Directors, Ms. Ma Chenguang (chairman of the Remuneration Committee), Mr. Wong Lung Ming and Ms. Liang Qin.

The terms of reference of the Remuneration Committee were amended and adopted by the Board on 2 December 2022 and have been published on the Company's website and the Stock Exchange's website.

The main responsibilities of the Remuneration Committee are to establish, review and make recommendations to the Board on the policy and structure concerning the remuneration of the Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, determine, with delegated responsibility, the terms of the specific remuneration package of each individual executive Director and senior management of the Company and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

Details of the amount of Directors' remuneration are set out in note 9 to the consolidated financial statements. The remuneration paid to the senior management of the Company (exclusive of Directors) for the year ended 31 December 2025 falls within the following bands, biographical details of the members of senior management of the Group are set out in the section headed "Directors & Senior Management Profiles — Senior Management" from page 29 to page 33 of this annual report:

Remuneration per year	No. of Person
Nil to RMB5,000,000	1
RMB5,000,000 to RMB10,000,000	/
RMB10,000,000 to RMB20,000,000	3

For the year ended 31 December 2025, the Remuneration Committee held two meetings to (i) review and make recommendation to the Board on the remuneration policy; (ii) determine the remuneration packages of executive Directors and senior management and the terms of service contracts; and (iii) discuss and make recommendation to the Board on the granting of restricted share award scheme to employees.

Audit Committee

Pursuant to the requirements under the CG Code and the Listing Rules, the Company has established the Audit Committee comprising four independent non-executive Directors, namely Mr. Chen Mingyu (chairman of the Audit Committee), Mr. Wong Lung Ming, Ms. Ma Chenguang and Ms. Liang Qin, and one non-executive Director, Mr. Zhang Yiyin (resigned with effect from 29 April 2025).

The responsibilities of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board. The Audit Committee is also responsible for reviewing the financial reporting process and financial controls, risk management and internal control systems, including the internal audit function as well as arrangements for concerns about possible improprieties in financial reporting, risk management and internal control or other matters raised by employees of the Company (the "whistle blowing").

The Audit Committee and the Company's management have considered and reviewed the accounting principles and practices adopted by the Group and have discussed matters in relation to risk management, internal control and financial reporting, including the review of the consolidated financial statements of the Group for the year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025, the Audit Committee held four meetings. The Audit Committee has performed the following work during the year:

- (a) Reviewing:
 - (i) the audited consolidated financial statements of the Group for the year ended 31 December 2024;
 - (ii) the annual results announcement of the Group for the year ended 31 December 2024;
 - (iii) the annual report of the Company for the year ended 31 December 2024;
 - (iv) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2025;
 - (v) the interim results announcement of the Group for the six months ended 30 June 2025; and
 - (vi) the interim report of the Company for the six months ended 30 June 2025.
- (b) Reviewing and considering the major audit findings by the external auditor of the Company.
- (c) Reviewing and considering the major internal audit issues for the year ended 31 December 2025 and reviewing the financial reporting system and risk management and internal control procedures of the Company.
- (d) Reviewing the arrangements for employees of the Company can use to raise concerns about possible improprieties in financial reporting, risk management and internal control systems or other matters, and reviewing and considering the investigation progress of reported cases.

The Audit Committee also met with the external auditor once without the presence of the executive Directors.

The Company's annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance functions:

- (a) To formulate and review the Group's corporate governance policies and practices and make recommendation to the Board;
- (b) To review and oversee the trainings and continuous professional development of Directors and senior management of the Group;
- (c) To review and oversee the Group's policies and practices on compliance with any requirements, guidelines and rules that may be imposed by the Board or which may be incorporated into any constitutional documents of the Group or which may have been provided by the Listing Rules, applicable laws and other regulatory requirements as well as by applicable institutional governance standards;
- (d) To formulate, review and oversee the code of conduct and the compliance handbook (if any) of the employees of the Group and the Directors; and
- (e) To review the Group's compliance with the CG Code as adopted by it from time to time and the disclosure in the corporate governance report as set out in the annual report of the Company.

The Board's annual review of the Company's corporate governance practices for the year ended 31 December 2025 has covered the aforesaid matters.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2025.

The Board is responsible for presenting balanced, clear and understandable annual and interim reports, inside information disclosure and other disclosures of the Company required under the Listing Rules and other statutory and regulatory requirements.

The Company's management is responsible for providing such explanation and information necessary to the Board to enable the Board to carry out an informed assessment of the financial statements put to the Board for approval.

The Directors were not aware of any material uncertainties relating to events or conditions which may cause significant doubt upon the Group's ability to continue as a going concern.

The statement regarding the Directors' responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on page 55 in this annual report.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the section headed "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" in the Independent Auditor's Report from page 55 to 56 in this annual report.

During the year, the remuneration paid or payable to the Company's external auditor in respect of audit services and non-audit services for the year ended 31 December 2025 is set out below:

Service Category	Fee paid/payable RMB'000
Audit services	5,590
Non-audit services (tax services)	396
Total	5,986

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board is responsible for maintaining solid and effective risk management and internal control systems to safeguard investments of Shareholders and the Company's assets.

The risk management and internal control systems are designed to identify, assess and report on potential risks and implement control measures, to mitigate rather than to completely eliminate the risks associated with achieving the business objectives of the Group. These systems provide a reasonable but not absolute assurance against material misstatement or loss.

The key features of the Group's risk management and internal control systems include the following:

- An organized structure with clearly defined and distinct scope of authority and responsibilities;

- A comprehensive financial accounting system to provide for various performance measurement indicators and to ensure compliance with relevant rules;
- Annual plans prepared by senior management of the Company on financial reporting, operations and compliance with reference to significant potential risks;
- Strict prohibition of unauthorised expenditures;
- Guidelines on the dissemination of confidential and sensitive information;
- Specific approval from executive Director/responsible senior executive of the Company prior to commitment in all material matters;

CORPORATE GOVERNANCE REPORT

- Appropriate policy to ensure the effective use of resources, the qualifications and experiences possessed by the staff members who are responsible for the Group's accounting and financial reporting functions, and sufficient training provided to the staff members;
- Management's review and evaluation on the internal control procedures and monitoring of risk factors on a regular basis; and
- Report to the Audit Committee about the findings on identified risks and measures to address such risks.

The main procedures used to identify, evaluate and manage significant potential risks are as follows:

- **Identify** — The Board identifies current and emerging risks in the Group's business operations and categorize those risks into a reasonable profile based on timeframe, likelihood, intensity and impact severity. The Company has established four risk categories, including strategic risks, financial risks, operating risks and legal risks. The Audit Committee has established and oversees the whistle blowing policy. In line with that commitment, the Company expects and encourages the employees, customers, suppliers and other stakeholders who have concerns about any suspected misconduct or malpractice within the Company to voice their concerns. All whistle blowing reports are investigated to the fullest extent possible and reported to the Audit Committee.
- **Assess** — The Board assesses and prioritizes risks so that the most important risks can be identified and dealt with. Based on both qualitative and quantitative analyses, the Board risks in terms of likelihood and impact severity.
- **Mitigate** — Based on the Board's assessment of (i) the probability and impact severity of the risks; and (ii) cost and benefit of the mitigation plans, the Board chooses the appropriate option for dealing with risks, including risk elimination by suspending the associated business activities, risk reduction by adopting appropriate control measures, risk transfer by outsourcing or purchasing insurance policies, and risk acceptance by choosing to accept risks of low priority.

- **Measure** — The Board measures the Group's risk management system by determining if changes have been implemented and if changes are effective. In the event of any weakness in control, the Board follows up by adjusting the risk management measures and reporting material issues to the Board.

The Audit Committee assists the Board to review and monitor the scope, issues, results and action plans in relation to or arising from the internal and external audits. The Audit Committee also assists with the Board's corporate governance role in the Group, particularly in overseeing the risk management and internal control systems, and managing the finance and internal audit functions.

During 2025, the Board, through the Audit Committee, conducted a review of the effectiveness of the risk management and internal control systems of the Company, including the adequacy of resources, staff qualifications and experiences, training programs and budget of the Company in relation to the accounting and financial reporting functions, and will further review and assess such systems at least once each year.

The Audit Committee and the Board were not aware of any areas of concern that would have a material impact on the Group's financial position or results of operations and considered the risk management and internal control systems to be generally effective and adequate to govern the adequacy of resources, staff qualifications and experiences, training programs and budget of the accounting, internal audit and financial reporting functions.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company considers that effective communication with Shareholders is essential for maintaining good investor relations and enhancing investors' understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions.

CORPORATE GOVERNANCE REPORT

The Company endeavours to maintain an on-going dialogue and there are a number of formal communication channels which the Company uses to report and account to Shareholders and investors for the performance of the Company. For share registration matters, Shareholders may contact the Company's share registrar in Hong Kong. For other matters, the Board is committed to provide timely information through various means, including:

- publishing interim and annual reports;
- convening the annual general meeting and/or extraordinary general meetings to provide a forum for Shareholders to raise comments and exchange viewpoints with the Board. The chairman of the Board, independent non-executive Directors, and the chairmen of all Board committees (or their delegates) will make themselves available at general meetings to meet Shareholders and answer their enquiries;
- providing updates of key information of the Group through the websites of the Stock Exchange and the Company; and
- maintaining a website for the Company (www.yadea.com.cn) where up-to-date information are available for public access, such as the Company's business operations, corporate governance practices and contact details.

To facilitate investors' understanding of the Company's business, the Company organises various networking events and site visits to the Company's headquarters, production bases, product exhibitions or displays, and distribution channels for investors. The Company also maintains dialogues with the investor community by participating in several investment forums and engaging in numerous exchanges with business analysts and fund management companies through various means.

The Board regularly reviews the existing channels of communication with Shareholders and investors to make sure that they remain effective and provides recommendations for improvements when needed. During the Reporting Period, the Board has reviewed the engagement and communication activities conducted and the results were satisfactory.

JOINT COMPANY SECRETARIES

As at 31 December 2025, Mr. Shen Yu and Mr. Leung Chi Kit are the Joint Company Secretaries. The chief responsibilities of the Joint Company Secretaries include supporting the Board in business transactions, ensuring good communication and flow of information within the Board and the compliance of the policies and procedures of the Board, and advising the Board on governance matters, assisting newly appointed Director to his/her new position and overseeing the trainings and continuous professional development of the Directors. Mr. Leung Chi Kit is a manager of the Listing Services Department of TMF Hong Kong Limited (a global corporate services provider). His primary contact person at the Company is Mr. Shen Yu, the other Joint Company Secretary.

According to Rule 3.29 of the Listing Rules, the Joint Company Secretaries have confirmed that they have taken no less than 15 hours of professional trainings to update their skills and knowledge for the year ended 31 December 2025. The biographical details of Mr. Shen Yu and Mr. Leung Chi Kit are set out on page 33 of this annual report respectively.

GOING CONCERN CAPABILITY

The Board has not been aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

SHAREHOLDERS' RIGHTS

To safeguard Shareholder's interests and rights, a separate resolution is proposed for each separate issue at general meetings, including the election of individual Directors.

Except where the chairman of the Board, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, all resolutions put forward at general meetings shall be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

CORPORATE GOVERNANCE REPORT

Procedure for convening an extraordinary general meeting by Shareholders

Pursuant to the Articles of Association, any one or more Shareholders holding not less than one-tenth of the issued share capital of the Company carrying the right of voting at general meetings may require an extraordinary general meeting by a written requisition to the Board or the Joint Company Secretary either via personal delivery or mail (for the attention of the Board/Joint Company Secretary, at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong or via email (ydsh@yadea.com.cn). The Board shall, within 21 days from the date of deposit of the requisition, duly convene a general meeting.

Procedure for putting forward proposals at general meetings

Any Shareholder who wishes to put forward proposals at general meetings of the Company shall submit such proposals to the Board in writing for the Board's consideration either via personal delivery, mail (for the attention of the Board/Joint Company Secretary, at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong) or via email (ydsh@yadea.com.cn). The Board may, in its sole discretion, consider if such proposals are appropriate and shall put forward such proposals to the Shareholders for approval at the next annual general meeting, or at an extraordinary general meeting to be convened by the Board, as appropriate.

Procedure for putting forward enquiries to the Board

Shareholders are, at any time, welcome to send their enquiries or requests to the Board via personal delivery or mail (for the attention of Shareholder Communication, at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong) or via email (ydsh@yadea.com.cn).

Note: The Company will not normally deal with verbal or anonymous enquiries.

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

Constitutional documents

There was no change in the Articles of Association during the year ended 31 December 2025.

INFORMATION DISCLOSURE

Regarding the disclosure of inside information and internal control measures, the Company understands its duties under the Listing Rules and the Securities and Futures Ordinance (the "SFO"), and adheres to the important principle of timely publication of the inside information. The Company abides by the *Guide on disclosure of inside information* published by the Securities and Futures Commission, and has developed a complete system of internal procedures and internal control measures for processing and publication of information in order to ensure the timely, accurate and appropriate disclosure of relevant information to the Shareholders and regulatory authorities.

The Group has put in place a system for the disclosure of inside information in compliance with the SFO. The system sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner so as to allow all the stakeholders to apprehend the latest position of the Group. The system and its effectiveness are subject to review on a regular basis according to the established procedures.

SUMMARY OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Company strived to fulfil their social responsibilities by proactively implementing practices and policies in relation to the ESG issues. Pursuant to the Reporting Guide and Appendix C2 to the Listing Rules, the Company kept reviewing and improving their work on sustainable development within the Reporting Period. A detailed disclosure of the ESG Report will be available on the Group's website and the website of the Stock Exchange at the same time as the publication of this annual report.

ANTI-CORRUPTION POLICY

The Board has reviewed the anti-corruption policy in respect of the year ended 31 December 2025, and is of the view that the current anti-corruption policy has been effectively implemented.

DIRECTORS & SENIOR MANAGEMENT PROFILES

DIRECTORS

Executive Directors

Mr. Dong Jinggui (董經貴), aged 57, is the co-founder of the Group and the chairman of the Board. Mr. Dong has been the Director since 17 July 2014 and was re-designated as the executive Director on 19 January 2015. Mr. Dong has approximately 24 years of experience in the electric two-wheeled vehicle industry. Mr. Dong began tapping into the electric two-wheeled vehicle industry in 1997 when he began the preparation of the establishment of Jiangsu Yadea with Ms. Qian Jinghong. In order to expand his networks and acquire the latest industry knowledge and resources, Mr. Dong also frequently attended industry related seminars and conferences. Prior to 1997, Mr. Dong was employed for six years at a motorcycle factory where he acquired relevant industry knowledge and experience.

In December 2008, Mr. Dong was named the “Pride of Sushang — the Most Respected Entrepreneur in Jiangsu in the 30 Years of Reform and Opening up (改革開放30年 • 「蘇商驕傲—江蘇最受尊敬企業家」)” by Nanjing University Business School (南京大學商學院), the Institute of Economics of Jiangsu Provincial Academy of Social Sciences (江蘇省社會科學院經濟研究所) and Quality “Sushang” Magazine (精品《蘇商》雜誌社). In July 2013, Mr. Dong was recognised as an outstanding leader in quality management group activities in the national light industry (全國輕工業品質管制小組活動卓越領導者) by the Light Industry Branch of the China Association for Quality (中國質量協會輕工分會). Mr. Dong has been the vice president of the Jiangsu Bicycle and Electric Bicycle Association (江蘇省自行車電動車協會) since July 2013.

Ms. Qian Jinghong, an executive Director, is the spouse of Mr. Dong.

Ms. Qian Jinghong (錢靜紅), aged 54, is the co-founder of the Group and the vice chairman of the Board. Ms. Qian was appointed as the chief executive officer of the Company on 14 May 2019. Ms. Qian has been the Director since 17 July 2014 and was re-designated as the executive Director on 19 January 2015. Ms. Qian has approximately 24 years of experience in the electric two-wheeled vehicle industry. Ms. Qian began tapping into the electric two-wheeled vehicle industry in 1997 when she began the preparation of the establishment of Jiangsu Yadea with Mr. Dong Jinggui. In order to expand her networks and acquire the latest industry knowledge and resources, Ms. Qian also frequently attended industry related seminars and conferences. Prior to 1997, Ms. Qian was employed for four years at a motorcycle factory where she acquired relevant industry knowledge and experience.

Mr. Dong Jinggui, an executive Director, is the spouse of Ms. Qian.

Mr. Shen Yu (沈瑜), aged 51, has been the Director since 10 December 2014 and was re-designated as the executive Director on 19 January 2015. Mr. Shen joined the Group in May 2005 and has since served as the assistant to the chairman of the Board and supervisor of the president’s office. Mr. Shen is responsible for the public affairs of the Group, as well as assisting the chairman of the Board and president in external affairs and public relations management. Mr. Shen is also the Joint Company Secretary. Mr. Shen has been appointed as the vice president of Wuxi Intellectual Property Association (無錫市知識產權協會) since 2017.

Prior to joining the Group, Mr. Shen was a deputy general manager of Wuxi Lianmei Public Relations Co., Ltd. (無錫聯美公關有限公司) from May 2001 to April 2005, a quality control engineer at Wuxi Murata Electronics Co., Ltd. (無錫村田電子有限公司) from October 2000 to May 2001, an electrical engineer at Wuxi Mining Machinery Plant (無錫礦山機械廠) from January 1997 to October 2000 and an electrical engineer at Yizheng Huaxian Group Co., Ltd. (儀征化纖集團有限公司) from July 1995 to December 1996.

Mr. Shen graduated from Xi’an Jiaotong University (西安交通大學) with a tertiary qualification in Industrial Automation in July 1995 and Southeast University (東南大學) with a master’s degree in Business Administration in June 2013.

DIRECTORS & SENIOR MANAGEMENT PROFILES

Independent Non-Executive Directors

Mr. Wong Lung Ming (黃隆銘), aged 68, was appointed as the independent non-executive Director on 29 April 2019. Mr. Wong is responsible for supervising and providing independent judgement to the Board. He is currently the founder and president of Leader Momentum Limited and Leader Momentum (Shanghai) Limited, and had served as the adjunct associate professor of Institute for China Business in the University of Hong Kong, teaching Postgraduate Diploma for working executives in China on Leadership and Human Resource Management. From 1983 to 2008, Mr. Wong worked in Philips Electronics and held a number of positions including the vice president of Philips Domestic Appliances & Personal Care (DAP) division and general manager of Philips DAP Greater China, and the Ad Interim Leader of DAP division for Asia Pacific region, the director of two DAP factories in Suzhou and Zhuhai. Mr. Wong and his team won the Philips Business Excellence (PBE) bronze award (based on European Foundation of Quality Management Excellence Model).

Mr. Wong received his First Class Honour Bachelor degree of Business Administration majoring in marketing from The Chinese University of Hong Kong; and MBA degree from The Hong Kong University of Science and Technology.

Mr. Chen Mingyu (陳明宇), aged 63, was appointed as an independent non-executive Director on 16 June 2023. Mr. Chen is responsible for supervising the Board and providing independent judgment. He is an outstanding senior tax and business advisory consultant with over 35 years of international experience in finance and taxation. Fluent in both English and Mandarin, his business expertise particularly focuses on providing financial and tax advisory services to Chinese enterprises expanding globally and operating overseas. His professional areas cover guiding cross-border merger and acquisition transactions, corporate valuation, personal wealth management, and designing and implementing global holding company structures for Chinese multinational companies, which combine tax optimisation, financing, and capital repatriation strategies. Mr. Chen has served as a partner in tax and business advisory at three leading global firms: Deloitte, Ernst & Young, and KPMG. He has held various leadership positions in offices located in Hong Kong, the United States, China, and Singapore, with a central focus on serving the international business needs of Chinese clients. Mr. Chen is currently based in Singapore and serves as an independent non-executive director of GHY Culture & Media Holding Co., Ltd. (a company listed on the Singapore Exchange, stock code: XJB) and China National Pharmaceutical Group Pharmaceutical Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600511).

Mr. Chen holds a Master of Business Administration degree from Fordham University in the United States. In 2000, he passed all five subjects of the Chinese Certified Tax Agent examination in one attempt and obtained the professional qualification certificate as a Chinese Certified Tax Agent.

DIRECTORS & SENIOR MANAGEMENT PROFILES

Ms. Ma Chenguang (馬晨光), aged 49, was appointed as the independent non-executive Director on 16 June 2023. Ms. Ma is responsible for supervising and providing independent judgement to the Board. She has been serving as a senior partner of Shanghai Co-effort Law Firm since January 2003 and has served as the legal specialist of Shanghai Yidong Construction Development Co., Ltd. from 2000 to 2003.

Ms. Ma has assumed various social responsibilities and roles, such as being, a member of the Standing Committee of the Shanghai Pudong New Area People's Congress, the deputy chairman of the Shanghai Pudong District Committee of the China Zhiqong Party, the deputy director of the Financial Professional Committee of the All China Lawyers Association, a director of the Fund Committee of the Financial Law Research Association of the Shanghai Law Society, a director of the Fund Business Research Committee of Shanghai Lawyers Association, the legal advisor of the Shanghai Pudong New Area Committee of the Communist Party of China, the legal advisor of the Shanghai Pudong New Area People's Government and China (Shanghai) Pilot Free Trade Zone Management Committee, an arbitrator of the Shanghai Arbitration Commission, an arbitrator of Shanghai International Economic and Trade Arbitration Commission, and a postgraduate tutor at Fudan University, East China University of Political Science and Law, and Shanghai University of International Business and Economics.

Ms. Ma won the titles of the 4th "Oriental Lawyer", "Shanghai Excellent Lawyer" and "National Thousand Foreign Lawyers" in 2019; awarded the "Top Ten Financial Lawyers in China" by "Chief Legal Officer" in 2018; awarded as "China's Best Female Lawyer" by Thomson Reuters (ALB) in 2017; awarded as "Shanghai 8th March Red Banner Pacesetter" in 2015; awarded as "Shanghai Outstanding Young Lawyer" in 2014; and won the title of "Shanghai Pudong New Area Top Ten Outstanding Young Lawyers" in 2009. Ms. Ma has been classified as a band 1 lawyer by Chambers and Partners (Greater China Region, Corporate/Commercial: Shanghai) for several consecutive years, and was on the 2020 "A-List Legal Elite" list of "Business Law", 2021 LEGALBAND Billboard: Top 15 Innovative Lawyers, "IFLR1000 China" 2022 Regional List Leading Lawyer in the field of private equity (Leading Lawyer), and IFLR1000 China 2022/23 List of highly recommended lawyers in the field of merger and acquisition.

Ms. Ma graduated from the Law School of Dalian Maritime University in July 2000, and obtained an on-the-job postgraduate degree from the Law School of Fudan University in February 2012.

Ms. Liang Qin (梁勤), aged 54, was appointed as the independent non-executive Director on 16 June 2023. Ms. Liang is responsible for supervising and providing independent judgement to the Board. She is a senior economist with a college degree. Ms. Liang started work in July 1989. Ms. Liang is currently a member of the 12th and 13th Executive Committee of All-China Federation of Industry and Commerce, a standing member of the 12th Executive Committee of Jiangsu Federation of Industry and Commerce, the vice president of Jiangsu General Chamber of Commerce, a member of the Standing Committee of Yangzhou Municipal People's Congress, and the vice president of Yangzhou Women Entrepreneurs Association.

Ms. Liang worked in Yangzhou Hotel Labor Union from September 1989 to April 1993; served as the general manager in Yangzhou Yangjie Electronic Co., Ltd. from March 2000 to August 2006; served as the chairwoman of Yangzhou Yangjie Electronic Technology Co., Ltd. from August 2006 to April 2011; and has been serving as the chairwoman of Yangzhou Yangjie Electronic Technology Co., Ltd. since April 2011.

Ms. Liang has been awarded many honorary titles, such as "National Excellent Private Entrepreneur who Cares for Employees", "National Excellent Entrepreneur in Electronic Information Industry", "National Women Model for Merit Achievement", "Jiangsu Province Model Worker", "Jiangsu Province Excellent Young Entrepreneur", "Jiangsu Province Excellent Private Female Entrepreneur", "Jiangsu Province the Fifth Outstanding Builder of Socialist Cause with Chinese Characteristics", Jiangsu Province Women's Federation "Charity Donation Advanced Individual", Jiangsu Province "8th March Red Banner Pacesetter", "Yangzhou Top Ten Economic News Figures", "Yangzhou Top Ten Meritorious Hero", and "Yangzhou Talent Cultivation Program Phase I Young and Middle-aged Outstanding Entrepreneurs" etc.

Ms. Liang studied at Yangzhou Technician College majoring in electronic instruments from September 1986 to July 1989, and studied in Yangzhou University majoring in electrical technology from September 1993 to June 1997.

DIRECTORS & SENIOR MANAGEMENT PROFILES

SENIOR MANAGEMENT

Mr. Shi Rui (石銳), aged 49, is the chief financial officer of the Company. Mr. Shi joined the Group in March 2014 and is responsible for the financial aspects of the Group. Mr. Shi was an executive Director from December 2014 to November 2019.

Prior to joining the Group, Mr. Shi had held various positions at Beijing Zhongchang Accounting Firm (北京中昌會計師事務所) from January 2001 to June 2006 and from July 2008 to February 2014, including positions as a project manager, a division manager, a senior manager and a partner. In addition, Mr. Shi was a financial manager and consultant at Shenzhen Winscom Industrial Co., Ltd., Beijing Branch (深圳市維新康實業有限公司北京分公司) between July 2006 and June 2008.

Mr. Shi became a registered member of the Chinese Institute of Certified Public Accountant in July 2003 and received his accountant qualification from the Ministry of Finance of the People's Republic of China (中華人民共和國財政部) in September 2003. Mr. Shi graduated from Shaanxi University of Finance and Economics (陝西財經學院) with a tertiary qualification in International Accounting in June 1999.

Mr. Wang Jiazhong (王家中), aged 48, joined the Group in February 1999 as an officer. Mr. Wang has been the senior vice president of the Group since November 2024 and is responsible for the Group's overseas business. He was responsible for global sales and marketing and service management of the Group from October 2023 to October 2024. He was the president of the Group from November 2021 to September 2023 and responsible for the overall operation and management of the Group's domestic business, and the vice president of the Group from April 2017 to October 2021. Mr. Wang was the general manager of the Tianjin branch of Jiangsu Yadea between September 2006 and May 2013, and the deputy general manager of Yadea Technology Group Sales Co., Ltd.* (雅迪科技集團銷售有限公司) ("Yadea Sales") from October 2014 to December 2016. He was also the executive director of Tianjin Industry from January 2011 to January 2016, and the executive director of Tianjin Weiye from September 2009 to January 2016.

Mr. Wang served as a member of the Standing Committee of the People's Congress of Beichen District, Tianjin (天津市北辰區人民代表大會常務委員會) in November 2011. Mr. Wang was recognised as the "Most Beautiful Youth Who Creates Wealth Through Entrepreneurship (最美創業致富青年)" by the Beichen District Committee of the Youth League of the Communist Party of China (中國共青團北辰區委員會) in April 2014. Mr. Wang received the Qualification Certification of Senior Professional Manager from the China Enterprise Confederation (中國企業聯合會) and the China Enterprise Directors Association (中國企業家協會) in December 2013. Mr. Wang graduated from Nankai University (南開大學) with a tertiary qualification in Business Administration, an online program, in January 2014. Mr. Wang completed the Executive Master of Business Administration Program at Tianjin University (天津大學) in June 2018.

Mr. Zhou Chaoyang (周朝陽), aged 43, joined the Group in May 2000 as an officer. Mr. Zhou has been the senior vice president of the Group since October 2023, and is responsible for overall operation and management of the Group. He was the president of the Group from October 2022 to September 2023 and responsible for the overall operation and management of sales department of the Group, and the vice president of the Group from October 2020 to September 2022. Mr. Zhou was the general manager of Yadea Sales from April 2016 to January 2019, the general manager of the Group's Wuxi facility from October 2014 to December 2015, and the general manager of Guangdong Yadea Motorcycle Co., Ltd.* (廣東雅迪機車有限公司) from August 2010 to October 2014.

Mr. Zhou graduated from Wuhan University of Technology (武漢理工大學) with a tertiary qualification in Business Administration, an online program, in July 2009. He has also obtained bachelor's degree in business administration through an online program at Jiangnan University in January 2018.

* For identification purposes only

DIRECTORS & SENIOR MANAGEMENT PROFILES

Mr. Zhou Chao (周超), aged 46, joined the Group in May 2007. Mr. Zhou has been the senior vice president of the Group since November 2024 and is responsible for battery, motor, controller and other business management. He was responsible for global product research and development of the Group from October 2023 to October 2024. He was the president of the Group from October 2022 to September 2023 and responsible for the overall operation and management of the Group's overseas business, and the vice president of the Group from March 2018 to September 2022. Mr. Zhou was the general manager of Guangdong branch from October 2014 to November 2017 and responsible for the operation of Guangdong facility.

Mr. Zhou graduated from Zhengzhou University of Light Industry (鄭州輕工業學院) with a bachelor's degree in Electronic and Information Engineering in July 2006. Mr. Zhou graduated from Nanjing University with a bachelor's degree in law in 2007.

Prior to joining the Group, Mr. Zhou was the sales director of Qianjiang Motorcycle Group from November 2002 to April 2007.

JOINT COMPANY SECRETARIES

Mr. Shen Yu (沈瑜) was appointed as the Joint Company Secretary on 19 January 2015. For details of Mr. Shen, please refer to the sub-section headed "Directors — Executive Directors" above.

Mr. Leung Chi Kit (梁志傑) was appointed as the Joint Company Secretary on 17 June 2022. Mr. Leung is a manager of the Listing Services Department of TMF Hong Kong Limited (a global corporate services provider), has more than 13 years of experience in company secretarial field. Mr. Leung is also an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Mr. Leung works closely with Mr. Shen to jointly discharge the duties and responsibilities as Joint Company Secretaries.

REPORT OF DIRECTORS

The Directors are pleased to present this report of Directors together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL PLACE OF BUSINESS

The Company was incorporated in the Cayman Islands with limited liability. Its registered office is situated in the Cayman Islands and its headquarters is located at Wuxi, Jiangsu Province, China.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Company's subsidiaries were principally engaged in the development, manufacture and sale of electric two-wheeled vehicles, batteries and related accessories in the PRC. The principal activities and other details of subsidiaries of the Company are set out in note 11 to the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

As the manufacturer and seller of electric two-wheeled vehicles, the Company attaches great importance to environmental protection. The Group strictly complies with each of the local regulations in the regions where the Group conducts production and operation and properly implement various environmental policies having regard to the actual situations in production and operation. Before establishing production facilities and expanding production scale, the Company has already obtained all necessary approvals and permits from relevant government authorities. For environmental policies and performance, please refer to the ESG Report, which will be available on the Group's website and the website of the Stock Exchange at the same time as the publication of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company was established in the Cayman Islands with its principal business conducted in the PRC, and its Shares are listed on the Stock Exchange. Therefore, the Company's establishment and operation are subject to relevant laws and regulations in the Cayman Islands, the PRC and Hong Kong.

Save as disclosed above, for the year ended 31 December 2025 and up to the date of this annual report, the Company complied with relevant laws and regulations in the Cayman Islands, the PRC and Hong Kong.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group respects its people. The Group offers reasonable remunerations to employees and continuously modify systems such as remunerations and benefits, training, occupational health and safety for the purpose of retaining talents. Reviews and updates will be conducted on a regular basis. The Group has a good relationship with its customers. To perfect the Group's services, the Group sets up a customer complaint management system, including collection of complaints, analytic research and provision of recommendations for improvement.

The Group has a good relationship with its suppliers and conducts audits on its suppliers in a fair and strict manner every year. For key relationships between the Company and its employees, customers and suppliers, please refer to the ESG Report, which will be available on the Group's website and the website of the Stock Exchange at the same time as the publication of this annual report.

SUBSIDIARIES

Please refer to note 11(a) to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated financial statements.

A summary of the results for the year and of the assets and liabilities of the Group as at 31 December 2025 and for the preceding four financial years are set out on pages 5 to 6 of this annual report.

RESERVES

As at 31 December 2025, distributable reserves of the Group amounted to RMB10,486.09 million. Details of movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 61 of this annual report.

REPORT OF DIRECTORS

FINAL DIVIDEND

The Board resolved to recommend the payment of a final dividend of 53.0 HK cents per ordinary share for the year ended 31 December 2025 (for the year ended 31 December 2024: 22.0 HK cents) (the “**Proposed Final Dividend**”). The increase in the Proposed Final Dividend as compared to that for the year of 2024 was due to the strong financial performance of the Group in 2025. Subject to the approval of the Shareholders at the forthcoming 2026 AGM to be held on Wednesday, 17 June 2026, the Proposed Final Dividend are expected to be paid on Thursday, 16 July 2026 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 30 June 2026 (record date).

As at 31 December 2025, there was no arrangement under which a Shareholder had waived or agreed to waive any dividends.

ANNUAL GENERAL MEETING

The will be held on Wednesday, 17 June 2026. Notice of the 2026 AGM will be published and issued to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders’ entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Friday, 12 June 2026 to Wednesday, 17 June 2026, both dates inclusive, during which time no transfer of Shares will be registered. The record date for determining the entitlement of the shareholders to attend and vote at the Annual General Meeting will be Wednesday, 17 June 2026. To qualify for attending and voting at the 2026 AGM, Shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 11 June 2026 for registration of the relevant transfer.

For determining the entitlement of Shareholders to receive the Proposed Final Dividend, the register of members of the Company will be closed from Thursday, 25 June 2026 to Tuesday, 30 June 2026, both dates inclusive, during which period no transfer of Shares will be registered. In order to eligible to receive the Proposed Final Dividend, all transfer

of Shares, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 24 June 2026 for registration of the relevant transfer.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year ended 31 December 2025 are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of the movement in the share capital of the Company during the year ended 31 December 2025 are set out in note 33 to the consolidated financial statements.

BUSINESS REVIEW

The Group is a leading electric two-wheeled vehicle brand in the PRC, focusing on designing, researching, developing, manufacturing and selling electric scooters, electric bicycles, batteries and related accessories. Over the course of 25 years, the Group has successfully established “Yadea” as a premium brand of electric two-wheeled vehicles in the PRC. Under the “Yadea” brand, the Group offers a wide range of electric scooters and electric bicycles with diverse designs, styles and functionalities catering to the needs of a broad customer base. The Group’s domestic network covered almost every administrative region of the PRC and consisted of 5,122 distributors as well as their sub-distributors with over 40,000 points of sales as at 31 December 2025. In respect of international distribution, Yadea has established distribution channels in over 100 countries across Europe, South East Asia, South America, and Central America.

A review and analysis of the Group’s business, results and performance during the year ended 31 December 2025, the discussion and analysis of the key factors of its results and financial performance, the risk factors and risk management and the prospect for future development are set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” from page 7 to page 8 and page 9 to page 14 of this annual report.

REPORT OF DIRECTORS

PRINCIPAL RISKS AND UNCERTAINTY

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties which are not currently known to the Group or which may not be material now but could turn out to be material in the future.

Reliance on third party distributors

The Group relies on the distribution network to sell its products. There can be no assurance that the Group will be able to maintain its existing relationships with distributors or to develop relationships with replacement distributors on favorable terms. There can also be no assurance that the Group's existing distributors will be able to maintain past levels of sales or expand their sales.

Pricing and bargaining power with suppliers

The Group may be forced to adjust the prices of its products in accordance with market conditions, the Group cannot assure you that it will not experience any material and adverse effect on its financial results if the Group lowers the prices of its products in future. In addition, the Group also depends significantly on its bargaining power with its suppliers, slight increases in the cost of the Group's raw materials have a significant impact on its financial results.

Inadequate intellectual property protection

The Group relies heavily on its brand, and its continued success and growth depend upon its ability to protect and promote its brand. Counterfeit products and imitations of the Group's brand are potential threats to the strength of its brand, which could reduce demand for the Group's products. The Group believes that its current intellectual property rights, and those for which the Group has pending applications, provide protection to its business and are all the rights necessary for the Group's operations. However, there can be no assurance that the Group's intellectual property applications will be approved, that any of its intellectual property rights will adequately protect intellectual property of the Group, that such intellectual property rights will not be challenged by third parties or found to be invalid or unenforceable or that the Group's patents will be effective in preventing third parties from utilizing similar business models, approaches or brand names to offer similar products.

Risk in relation to international sales and currency risk

The Group currently sells its products in over 100 countries. The Group's international sales are subject to various risks, including those relating to political and economic instability, the imposition of foreign tariffs and other trade barriers, fluctuations in foreign exchange rates and foreign exchange limitations or difficulties, the impact of foreign government regulations, the effects of income and withholding taxes, governmental expropriation and differences in business practices. In addition, during the Group's course of operation, it may face currency risk, for details, please refer to the sub-section headed "Liquidity and Financial Resources — Currency risk" under the "Management Discussion and Analysis" on page 13 of this annual report.

Financial Risk

The Group's activities expose it to a variety of financial risks. For details of the financial risk management of the Group, please refer to note 4 to the consolidated financial statements.

IMPORTANT EVENTS

Save as disclosed above, there were no important events during the year ended 31 December 2025. For important events after the Reporting Period and up to the date of this annual report, please refer to the section headed "Events After the Reporting Period" on page 14 of this annual report.

REPORT OF DIRECTORS

FUTURE DEVELOPMENT

The Group will continue to innovate and refine its product offerings, ensuring that its products meet the highest standards of quality, performance, and design. The Group will also strengthen its marketing efforts to connect with younger consumers, leveraging digital platforms and social media to enhance brand engagement. By aligning with regulatory shifts, embracing youth culture, prioritising technological advancement and expanding its global footprint, the Group is poised to lead the next phase of industry growth, delivering value to customers and stakeholders.

FINANCIAL KEY PERFORMANCE INDICATORS

For the Reporting Period, revenue increased by approximately 31.1% to RMB37,008.2 million as compared with the year ended 31 December 2024. Profit attributable to the owners of the Company increased by approximately 128.8% to RMB2,911.6 million as compared with the year ended 31 December 2024. Basic earnings per Share increased by approximately 127.0% to RMB95.8 cents as compared with the year ended 31 December 2024.

USE OF PROCEEDS FROM PLACING

On 31 May 2022, the Company issued 68,800,000 new Shares (the “**Placing Share(s)**”) at a price of HK\$12.58 per Placing Share (the “**Placing Price**”) by placement of the Placing Shares to not less than six independent professional, institutional and/or other placees procured by

the placing agents pursuant to the placing agreement dated 24 May 2022 (the “**Placing Agreement**”) entered into between the Company and the placing agents (the “**Placing**”). The Placing Shares were issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed at the annual general meeting of the Company held on 18 June 2021. Based on the par value of US\$0.00001 per Share, the aggregate nominal value of the Placing Shares is US\$688. The Placing Price represents a discount of approximately 10.0% to the closing price of HK\$13.98 per Share as quoted on the Stock Exchange on 23 May 2022, being the last full trading day immediately prior to the execution of the Placing Agreement. The net proceeds from the Placing (after deducting all related costs, commission and expenses by the Company in connection with the Placing) amounted to approximately HK\$857.6 million (equivalent to approximately RMB727.8 million) (the “**Net Proceeds from Placing**”). The net Placing Price is approximately HK\$12.46 per Share.

The Net Proceeds from Placing were intended to be applied for expansion of the Group’s overseas business through building overseas research and development centers, manufacturing facilities, distribution networks, as well as potential mergers and acquisitions. For further details, please refer to the announcements of the Company dated 24 May 2022 and 31 May 2022, respectively.

As at 31 December 2025, the analysis of the utilisation of the Net Proceeds from Placing is as follows:

	Remaining balance (RMB million)
Net Proceeds from Placing	727.8
Balance unutilised as at 1 January 2025	123.3
Amount utilised during the year ended 31 December 2025	
Building overseas research and development centers, manufacturing facilities, distribution networks	123.3
Potential mergers and acquisitions	–
Balance unutilised as at 31 December 2025	0

The Company has fully utilised the Net Proceeds from Placing during the year ended 31 December 2025.

REPORT OF DIRECTORS

CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the Group had not entered into any one-off connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2025 are set out in note 39 to the consolidated financial statements.

The Directors believe that the related party transactions set out in note 39 to the consolidated financial statements did not fall within the definition of “connected transactions” or “continuing connected transactions” under Chapter 14A of the Listing Rules (as the case may be).

PURCHASE, SALE OR REPURCHASE OF THE COMPANY'S LISTED SECURITIES

Pursuant to the rules of share award scheme adopted by the Company on 23 July 2019 (the “**Scheme**”), the delegated administrators for the administration of the Scheme purchased on the Hong Kong Stock Exchange a total of 4,346,000 shares at a total consideration of approximately HKD53.0 million (highest price per share: HKD12.84; lowest price per share: HKD11.72) in 2025.

Save as disclosed above, during the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

There were no treasury shares held by the Company as at 31 December 2025 and the date of this annual report.

CONTINGENT LIABILITIES

For details of the Group's contingent liabilities, please refer to the section headed “Liquidity and Financial Resources” under the “Management Discussion & Analysis” from page 11 to page 13 of this annual report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and there is no restriction against such rights which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

TAX RELIEF

As at the end of the Reporting Period, according to the laws of the Cayman Islands, holders of listed securities of the Company are not entitled to tax relief for their status as the holder of such securities.

CHARITABLE DONATIONS

During the Reporting Period, the Group made no material charitable and other donations.

NON-COMPETITION UNDERTAKING FROM CONTROLLING SHAREHOLDERS

As disclosed in the Prospectus, the Company entered into a deed of non-competition (the “**Non-Competition Deed**”) with Mr. Dong Jinggui, Ms. Qian Jinghong, Dai Wei Investment Company Limited (“**Dai Wei**”) and Fang Yuan Investment Company Limited (“**Fang Yuan**”) (collectively, the “**Controlling Shareholders**”) on 22 April 2016, under which the Controlling Shareholders jointly and severally agreed not to, whether as principal or agent and whether undertaken directly or indirectly (including through any associate, subsidiary, partnership, joint venture or other contractual arrangement of theirs) and whether for profit or otherwise, carry on, engage, invest, participate or hold any right or be interested in or render any services to or otherwise be involved in any business which is in competition, directly or indirectly, or is likely to be in competition, directly or indirectly, with the business referred to in the Prospectus that is carried on or contemplated to be carried on by any member of the Group.

Notwithstanding the above, the foregoing restrictions do not preclude any of the Controlling Shareholders from having any interest in shares of not more than 5% in any company which is or whose holding company is listed on any recognised the Stock Exchange even though the business carried out by such company is or is likely to be in competition with the business, provided that the aggregate number of such shares held by the Controlling Shareholders does not exceed 5% of the issued shares of such company and none of the Controlling Shareholders is a director of such company or is entitled to appoint any director of such company.

REPORT OF DIRECTORS

Each of the Controlling Shareholders has undertaken in the Non-Competition Deed that during the term of the Non-Competition Deed, if a new business opportunity is made available to any Controlling Shareholder or its/his/her respective associates, such Controlling Shareholder will or will procure its/his/her associates to notify the Company in writing and provide to the Company all information that is reasonably necessary for the Company to consider whether or not to pursue such business opportunity. For details of the Non-Competition Deed, please refer to the section headed “Relationship with Controlling Shareholders — Non-competition Undertaking” in the Prospectus.

The Company has received confirmations from Mr. Dong Jinggui and Ms. Qian Jinghong confirming their compliance with the Non-Competition Deed for disclosure in this annual report for the year ended 31 December 2025. Dai Wei and Fang Yuan have provided to the Company a declaration on compliance with its undertakings under the Non-competition Deed from the period from 1 January 2025 to 28 December 2025 (being the date immediately preceding the completion date of its Shares transfers).

DIRECTORS

The Directors during the financial year and up to the date of this annual report were:

Executive Directors:

Mr. Dong Jinggui (*Chairman*)
Ms. Qian Jinghong (*Chief executive officer*)
Mr. Shen Yu

Non-executive Director:

Mr. Zhang Yiyin (*resigned with effect from 29 April 2025*)

Independent Non-executive Directors:

Mr. Wong Lung Ming
Mr. Chen Mingyu
Ms. Ma Chenguang
Ms. Liang Qin

The independent non-executive Directors have also reviewed the compliance and enforcement status of the Non-Competition Deed, and are of the view that the Controlling Shareholders have abided by the undertakings contained in the Non-Competition Deed for the year ended 31 December 2025.

In accordance with article 108(a) of the Articles of Association and the CG code, Mr. Chen Mingyu, Ms. Ma Chenguang and Ms. Liang Qin will retire as Directors, and are eligible for re-election at the 2026 AGM.

None of the Directors proposed for re-election at the forthcoming 2026 AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company and each of the non-executive Director and Independent Non-executive Directors has entered to an appointment letter with the Company. Pursuant to the service contracts and appointment letters, the term of the Directors are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Articles of Association and the applicable Listing Rules. The term of the service contracts and the appointment letters may be renewed in accordance with the Articles of Association and mutual agreement between the Company and the Directors.

REPORT OF DIRECTORS

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the Reporting Period.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

No contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries was entered into during the year ended 31 December 2025.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT AND CONTRACTS

No transaction, arrangement or contract of significance to which the Company or its subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, subsisted at any time during the year ended 31 December 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Pursuant to Rule 8.10 of the Listing Rules, the Company disclosed that none of the Directors has any interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly with the Group's business.

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

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

Name of Director	Nature of interest	Number of Shares ^(Note 1)	Approximate number of percentage of shareholding ^(Note 2)
Mr. Dong Jinggui ^(Note 3)	Founder of a discretionary trust	1,959,768,943 (L)	62.96%
Ms. Qian Jinghong ^(Note 3)	Founder of a discretionary trust	1,959,768,943 (L)	62.96%

Notes:

- (1) The letter "L" denotes long position in such securities.
- (2) There were 3,112,647,294 Shares in issue as at 31 December 2025.
- (3) Such Shares were held by DQ Prosperity Group Limited, which was wholly-owned by DQ Prosperity Limited, which in turn was wholly-owned by Trident Trust Company (Cayman) Limited, which was the trustee of the DQ Prosperity Trust, a family trust set up by Mr. Dong Jinggui and Ms. Qian Jinghong. Accordingly, each of Mr. Dong Jinggui, Ms. Qian Jinghong, Trident Trust Company (Cayman) Limited and DQ Prosperity Limited is deemed to be interested in the Shares held by DQ Prosperity Group Limited by virtue of Part XV of the SFO.

REPORT OF DIRECTORS

Save as disclosed above, as at 31 December 2025, none of the Directors 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) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2025 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or minor children to acquire benefits by means of the acquisitions of Shares or in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS OF THE SHAREHOLDERS UNDER THE SFO

As at 31 December 2025, within the knowledge of the Directors, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares which would be required as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares ^(Note 1)	Approximate number of percentage of shareholding ^(Note 2)
DQ Prosperity Group Limited ^(Note 3)	Beneficial interest	1,959,768,943 (L)	62.96%
DQ Prosperity Limited ^(Note 3)	Interest in controlled corporation	1,959,768,943 (L)	62.96%
Trident Trust Company (Cayman) Limited ^(Note 3)	Trustee	1,959,768,943 (L)	62.96%

Notes:

- (1) The letter "L" denotes long position in such securities.
- (2) There were 3,112,647,294 Shares in issue as at 31 December 2025.
- (3) Such Shares were held by DQ Prosperity Group Limited, which was wholly-owned by DQ Prosperity Limited, which in turn was wholly-owned by Trident Trust Company (Cayman) Limited, which was the trustee of the DQ Prosperity Trust, a family trust set up by Mr. Dong Jinggui and Ms. Qian Jinghong. Accordingly, each of Mr. Dong Jinggui, Ms. Qian Jinghong, Trident Trust Company (Cayman) Limited and DQ Prosperity Limited is deemed to be interested in the Shares held by DQ Prosperity Group Limited by virtue of Part XV of the SFO.

REPORT OF DIRECTORS

2016 SHARE OPTION SCHEME

On 22 April 2016, the Shareholders approved and adopted a share option scheme (the “**2016 Share Option Scheme**”) conditionally upon the approval by the Stock Exchange of the listing of, and permission to deal in, any Shares to be allotted and issued pursuant to the exercise of options under the 2016 Share Option Scheme. The Company received such approval from the Stock Exchange on 18 May 2016.

The purpose of the 2016 Share Option Scheme was to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to take up options to subscribe for Shares:

- (i) any Directors and employees of any member of the Group; and
- (ii) any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners and service providers of any member of the Group.

The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 30% of the issued share capital of the Company from time to time. The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commence on the Stock Exchange, such 10% limit represents 300,000,000 Shares (the “**General Scheme Limit**”), representing approximately 9.64% of the Shares in issue as at the date of this annual report. The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of

the Company for the time being. Any further grant of share options in excess of either the General Scheme Limit or the individual limit is subject to Shareholders’ approval in a general meeting of the Company.

Share options granted to a Director, chief executive of the Company or substantial Shareholder, or to any of their associates, are subject to approval by the independent non-executive Directors. In addition, any share options granted to a substantial Shareholder or an independent non-executive Director, or to any of their associates, representing in aggregate over 0.1% of the Shares in issue at any time or with an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to Shareholders’ approval in a general meeting of the Company.

An option may be accepted by a participant to whom the offer is made within five business days from the date on which the letter containing the offer is delivered to that participant. A nominal consideration of HK\$1 is payable upon acceptance of the grant of an option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than ten years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme.

The subscription price per Share under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of the offer of grant (provided that in the event that any option is proposed to be granted within a period of less than five business days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the global offering shall be used as the closing price for any business day falling within the period before listing of the Shares on the Stock Exchange); and (iii) the nominal value of a Share on the date of grant.

REPORT OF DIRECTORS

On 17 January 2023, a total of 33,550,000 share options were granted by the Company to 263 employees of the Group to subscribe for an aggregate of 33,550,000 Shares. No share options were granted by the Company during the year ended 31 December 2025. The table below sets out a summary of the details of the movement of the share options granted on 17 January 2023 pursuant to the 2016 Share Option Scheme:

Grantee	Outstanding options as at 1 January 2025	Date of grant	Options granted	Vesting period	Exercise period	Performance targets	Exercise price	Fair value of options at the date of grant (RMB)	Options exercised during the Reporting Period	Options cancelled during the Reporting Period	Options lapsed during the Reporting Period	Options forfeited during the Reporting Period	Outstanding options as at 31 December 2025
Top 5 highest paid individuals (excluding Directors and senior management)													
	6,196,500	17 January 2023 ^(Note 1)	7,290,000	2024-2026 ^(Note 2)	17 January 2023-17 January 2028	For the Company and the grantees ^(Note 3)	HK\$16.14 per Share	5.56	-	-	-	(2,187,000) ^(Note 4)	4,009,500
Other employees													
	18,978,000	17 January 2023 ^(Note 1)	26,260,000	2024-2026 ^(Note 2)	17 January 2023-17 January 2028	For the Company and the grantees ^(Note 3)	HK\$16.14 per Share	5.56	-	-	-	(7,210,000) ^(Note 4)	11,768,000

Notes:

- (1) The closing price of the Shares immediately before the date of grant was HK\$16.14 per Share.
- (2) Of the share options granted, 30% is to be vested within 15 days after the date of publication of the annual results announcement of the Company for the year ended 31 December 2023 on the website of the Stock Exchange (“**First Vesting Period**”), 30% is to be to be vested within 15 days after the date of publication of the annual results announcement of the Company for the year ended 31 December 2024 on the website of the Stock Exchange (“**Second Vesting Period**”), and 40% is to be vested within 15 days after the date of publication of the annual results announcement of the Company for the year ended 31 December 2025 on the website of the Stock Exchange (“**Third Vesting Period**”).
- (3) For the Company, the performance targets are as follows. In relation to the First Vesting Period, the growth rate of the Company’s consolidated revenue and net profit for the year ended 31 December 2023 shall both be no less than 20% based on the consolidated revenue and net profit of the Company for the year ended 31 December 2022. As for the Second Vesting Period, the growth rate of the Company’s consolidated revenue and net profit for the year ended 31 December 2024 shall both be no less than 44% based on the consolidated revenue and net profit of the Company for the year ended 31 December 2022. In respect of the Third Vesting Period, the growth rate of the Company’s consolidated revenue and net profit for the year ended 31 December 2025 shall both be no less than 73% based on the consolidated revenue and net profit of the Company for the year ended 31 December 2022.

For individuals, the Group has set up a performance appraisal system for the employees, which comprehensively evaluates the performance of the grantees in an accurate and all-rounded manner. The Company will determine whether the grantees meet the individual performance target based on their performance appraisal results for the relevant year. In case of partial achievement and satisfaction of the performance targets, the applicable share options will be vested in proportion in relation to the performance targets actually achieved for the relevant year and the unvested portion of the relevant tranche of the share options shall lapse.

- (4) The share options were forfeited during the Reporting Period due to the employees’ resignation or failure to meet relevant performance targets.

REPORT OF DIRECTORS

As at 1 January 2025, the number of Shares available for grant under the scheme mandate limit of the 2016 Share Option Scheme is 0 share as the 2016 Share Option Scheme was terminated on 17 June 2024. Upon the termination of the 2016 Share Option Scheme, no further options shall be offered or granted but the provisions of the 2016 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the 2016 Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the 2016 Share Option Scheme.

For further details, please refer to the announcement of the Company dated 17 January 2023 and note 33 to the condensed consolidated financial information of this annual report.

2024 SHARE OPTION SCHEME

On 17 June 2024, the Shareholder approved and adopted a share option scheme (the “**2024 Share Option Scheme**”) conditionally upon the approval by the Stock Exchange of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of options under the 2024 Share Option Scheme. The Company received such approval from the Stock Exchange on 18 June 2024.

The purpose of the 2024 Share Option Scheme is to provide Eligible Participants with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The 2024 Share Option Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to the Eligible Participants.

The Eligible Participants of the 2024 Share Option Scheme consist of Employee Participants, whom the Board considers eligible from time to time and on a case-by-case basis. Generally, the Board will consider, amongst others, the general working performance, time commitment (full-time or part-time), length of service within the Group, working experience, responsibilities and employment conditions of the Employee Participants, with reference to the prevailing market practice and industry standard, or where appropriate, contribution or potential contribution to the revenue, profits or business development of the Group.

Subject to further refreshment, at the time of adoption by the Company of the 2024 Share Option Scheme, the number of Shares which may be issued in respect of all options to be granted under the 2024 Share Option Scheme of the Company must not in aggregate exceed 153,190,000 shares, representing 5% of the total number of Shares in issue as at the date of Shareholders’ approval of the 2024 Share Option Scheme (the “**Scheme Mandate Limit**”), and approximately 4.92% of the Shares in issue (excluding treasury shares) as at the date of this annual report. The total number of Shares issued and to be issued upon the exercise of all options and awards granted to and to be granted (excluding any options and awards lapsed in accordance with the terms of 2024 Share Options Scheme and other share schemes) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (the “**Individual Limit**”). Any further grant of share options in excess of either the Scheme Mandate Limit or the Individual Limit is subject to Shareholders’ approval in a general meeting of the Company and other relevant requirements set out in the terms of 2024 Share Options Scheme.

REPORT OF DIRECTORS

Where an Option is to be granted to any Director, the chief executive or any Substantial Shareholder of the Company or any of their respective Associates, the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is a prospective Grantee of the Option (to the extent applicable). Where an Option is to be granted to a Substantial Shareholder or an independent non-executive Director (to the extent applicable) of the Company, or any of their respective Associates, and the grant will result in the number of the Shares issued and to be issued upon the exercise of all options and awards granted to and to be granted (excluding any options and awards lapsed in accordance with the terms of the 2024 Share Option Scheme and any other share scheme(s)) to such person in the 12-month period up to and including the date of grant, in aggregate, exceeding 0.1% of the total number of Shares in issue on the date of grant, such further grant of Options shall be subject to prior approval by the Shareholders in general meeting (taken on a poll).

An Offer shall remain open for acceptance by the Eligible Participant according to the date specified in each Offer, being a date not later than one month after the date on which the Offer was issued, or (the date on which the conditions (if any) for the Offer are satisfied), by which the Eligible Participant must accept the Offer or be deemed to have declined it. To the extent that an Offer is not accepted within the time stated in the Offer for that purpose, it shall be deemed to have been irrevocably declined and shall immediately lapse. Unless a method for acceptance has been specified in the Offers, an Offer shall be deemed to have been granted and the Option to which the Offer relates shall be deemed to have been accepted when the Company receives the duplicate of the offer letter not later than one month after the date on which the Offer was issued, comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with electronic remittance or cash payment to the Company of HKD1.00 as consideration for the grant of Option.

The Offer shall specify the terms on which the Option is granted. Each Offer shall be in writing and shall include among other things, the option period, including a minimum vesting period of 12 months by which unvested Options shall become vested and exercisable, if applicable, the time within which a vested Option must be exercised. A shorter vesting period may be conferred under specified circumstances, and must be approved by the Board and/or the Remuneration Committee (for Options granted to the Directors or senior managers).

Subject to any adjustments made pursuant to the terms of the 2024 Share Option Scheme, the Subscription Price in respect of any Option shall be at a price determined by the Board at its absolute discretion and notified to the relevant Eligible Participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant. In the event of any alteration in the capital structure of the Company whilst any Option remains outstanding, the Subscription Price shall be correspondingly adjusted.

An Option may be exercised at any time during the option period, which in any event shall commence on any day after 12 months of the date of commencement, subject to any shorter vesting period approved by the Board and/or the Remuneration Committee in accordance with the 2024 Option Scheme and shall end not later than the 10th anniversary of the relevant date of commencement, subject to the provisions for early termination contained in the 2024 Option Scheme.

Unless early terminated by the Board, the 2024 Share Option Scheme shall be valid and effective for a term of 10 years commencing on 17 June 2024. The remaining life of the 2024 Share Option Scheme is approximately eight years and two months.

For details of the 2024 Share Option Scheme, please refer to the circular of the Company dated 25 April 2024 (the "**Circular**"). Unless the context otherwise requires, capitalised terms used in this section shall have the same meanings as those defined in the Circular.

From the date of adoption of the 2024 Share Option Scheme to 31 December 2025, no option was granted, exercised, cancelled, lapsed or forfeited under the 2024 Share Option Scheme. There was no outstanding option under the 2024 Share Option Scheme as at the date of adoption of the 2024 Share Option Scheme and as at 31 December 2025. A total of 153,190,000 options (representing approximately 5% of the issued Shares (excluding treasury shares) as at the date of this annual report) is available for grant under the Scheme Mandate Limit as of 31 December 2025.

REPORT OF DIRECTORS

SHARE AWARD SCHEMES

(i) First Share Award Scheme

On 26 December 2018 (the “**First Adoption Date**”), the Company adopted the first share award scheme (the “**First Share Award Scheme**”).

The purposes and objectives of the First Share Award Scheme were to recognise the contributions by certain participants and to give incentive to them in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

The Board may from time to time, subject always to the rules of the First Share Award Scheme, at its absolute discretion, select any employee, director, consultant, settlor, subsidiary or associate (excluding those are restricted by laws and regulation) for participation in the First Share Award Scheme (the “**Selected Participants**”) and determine the amount that shall be applied for the purchase and/or allocation of awarded Shares in respect of the Selected Participants. In addition, the Board may in its absolute discretion, impose any conditions as it deems appropriate with respect to the entitlement of those Selected Participants to the awarded Shares. As such, the Board may determine the vesting period and the terms and conditions on which the awarded Shares shall vest in the Selected Participant. No amount is payable on acceptance of the grant of award under the First Share Award Scheme. The Board may in its absolute discretion determine the amounts to be applied for the purchase and/or allocation of awarded Shares in respect of the Selected Participant(s). In addition, the purchase price, if any, shall be determined by the Board in its absolute discretion.

On the First Adoption Date, a trust was established under a trust deed entered into by the Company to administer the First Share Award Scheme, and for the purchase or subscription of the Shares, based on financial support given by the Group. Any Shares subsequently awarded by the Company to the Selected Participants will be settled with the Shares held by the trust on behalf of the Company. The Directors have determined that the Company controls the trust through the trust deed and therefore consolidates the trust.

The Board shall not make any award of Shares which will result in the total number of the Shares awarded by the Board under the First Share Award Scheme exceeding 10% of the total number of issued Shares as at the First Adoption Date, being 300,000,000 Shares, representing approximately 9.64% of the Shares in issue as at the date of this annual report. The maximum number of Shares which may be allocated and awarded to a Selected Participant under the First Share Award Scheme shall not exceed 1% of the total number of issued Shares as at the date of such award. The maximum number of Shares which may be allocated and awarded to a Selected Participant who is an independent non-executive Director shall not exceed 0.1% of the total number of issued Shares at the date of such award and the aggregate value of which shall not exceed HK\$5,000,000 (based on the closing price of the Shares on the business day immediately preceding the date of award).

On 9 January 2020 and 20 January 2022, a total of 39,087,461 Shares were awarded to certain members of senior management and other employees of the Group under the First Award Scheme, of which 3,000,000 Shares had yet to be vested as at the date of this annual report and will be vested subject to relevant performance targets.

For further details on the First Share Award Scheme, please refer to the announcement of the Company dated 27 December 2018.

REPORT OF DIRECTORS

The First Share Award Scheme was terminated on 17 June 2024. Upon termination, no further award may be granted under the First Share Award Scheme, and all awarded Shares and their related income shall become vested on the selected participant so referable on such date of termination, subject to the fulfilment of the performance targets by such selected participant, if any, and the determination by the Board, the receipt by the trustee of the First Share Award Scheme of the duly executed vesting documents and payment of the vesting expenses (as applicable) by the selected participant within the stipulated period. The returned Shares and such non-cash income remaining in the trust fund of the First Share Award Scheme shall be sold by its trustee, within 20 business days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the First Share Award Scheme. The residual cash, net sale proceeds of the returned Shares and such other funds remaining in the trust of the First Share Award Scheme (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the trust deed) shall be remitted to the Company forthwith after the sale.

(ii) **Second and Third Share Award Schemes**

On 6 June 2019 (the “**Second Adoption Date**”), the Company adopted the second and third share award schemes (the “**Second and Third Share Award Schemes**”).

The purposes and objectives of the Second and Third Share Award Schemes were to (i) complement the First Share Award Scheme adopted on 26 December 2018; (ii) provide incentives for the participants to continuously make substantial contributions for the long-term growth of the Group in the future; (iii) further align the interests of the selected participants directly to the Shareholders through ownership of Shares; (iv) attract and retain talented participants who may be beneficial to the growth and development of the Group; and (v) encourage or facilitate the holding of Shares by the participants.

Subject to the rules of the Second and Third Share Award Schemes, the Board may from time to time at its absolute discretion select any employee, officer, agent, consultant, and director of the Group to participate in the Second and Third Share Award Schemes. In determining who shall be approved for participation, the Board shall take into consideration matters including, but without limitation, the present and expected contribution of the eligible individuals. No amount is payable on acceptance of the grant of award under each of the Second and Third Share Award Schemes. The Board may in its sole discretion determine the award price of the awarded Shares. The awarded Shares shall only vest after, amongst others, the Board confirms receipt of the payment, which is equivalent to the award price determined by the Board multiplied by the number of awarded Shares, made by the grantee of the awarded Shares.

The Board may from time to time determine the vesting criteria and conditions or periods for the awarded Shares to be vested.

The Board shall not make any further grant of award under the Second and Third Share Award Schemes which will result in the number of Shares granted under the respective share award schemes exceeding 10% of the total number of issued Shares from time to time, being 311,264,729 Shares, representing approximately 10% of the Shares in issue as at the date of this annual report.

On 9 January 2020 and 20 January 2022, a total of 44,112,539 Shares were awarded to certain members of senior management and other employees of the Group under the Pool B Awards (as defined in the announcement of the Company dated 6 June 2019), which were all vested in accordance with the terms of the Second and Third Award Schemes.

As at 31 December 2025 and as at the date of this annual report, the Company had not granted any Pool A Awards (as defined in the announcement of the Company dated 6 June 2019) and no awards had been satisfied by subscribing new Shares under the Company’s general mandate or specific mandate.

REPORT OF DIRECTORS

For further details on the Second and Third Share Award Schemes, please refer to the announcement of the Company dated 6 June 2019.

The Second and Third Share Award Schemes were terminated on 17 June 2024. Upon termination, no further award may be granted under the Second and Third Share Award Schemes.

(iii) Fourth Share Award Scheme

On 23 July 2019 (the “**Third Adoption Date**”), the Company adopted the fourth share award scheme (the “**Fourth Share Award Scheme**”, and together with the First Share Award Scheme and the Second and Third Share Award Schemes, collectively, the “**Share Award Schemes**”).

The purposes and objectives of the Fourth Share Award Scheme are to recognise the contributions by certain participants and to give incentive to them in order to retain them for the continual operation and development of the Group, to attract suitable personnel for further development of the Group and to provide certain participants with a direct economic interest in attaining a long-term relationship between the Group and certain participants.

Pursuant to the rules of the Fourth Share Award Scheme, the Board may, from time to time, at its absolute discretion select any employee and non-executive Director and/or any member of the Group (excluding any employee and non-executive director of any member of the Group who has tendered his/her resignation or who has been given a notice of dismissal by the Company and/or the relevant member of the Group) for participation in the Fourth Share Award Scheme (“**Selected Employee(s)**”) and determine the number of Shares to be awarded. The Board shall, after having regard to all relevant circumstances and affairs of the Group including without limitation the business and financial performance of the Group, determine the maximum amount of funds to be allocated by the Board out of the Company’s resources for the purchase or subscription of the awarded Shares, as the Board deems appropriate, pursuant to the Fourth Share Award Scheme.

Selected Employees shall be entitled to receive the awarded Shares in accordance with the vesting schedule (which is determined and may be adjusted by the Board in its sole discretion) upon when the Selected Employee has satisfied all vesting conditions specified by the Board at the time of making the award. The Board is entitled to impose from time to time additional vesting conditions, as it deems appropriate in its sole and absolute discretion with respect to the entitlement of the Selected Employees to the awarded Shares. In this connection, the Board may (but is not obliged to) take into consideration matters including the business prospects and the general financial condition of the Group as well as the working conditions and performance of the Selected Employees. The Company may also impose lock up conditions in relation to the Shares awarded to the Selected Employee as it deems appropriate.

REPORT OF DIRECTORS

In respect of the Fourth Share Award Scheme, the letter (and/or any such notice or document as the Board may from time to time determine) addressed to the Selected Employees notifying them of the grant of the award shall specify, among others, the manner of acceptance of the award and other terms and conditions that the Board may determine at its discretion. Therefore, the Board may determine the amounts, if any, payable on acceptance of the grant of award. The Board shall, after having regard to all relevant circumstances and affairs of the Group including without limitation the business and financial performance of the Group, determine the maximum amount of funds to be allocated by the Board out of the Company's resources for the purchase or subscription of the awarded Shares, as the Board deems appropriate. In the letter (and/or any such notice or document as the Board may from time to time determine) addressed to the Selected Employees notifying them of the grant, the Board may specify other terms and conditions that the Board may determine at its discretion. Therefore, the Board may specify the purchase price at its discretion.

The Board shall not make any further grant of award of Shares which will result in the total number of Shares awarded by the Board under the Fourth Share Award Scheme exceeding 5% of the issued share capital of the Company as at the Third Adoption Date, being 150,000,000 Shares, representing approximately 4.81% of the Shares in issue (excluding treasury shares) as at the date of this annual report. The maximum aggregate number of the Shares which may be awarded to a Selected Employee under the Fourth Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the Third Adoption Date.

During the year ended 31 December 2025, the Company contributed approximately HKD131.4 million for financing purchases of 12,774,000 Shares, which are currently held under the share award schemes.

For further details on the Fourth Share Award Scheme, please refer to the announcement of the Company dated 23 July 2019.

Unless early terminated by the Board, the Fourth Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Third Adoption Date. The remaining life of the Fourth Share Award Scheme is approximately three years and three months.

On 17 June 2024, the Board had resolved to amend the Fourth Share Award Scheme rules that the Shares to be awarded to the selected employee would be satisfied only by the existing Shares purchased by the delegated administrators on the market at the prevailing market price (the "**Amendments**"). Save for the Amendments, all other terms under the Fourth Share Award Scheme remain unchanged.

REPORT OF DIRECTORS

The table below sets out the details of the movements during the Reporting Period of the share awards granted pursuant to the Share Award Schemes:

Grantee	Date of grant of award	Unvested awards as at 1 January 2025	Awards granted during the Reporting Period	Vesting period	Awards vested during the Reporting Period	Purchase price	Awards cancelled during the Reporting Period	Awards lapsed during the Reporting Period	Awards forfeited during the Reporting Period	Unvested awards as at 31 December 2025	Fair value of awards at the date of grant (RMB)
Top 5 highest paid individuals (excluding Directors and senior management)											
	20 January 2022	240,000	-	2022-2026	-	4.89	-	-	(240,000) <small>(Note 1)</small>	-	5.41
	10 January 2025	-	9,720,000	2026-2028	-	5.40	-	-	-	9,720,000	5.40
Other employees											
	20 January 2022	16,154,000	-	2022-2028	-	4.67	-	-	(13,154,000) <small>(Note 1)</small>	3,000,000	5.63
	10 January 2025	-	65,295,000	2026-2028	-	5.40	-	-	(3,980,000) <small>(Note 1)</small>	61,315,000	5.40

Notes:

- (1) The awards were forfeited during the Reporting Period due to the employees' resignation or failure to meet relevant performance targets.

As at 1 January 2025, the number of Shares available for grant under the Share Award Schemes was 115,744,800 (representing approximately 3.72% of the issued share capital as at 1 January 2025), all of which was under the Fourth Share Award Scheme.

As at 31 December 2025, the number of Shares available for grant under the Share Award Schemes was 58,104,800 (representing approximately 1.87% of the issued share capital as at 31 December 2025), all of which was under the Fourth Share Award Scheme.

During the Reporting Period, no options or awards were granted under all schemes of the Group.

For further details, please refer to note 33 to the condensed consolidated financial information of this annual report.

REPORT OF DIRECTORS

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme as disclosed above, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

EMOLUMENT POLICY

The emolument policy of the general staff of the Company is set up by the management of the Group on the basis of their merit, qualifications and competence. The emoluments of the Directors and senior management of the Company are proposed by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics, subject to the final decision by the Board.

The remuneration of the Directors and five highest paid individuals of the Company are set out in note 9 to the consolidated financial statements. For the remuneration of senior management of the Company, please refer to the section headed "Remuneration Committee" above.

To the knowledge of the Company, as at the date of this annual report, none of the Directors had waived or agreed to waive any arrangement for emolument.

PENSION SCHEMES

Pursuant to the applicable PRC laws and regulations, the Group participates to contribute to various security insurance including social insurance and having provident fund.

The Group contributes funds which are calculated on fixed percentage of the employees' salary as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees and the Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond these contributions.

No forfeited contributions are available to reduce the contribution payable by the Group in the future years.

PERMITTED INDEMNITY PROVISION

Pursuant to article 191 of the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise.

During the year ended 31 December 2025, all Directors were covered under the liability insurance purchased by the Company for the Directors.

MAJOR CUSTOMERS AND SUPPLIERS

Since none of the Group's sales to a single customer amounted to 10% or more of the Group's revenue during the year under review, and sales to the Group's five largest customers accounted for less than 30% of the Group's total sales for the year, no major customer segment information is presented in accordance with HKFRS 8 Operating Segments.

The aggregate purchase attributable to the Group's five largest suppliers accounted for approximately 16.07% and the largest supplier accounted for approximately 5.92% of the Group's total purchases for the year ended 31 December 2025.

At no time during the year ended 31 December 2025 have the Directors, their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2025 and up to the date of this annual report, the Company has maintained the prescribed public float as required by the Listing Rules.

REPORT OF DIRECTORS

AUDITOR

The consolidated financial statements have been audited by Deloitte Touche Tohmatsu.

At the annual general meeting of the Company held on 17 June 2025, PricewaterhouseCoopers (“**PwC**”) was re-appointed as the auditor of the Company (the “**Auditor**”) to hold office until the conclusion of the next annual general meeting of the Company and the Board of the Company was authorised to fix its remuneration.

On 13 August 2025, the Board announced that, taking into account the Company’s current business situation and the future needs of audit services, after communication between the Company and PwC on the proposed change of Auditor, PwC has agreed to resign as the Auditor with effect from 12 August 2025. With effect from 22 September 2025, Deloitte Touche Tohmatsu has been appointed as the new Auditor to fill the casual vacancy following the resignation of PwC and to hold office until the conclusion of the next annual general meeting of the Company. For further details, please refer to the announcements of the Company dated 13 August 2025 and 22 September 2025, respectively.

Deloitte Touche Tohmatsu will retire at the forthcoming 2026 AGM, and being eligible offer themselves for re-appointment.

A resolution will be proposed to the Shareholders at the forthcoming 2026 AGM to re-appoint Deloitte Touche Tohmatsu as the external auditor of the Company.

On behalf of the Board
Dong Jinggui
Chairman

30 March 2026

INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

To the Shareholders of Yadea Group Holdings Ltd.
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Yadea Group Holdings Ltd. (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 57 to 128, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended; and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“**the Code**”), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition</p> <p>Refer to notes 2.6 and 6 to the consolidated financial statements.</p> <p>The Group recognised revenue of RMB37,008 million from the sales of electric vehicles and related accessories to its customers, mainly distributors, during the year ended 31 December 2025. Significant effort was spent on auditing the revenue recognised by the Group because of the large number of the distributors and volume of transactions, as well as the large volume of considerations made to the distributors in the form of discounts or refunds under customer contracts with distributors, which is generally recorded as a reduction of revenue. Therefore, we identified revenue recognition as a key audit matter.</p>	<p>Our procedures to address this key audit matter included:</p> <ul style="list-style-type: none">• Understanding, evaluating and testing key internal controls over revenue recognition;• Evaluating the appropriateness of accounting policies of revenue recognition by examining the key terms of customer contracts on a sample basis and testing revenue transactions on a sample basis to the supporting documents, including the underlying goods delivery notes signed by customers and invoices;• Testing the basis of calculation of the considerations, on a sample basis, of the discounts or refunds made to distributors (accounted for as a deduction from revenue) by agreeing the terms to the respective customer contracts and examining the relevant invoices and supporting contracts;• Confirming the key contract terms with customers on a sample basis;• Performing procedures, including background searches, on-site visits, etc, on a sample basis to validate the existence of distributors; and• Performing revenue cut-off test, including examining the goods delivery notes signed by customers right before and after the balance sheet date. <p>Based on the procedures performed, we found the revenue recorded to be supportable by the available evidence.</p>

INDEPENDENT AUDITOR'S REPORT

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mang, Kwong Fung, Frederick (practising certificate number: P05785).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025
(All amounts in RMB unless otherwise stated)

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	6	37,008,236	28,236,246
Cost of sales	8	(29,936,822)	(23,947,265)
Gross profit		7,071,414	4,288,981
Selling and distribution expenses	8	(1,619,627)	(1,215,311)
Administrative expenses	8	(1,118,610)	(904,468)
Research and development costs	8	(1,404,469)	(1,146,828)
Other income and gains — net	7	710,046	642,922
Operating profit		3,638,754	1,665,296
Finance costs	10	(46,160)	(35,957)
Share of profits/(losses) of investments accounted for using the equity method	18	1,767	(45,944)
Profit before income tax		3,594,361	1,583,395
Income tax expense	12	(682,754)	(311,021)
Profit for the year		2,911,607	1,272,374
Profit for the year is attributable to			
— Owners of the Company		2,911,585	1,272,374
— Non-controlling interests		22	—
		2,911,607	1,272,374
Earnings per share			
— Basic (RMB cents per share)	13	95.8	42.2
— Diluted (RMB cents per share)	13	95.5	42.1

The notes on pages 63 to 128 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit for the year	2,911,607	1,272,374
Other comprehensive (loss)/income		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translation from functional currency to presentation currency	(23,618)	39,105
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(63,630)	21,161
Other comprehensive (loss)/income for the year, net of income tax	(87,248)	60,266
Total comprehensive income for the year	2,824,359	1,332,640
Total comprehensive income is attributable to		
— Owners of the Company	2,824,337	1,332,640
— Non-controlling interests	22	—
	2,824,359	1,332,640

The notes on pages 63 to 128 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2025
(All amounts in RMB unless otherwise stated)

	Notes	As at 31 December 2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	5,280,622	4,904,517
Right-of-use assets	15	1,033,386	1,083,022
Intangible assets	16	993,150	1,040,018
Investments accounted for using the equity method	18	484	25,389
Equity investments at fair value through other comprehensive income (“FVTOCI”)		352	360
Prepayments, deposits and other receivables	22	777,452	1,016,592
Prepayment for acquisition of property, plant and equipment and right-of-use assets	22	109,988	108,813
Deferred income tax assets	23	218,949	207,311
Pledged bank deposits	24	1,456,041	500,000
Term deposits	25	3,131,441	60,000
Total non-current assets		13,001,865	8,946,022
Current assets			
Inventories	20	1,426,556	1,279,385
Trade receivables	19	470,286	457,747
Prepayments, deposits and other receivables	22	730,335	535,647
Financial assets at fair value through profit or loss (“FVTPL”)	21	4,765,986	2,471,164
Debt instruments at FVTOCI		15,091	3,974
Pledged bank deposits	24	2,903,764	2,976,071
Term deposits	25	691,440	80,000
Cash and cash equivalents	26	5,991,384	7,868,883
Total current assets		16,994,842	15,672,871
Total assets		29,996,707	24,618,893

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December	
		2025	2024
		RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	23	137,351	92,523
Lease liabilities	15	94,598	87,263
Deferred income	27	64,342	66,145
Other non-current liabilities	28	361,104	541,271
Other payables, accruals and liabilities	30	4,876	26,994
Total non-current liabilities		662,271	814,196
Current liabilities			
Trade and bills payables	29	14,099,472	11,871,433
Other payables, accruals and liabilities	30	2,601,684	1,780,082
Contract liabilities	31	317,773	414,235
Borrowings	32	1,462,379	898,806
Lease liabilities	15	34,102	62,092
Income tax liabilities		357,105	19,975
Total current liabilities		18,872,515	15,046,623
Net current (liabilities)/assets		(1,877,673)	626,248
Total liabilities		19,534,786	15,860,819
Net Assets		10,461,921	8,758,074
EQUITY			
Share capital	33	195	195
Share premium and reserves		10,461,482	8,757,657
Equity attributable to owners of the Company		10,461,677	8,757,852
Non-controlling interests		244	222
Total Equity		10,461,921	8,758,074

The notes on pages 63 to 128 are an integral part of these financial statements.

The financial statements on page 57 to 128 were approved for issue by the Board on 30 March 2026 and were signed on its behalf.

DIRECTOR
Dong Jinggui

DIRECTOR
Qian Jinghong

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025
(All amounts in RMB unless otherwise stated)

	Attributable to Owners of the Company												
	Share capital RMB'000	Merger reserve RMB'000	Share premium account RMB'000	Statutory reserve RMB'000	FVOCI reserve RMB'000	Treasury shares RMB'000	Translation reserve RMB'000	Share award reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2025	195	(121,024)	456,537	320,360	(14,658)	(300,661)	112,579	63,653	(185,819)	8,426,690	8,757,852	222	8,758,074
Profit for the year	-	-	-	-	-	-	-	-	-	2,911,585	2,911,585	22	2,911,607
Other comprehensive loss for the year, net of income tax	-	-	-	-	-	-	(87,248)	-	-	-	(87,248)	-	(87,248)
Total comprehensive (loss)/income	-	-	-	-	-	-	(87,248)	-	-	2,911,585	2,824,337	22	2,824,359
Dividends provided for or paid (Note 33(a) & 34)	-	-	(456,537)	-	-	-	-	-	-	(794,045)	(1,250,582)	-	(1,250,582)
Employee share schemes — value of employee services (Note 33(f))	-	-	-	-	-	-	-	179,028	-	-	179,028	-	179,028
Repurchase of shares for share award scheme (Note 33(b))	-	-	-	-	-	(48,958)	-	-	-	-	(48,958)	-	(48,958)
Profit appropriations to statutory reserves	-	-	-	58,139	-	-	-	-	-	(58,139)	-	-	-
At 31 December 2025	195	(121,024)	-	378,499	(14,658)	(349,619)	25,331	242,681	(185,819)	10,486,091	10,461,677	244	10,461,921
At 1 January 2024	192	(121,024)	-	280,065	(14,658)	(210,749)	52,313	176,509	(185,819)	8,424,155	8,400,984	222	8,401,206
Profit for the year	-	-	-	-	-	-	-	-	-	1,272,374	1,272,374	-	1,272,374
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	60,266	-	-	-	60,266	-	60,266
Total comprehensive income	-	-	-	-	-	-	60,266	-	-	1,272,374	1,332,640	-	1,332,640
Dividends provided for or paid (Note 34)	-	-	(86,537)	-	-	-	-	-	-	(1,229,544)	(1,316,081)	-	(1,316,081)
Issuance of shares in respect of scrip dividend of 2023 final dividend (Note 33(a))	3	-	456,537	-	-	-	-	-	-	-	456,540	-	456,540
Employee share schemes — value of employee services (Note 33(f))	-	-	-	-	-	-	-	(46,847)	-	-	(46,847)	-	(46,847)
Restricted share units vested	-	-	86,537	-	-	42,140	-	(66,009)	-	-	62,668	-	62,668
Repurchase of shares for share award scheme (Note 33(b))	-	-	-	-	-	(132,052)	-	-	-	-	(132,052)	-	(132,052)
Profit appropriations to statutory reserves	-	-	-	40,295	-	-	-	-	-	(40,295)	-	-	-
At 31 December 2024	195	(121,024)	456,537	320,360	(14,658)	(300,661)	112,579	63,653	(185,819)	8,426,690	8,757,852	222	8,758,074

The notes on pages 63 to 128 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

(All amounts in RMB unless otherwise stated)

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	35(a)	6,322,938	723,054
Income tax paid		(333,128)	(424,130)
Net cash generated from operating activities		5,989,810	298,924
Cash flows from investing activities			
Interest received from bank deposits		130,788	284,684
Purchases of property, plant and equipment and other long-term assets		(755,253)	(1,496,793)
Purchases of land use rights		(26,798)	(2,303)
Proceeds from disposal of property, plant and equipment and other long-term assets		42,556	21,005
Proceeds from disposal of land use rights		20,867	–
Purchase of intangible assets		(5,270)	(5,141)
Proceeds from sale of financial assets at FVTPL		38,100,147	19,185,340
Payment for financial assets at FVTPL		(40,215,442)	(18,774,000)
Payment for term deposits and pledged bank deposits		(4,651,431)	(1,332,864)
Proceeds from maturity of term deposits and pledged bank deposits		360,000	2,392,864
Repayment of loans by third parties		–	5,000
Proceeds from reduction of investment accounted for using the equity method		16,000	–
Proceeds from government grants relating to the purchase of property, plant and equipment		200	–
Payment for acquisition of subsidiaries, net of cash acquired	38(b)	–	(185,247)
Net cash (used in)/generated from investing activities		(6,983,636)	92,545
Cash flows from financing activities			
Proceeds from borrowings and other non-current liabilities		4,446,317	2,257,465
Repayment of borrowings and other non-current liabilities		(3,900,306)	(1,640,789)
Interest paid		(20,862)	(11,669)
Payment for pledged bank deposits		–	(174,000)
Proceeds from pledged bank deposits		–	114,000
Proceeds from restricted share units vesting		–	62,668
Dividends paid to the Company's owners	34	(1,250,582)	(859,541)
Repurchase of shares	33(b)	(48,958)	(132,052)
Repayments of lease liabilities	35(b)	(59,359)	(81,559)
Net cash used in financing activities		(833,750)	(465,477)
Net decrease in cash and cash equivalents		(1,827,576)	(74,008)
Cash and cash equivalents at beginning of the year		7,868,883	7,913,807
Effect of foreign exchange rate changes		(49,923)	29,084
Cash and cash equivalents at end of the year		5,991,384	7,868,883

The notes on pages 63 to 128 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025
(All amounts in RMB unless otherwise stated)

1. GENERAL INFORMATION

Yadea Group Holdings Ltd. (the “**Company**”) is an exempted company incorporated in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The registered office address of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) with effect from 19 May 2016.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the development, manufacture and sale of electric vehicles, batteries and related accessories in the People’s Republic of China (the “**PRC**”).

In the opinion of the directors of the Company (the “**Directors**”), the ultimate holding company of the Company is DQ Prosperity Group Limited, which is incorporated in the British Virgin Islands, and the ultimate controlling shareholders of the Company are Mr. Jinggui Dong and Ms. Jinghong Qian (collectively the “**Controlling Shareholders**”).

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) *Compliance with HKFRS Accounting Standards and the disclosure requirements of Hong Kong Companies Ordinance*

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards (“HKFRSs”)
- Hong Kong Accounting Standards (“HKASs”)
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

(b) *Historical cost convention*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(c) *Amendments adopted by the Group*

The Group has applied the following amended standards for its annual reporting period commencing 1 January 2025. The adoption of these new amendments did not have any impact on the amounts recognised in prior periods and current periods and are not expected to significantly affect the current periods or future periods.

**Effective for
annual periods
beginning on or after**

Amendments to HKAS 21 Lack of Exchangeability 1 January 2025

(d) *New and amendments to HKFRS Accounting Standards in issue but not yet effective*

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after January 1, 2026.

³ Effective for annual periods beginning on or after January 1, 2027.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all the amendments to HKFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements upon effective of HKFRS 18*) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements (Continued)

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

2.2 Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.3).

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the “**CODM**”), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

2.5 Foreign currency translation

(a) *Functional and presentation currency*

The functional currency of the Company is Hong Kong dollar (“**HKD**”) which is the currency of the primary environment in which the Company operates. The functional currency of the Group entities located in the PRC is Renminbi (“**RMB**”) in which most of the transactions are denominated. The consolidated financial statements are presented in RMB.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other income and gains — net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVTPL are recognised in profit or loss (“**PL**”) as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income (“**OCI**”) are recognised in OCI.

(c) *Group companies*

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in OCI.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in OCI. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.6 Revenue recognition

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

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

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

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

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

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group identified one performance obligation which is to sell products to the Group’s distributors or directly to customers. Revenue of product sales is recognised on a gross basis upon the satisfaction of its performance obligation, which is to transfer the control of the promised products to customers. Other performance obligation is not considered material.

The transfer of control of the products is satisfied at a point in time, which occurs when the products are accepted by the distributors or customers. When the Group sells its products to its distributors, third-party e-commerce platforms or offline customers, acceptance of the products is evidenced by goods receipt notes signed by the distributors, third-party e-commerce platforms or offline customers. When the Group sells its products to individual customers through its own online store, the Group is responsible for the delivery to individual customers. Acceptance of the products is evidenced by goods receipt notes signed by individual customers.

The Group provides sales volume rebate to distributors based on the volume sold to such distributors in a certain period.

Revenues are measured at the amount of consideration the Group expects to receive in exchange for transferring products to the distributors or customers. Consideration is recorded net of sales volume rebate, sales returns and value-added tax (“VAT”). Sales returns are estimated based on historical experiences, which were insignificant for the years ended 31 December 2024 and 2025.

Full payment is typically required from distributors of the Group before acceptance of the products, except for some distributors with credit period. The credit terms generally vary from 15 days to 90 days from the date of billing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Current and deferred income tax

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

(a) *Current income tax*

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

(b) *Deferred income tax*

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment

Freehold land is stated at cost and is not depreciated. Other property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Buildings	20–40 years
Plant and machinery	5–10 years
Motor vehicles	4–10 years
Office equipment	3–5 years
Other equipment	3–10 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.10).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Intangible assets

(a) *Goodwill*

Goodwill is measured as described in note 2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“**CGUs**”), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, which is below operating segment level.

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGUs or group of CGUs containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of CGUs or group of CGUs include the carrying amount of goodwill relating to the CGUs or group of CGUs disposed of.

(b) *Software, patents and customer relationships*

Separately acquired software and patents are shown at historical cost. These assets have finite useful lives, and are measured at costs less accumulated amortisation and impairment losses, if any. Software, patents and customer relationships acquired in business combination are recognised initially at fair value at the acquisition date and subsequently carried at the amount initially recognised less accumulated amortisation and impairment losses, if any. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Software	3–10 years
Patents	3–10 years
Customer relationships	10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Impairment of non-financial assets other than goodwill

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

2.11 Investments and other financial assets

(a) *Classification*

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

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

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

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

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

(b) *Recognition and derecognition*

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

(c) *Measurement*

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income and gains — net together with foreign exchange gains and losses. Impairment losses are presented in administrative expenses in the consolidated statement of profit or loss.
- **FVTOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income and gains — net. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and gains — net in the consolidated statement of profit or loss.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income and gains — net in the period in which it arises.

Equity instruments

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

Changes in the fair value of financial assets at FVTPL are recognised in other income and gains — net in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(d) *Impairment*

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 4.1 for further details.

2.12 Inventories

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

2.13 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 4.1 for a description of the Group's impairment policies.

Other receivables are amounts generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained. The non-current other receivables are due and receivable within three years from the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.14 Employee benefits

Short-term obligations

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees and consultants as consideration for equity instruments (restricted share units) of the Group. The fair value of the employee services received in exchange for the grant of Restricted Share Units (“**RSUs**”) and share options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of RSUs and share options granted:

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

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of RSUs and share options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

Service conditions are included in assumptions about the number of RSUs and share options that are expected to vest. The total expense is recognised over the vesting period over which all of the specified vesting conditions are to be satisfied.

When share awards granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

3.1 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see 3.2 below), after initially being recognised at cost.

3.2 Equity method

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.11.

3.3 Separate financial statements

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

3.4 Leases

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

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments).

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

To determine the incremental borrowing rate, the Group:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

3.4 Leases (Continued)

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

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

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

- the amount of the initial measurement of lease liability, and
- any lease payments made at or before the commencement dates.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment, vehicles and buildings, and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

3.5 Cash and cash equivalents

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

3.6 Share capital

Ordinary shares are classified as equity (Note 33). Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

3.7 Trade and bills payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The trade payables are unsecured and are usually paid within 90 days of recognition and the bills payables are secured and are usually paid within 180 days of recognition. Trade and bills payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

3.8 Provisions

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

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.9 Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

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

(ii) *Diluted earnings per share*

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

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

(a) *Market risk*

(i) **Foreign exchange risk**

The Group operates in the PRC with most of the transactions settled in RMB except for certain sales to international market and certain wealth management product that are conducted in USD. Foreign currency risk arises when commercial transactions or recognised assets or liabilities are denominated in a currency other than the entities' functional currency. The Group is exposed to foreign currency risk primarily with respect to USD.

The Group manages its foreign currency risk by performing regular reviews of the Group's net foreign currency exposures and may enter into currency forward contracts, when necessary, to manage its foreign exchange exposure.

	Assets	
	As at 31 December 2025	2024
	RMB'000	RMB'000
USD		
— Cash and cash equivalents	2,518,224	1,973,213
— Trade receivables	93,043	46,249
	2,611,267	2,019,462

The sensitivity of profit or loss to changes in the exchange rates arises mainly from RMB-USD denominated financial instruments.

	Impact on profit after tax	
	2025	2024
	Increase/ (decrease)	Increase/ (decrease)
	RMB'000	RMB'000
RMB — USD		
Appreciation of RMB by 5%	(100,783)	(82,291)
Depreciation of RMB by 5%	100,783	82,291

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(a) *Market risk (Continued)*

(ii) **Interest rate risk**

The Group's interest rate risk primarily arose from lease liabilities (Note 15), pledged bank deposits (Note 24), term deposits (Note 25), cash and cash equivalents (Note 26) and borrowings (Note 32). Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

If the interest rate of lease liabilities, pledged bank deposits, term deposits, cash and cash equivalents and borrowings had been 10 percent higher/lower, the profit before income tax for the year ended 31 December 2025 would have been approximately 12,648,000 (2024: RMB23,734,000) higher/lower.

(b) *Price risk*

The Group is exposed to price risk through its investments in wealth management products and equity investment measured at FVTPL. The prices/fair values and return of these products are linked with interest rates, exchange rates or its market value. Management manages this exposure by reviewing the historical interest rates, exchange rates and market value before investing in these products. The management considers the sensitivity on price risk on wealth management products and equity investment measured at FVTPL is insignificant.

(c) *Credit risk and impairment assessment*

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, deposits and other receivables, debt instruments at FVTOCI, pledged bank deposits, term deposits and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its financial assets.

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(c) *Credit risk and impairment assessment (Continued)*

(i) **Impairment of financial assets**

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, is summarised as below:

Trade receivables

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed regularly. Other monitoring procedures are in place to ensure that follow-up actions are taken to recover overdue debts. In this regard, the Directors consider that the Group's credit risk is significantly reduced to an extremely low level.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. As the credit period is only provided to some customers that have good credit history and the Group evaluates the performance of each customer annually, the Group determines the expected credit losses on these items by reference to aging and repayment histories of customers and using provision matrix, grouped by past due status.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(c) *Credit risk and impairment assessment (Continued)*

(i) **Impairment of financial assets (Continued)**

Trade receivables (Continued)

Movements on the Group's allowance for impairment of trade receivables are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	(20,193)	(8,761)
Reversal/(increase) in provision for doubtful receivables	3,747	(11,432)
At the end of the year	(16,446)	(20,193)

Other receivables

For other receivables, the Directors make periodic individual assessment on the recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

Movements on the Group's loss allowance for other receivables at amortised cost are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	(3,451)	(26,669)
Reversal in the allowance recognised in profit or loss during the period	2,160	982
Write off	1,189	22,236
At the end of the year	(102)	(3,451)

Pledged bank deposits/term deposits/cash and cash equivalents

Credit risk on pledged bank deposits/term deposits/cash and cash equivalents is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for pledged bank deposits/term deposits/cash and cash equivalents by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on pledged bank deposits/term deposits/cash and cash equivalents is considered to be insignificant.

Debt investments at FVTOCI

Debt investments at FVTOCI are notes receivable.

The loss allowance for debt investments at FVTOCI as at 31 December 2025 and 2024 was considered to be insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

(d) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows.

	On demand or less than 1 year RMB'000	1-2 years RMB'000	>2 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2025					
Trade and bills payables	14,099,472	–	–	14,099,472	14,099,472
Other payables, accruals and liabilities*	1,572,459	–	–	1,572,459	1,572,459
Lease liabilities	40,273	36,675	61,244	138,192	128,700
Borrowings	1,463,457	–	–	1,463,457	1,462,379
Other non-current liabilities	–	112,231	248,873	361,104	361,104
	17,175,661	148,906	310,117	17,634,684	17,624,114
At 31 December 2024					
Trade and bills payables	11,871,433	–	–	11,871,433	11,871,433
Other payables, accruals and liabilities*	1,309,326	–	–	1,309,326	1,309,326
Lease liabilities	66,801	34,395	63,063	164,259	149,355
Borrowings	900,000	–	–	900,000	898,806
Other non-current liabilities	–	236,295	304,976	541,271	541,271
	14,147,560	270,690	368,039	14,786,289	14,770,191

* Excluding staff costs and welfare accruals, warranty, accruals and other taxes.

4.2 Capital risk management

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

The Group monitors capital (including share capital, share premium and other reserves on an as-if converted basis) by regularly reviewing the capital structure. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to owners, return capital to owners, issue new shares or repurchase the Company's shares. In the opinion of the Directors of the Company, the Group's capital risk is low.

The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation

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

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

The following table presents the Group's assets are measured at fair value as of 31 December 2025 and 2024.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2025				
Financial assets at FVTPL				
— Wealth management products and structured deposits	—	4,600,791	—	4,600,791
— Listed equity investment	74,722	—	—	74,722
— Unlisted equity investment	—	—	83,724	83,724
— Bond investment	—	6,749	—	6,749
Equity instruments at FVTOCI	—	—	352	352
Debt instruments at FVTOCI	—	15,091	—	15,091
Total	74,722	4,622,631	84,076	4,781,429
As at 31 December 2024				
Financial assets at FVTPL				
— Wealth management products and structured deposits	—	2,299,890	—	2,299,890
— Listed equity investment	67,478	—	—	67,478
— Unlisted equity investment	—	—	82,248	82,248
— Bond investment	—	6,279	—	6,279
— Other financial assets	15,269	—	—	15,269
Equity instruments at FVTOCI	—	—	360	360
Debt instruments at FVTOCI	—	3,974	—	3,974
Total	82,747	2,310,143	82,608	2,475,498

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

(a) *Financial instruments in level 1*

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

(b) *Financial instruments in level 2*

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The valuation technique is discounted cash flows that reflects the credit risk of various counterparties.

(c) *Financial instruments in level 3*

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Market approach by benchmarking to enterprise value to sales ratio of comparable companies.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for financial instruments.

Level 3 instruments of the Group's assets and liabilities include equity instruments at FVTOCI and FVTPL.

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements of the short-term and long-term investments as of 31 December 2025 and 2024.

Description	Fair Values		Valuation techniques	Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair values
	As of 31 December 2025	2024			As of 31 December 2025	2024	
	RMB'000	RMB'000					
Equity instrument at FVTOCI	352	360	Market approach	Discount for lack of marketability ("DLOM")	30%	30%	The higher the DLOM, the lower the fair value.
Financial assets at FVTPL							
— Unlisted equity investment	83,724	82,248	Market approach	Enterprise Value/Sales ("EV/S")	NA	NA	The higher the EV/S, the higher the fair value.
				DLOM	15%–30%	15%–30%	The higher the DLOM, the lower the fair value.
				By reference to the latest round financing	NA	NA	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

(c) *Financial instruments in level 3 (Continued)*

The following table presents the changes in level 3 items for the years ended 31 December 2024 and 2025:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	82,608	80,924
Fair value change recognised in profit or loss	1,476	1,677
Currency translation difference	(8)	7
At the end of the year	84,076	82,608

5. CRITICAL ESTIMATES AND JUDGEMENTS

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

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates

Deferred income tax assets

As at 31 December 2025, a deferred income tax asset of RMB261,290,000 (2024: RMB271,589,000) has been recognised in the Group's consolidated statement of financial position. The reliability of the deferred income tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred income tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place. Further details of deferred income tax assets are disclosed in Note 23.

Estimation of goodwill impairment

The Group tests whether goodwill has suffered any impairment on an annual basis. For the 2025 reporting period, the recoverable amount of CGUs was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. Details of key assumptions and impact of possible changes in key assumptions are disclosed in Note 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. REVENUE AND SEGMENT INFORMATION

6.1 Disaggregation of revenue from contract with customers

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Types of goods		
Electric bicycles	16,208,695	12,244,215
Batteries and chargers	10,523,089	7,995,475
Electric scooters	9,045,907	7,090,602
Electric two-wheeled vehicle parts	1,230,545	905,954
	37,008,236	28,236,246
Timing of revenue recognition		
At point in time	37,008,236	28,236,246

6.2 Segment information

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decision maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company that make strategic decisions. The CODM considers the business primarily from product perspective.

The Group's operation has the following reportable segments for the years ended 31 December 2025 and 2024:

- Electric two-wheeled vehicles and related accessories, and
- Batteries and electric drives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. REVENUE AND SEGMENT INFORMATION (Continued)

6.2 Segment information (Continued)

The “Electric two-wheeled vehicles and related accessories” segment is mainly engaged in the development, manufacture and sales of electric two-wheeled vehicles and related accessories. The “Batteries and electric drives” segment is mainly engaged in the production and sales of batteries and electric drives.

The CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. The revenues from inter-segment and external customers reported to the CODM are measured in a manner consistent with that applied in the consolidated statement of profit or loss.

Other information, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in this financial information. There were no segment assets and segment liabilities information provided to the CODM, as the CODM does not use this information to allocate resources to or evaluate the performance of the operating segments.

The segment information provided to the CODM for the reportable segments for the years ended 31 December 2025 and 2024 is as follows:

	Year ended 31 December 2025				Year ended 31 December 2024			
	Electric two-wheeled vehicles and related accessories RMB'000	Batteries and electric drives RMB'000	Elimination RMB'000	Total RMB'000	Electric two-wheeled vehicles and related accessories RMB'000	Batteries and electric drives RMB'000	Elimination RMB'000	Total RMB'000
Total segment revenue	35,466,222	7,466,036	(5,924,022)	37,008,236	27,726,357	5,009,952	(4,500,063)	28,236,246
Total segment cost	(29,015,706)	(6,844,703)	5,923,587	(29,936,822)	(23,979,051)	(4,446,727)	4,478,513	(23,947,265)
Gross profit	6,450,516	621,333		7,071,414	3,747,306	563,225		4,288,981
Other material expense items								
Raw materials and consumables used	27,768,998	6,518,298	(5,923,587)	28,363,709	23,160,560	4,069,061	(4,478,513)	22,751,108
Employee benefits expenses	2,389,544	275,042	–	2,664,586	1,754,001	253,514	–	2,007,515
Depreciation of property, plant and equipment	300,197	56,922	–	357,119	268,518	44,051	–	312,569

Geographical information

Since over 90% of the Group’s revenue from external customers were generated in the PRC and over 90% of the Group’s non-current assets (not including financial assets and deferred income tax assets) were located in the PRC, no geographical information is presented in accordance with HKFRS 8 *Operating Segments*.

Information about major customers

Since no revenue from sale to a single customer amounted to 10% or more of the Group’s revenue for the reporting period, no major customer information is presented in accordance with HKFRS 8 *Operating Segments*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. OTHER INCOME AND GAINS — NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Other income		
Government grants	228,501	203,938
Bank interest income	180,732	248,654
Super-deduction of VAT (i)	172,576	136,928
Others	3,425	4,297
	585,234	593,817
Other gains — net		
Net fair value gains on financial assets at FVTPL	179,527	91,112
Net foreign exchange loss	(21,809)	(37,869)
Net loss on disposal of property, plant and equipment and other long-term assets	(16,165)	(13,039)
Others	(16,741)	8,901
	124,812	49,105
	710,046	642,922

(i) This represents the additional input VAT which is allowed by tax authorities for further VAT output deduction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. EXPENSES BY NATURE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Raw materials and consumables used	28,363,709	22,751,108
Employee benefits expenses	2,664,586	2,007,515
Outsourcing labour fee	562,203	353,776
Advertising expenses	452,449	353,234
Travelling expenses	366,096	308,340
Depreciation of property, plant and equipment	357,119	312,569
Mould costs	237,237	194,341
Freight expenses	163,590	147,124
Consulting and professional service expenses	123,741	111,886
Depreciation of right-of-use assets	74,425	90,662
Amortisation of intangible assets	52,118	57,108
Product design fee	40,588	34,888
Short-term and low-value lease	13,631	11,374
Auditor's remuneration	5,986	6,300
— Audit services	5,590	6,300
— Non-audit services	396	—
Other expenses	602,050	473,647
Total cost of sales, selling and distribution expenses, administrative expenses and research and development costs	34,079,528	27,213,872

9. EMPLOYEE BENEFITS EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages, salaries and bonuses	2,095,342	1,679,903
Other social security costs, housing benefits and other employee benefits	248,501	225,843
Share-based compensation expenses (Note 33)	179,028	(46,847)
Defined contribution plans (a)	141,715	148,616
	2,664,586	2,007,515

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. EMPLOYEE BENEFITS EXPENSES (Continued)

(a) Defined contribution plans

Employees of the Group companies in the PRC and Hong Kong are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated on fixed percentage of the employees' salary (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees and the Group has no further obligations for the actual payment of pensions or post-retirements benefits beyond these contributions.

For the years ended 31 December 2025 and 2024, there were no forfeited contributions (by employers on behalf of employees who leave the plan prior to vesting fully in such contributions) which may be used by the employer to reduce the existing level of contributions.

(b) Directors' emoluments

	For the year ended 31 December 2025			
	Fees RMB'000	Salaries and other allowance RMB'000	Retirement benefit scheme contribution RMB'000	Total RMB'000
Executive Directors:				
Mr. Jinggui Dong	–	4,986	56	5,042
Ms. Jinghong Qian	–	3,771	39	3,810
Mr. Yu Shen	–	1,291	96	1,387
Independent non-executive Directors:				
Mr. Wong Lung Ming	275	–	–	275
Ms. Chenguang Ma	275	–	–	275
Mr. Mingyu Chen	275	–	–	275
Ms. Qin Liang	275	–	–	275
Non-executive Director:				
Mr. Yiyin Zhang (retired as non-executive director with effect from 29 April 2025)	92	–	–	92
	1,192	10,048	191	11,431

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. EMPLOYEE BENEFITS EXPENSES (Continued)

(b) Directors' emoluments (Continued)

	For the year ended 31 December 2024			Total RMB'000
	Fees RMB'000	Salaries and other allowance RMB'000	Retirement benefit scheme contribution RMB'000	
Executive Directors:				
Mr. Jinggui Dong	–	2,521	85	2,606
Ms. Jinghong Qian	–	1,081	54	1,135
Mr. Yu Shen	–	525	93	618
Independent non-executive Directors:				
Mr. Wong Lung Ming	274	–	–	274
Ms. Chenguang Ma	274	–	–	274
Mr. Mingyu Chen	274	–	–	274
Ms. Qin Liang	274	–	–	274
Non-executive Director:				
Mr. Yiyin Zhang	274	–	–	274
	1,370	4,127	232	5,729

Bonus is determined by reference to the market, individual performance and their respective contribution to the Group. The bonuses paid or receivable by directors are included in Directors' emoluments shown above.

The executive Directors' emoluments shown above were for their services in connection with the management of affairs of the Company and the Group. The non-executive Directors and independent non-executive Directors' emoluments shown above were for their services as the Directors.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

All of these individuals have not received any emolument from the Group as an inducement to join or upon joining the Group or compensation for loss of office during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. EMPLOYEE BENEFITS EXPENSES (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include zero (2024: one) director whose emoluments are reflected in the analysis shown in Note 9(b). The emoluments payable to the remaining five (2024: four) individuals during the years are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	39,959	8,257
Share-based compensation expenses	28,227	2,224
Pension scheme contributions and social welfare	678	454
	68,864	10,935

During the year ended 31 December 2025, the bonuses paid or payable to the remaining five (2024: four) individuals were RMB20,960,000 (2024: RMB1,830,000).

All of these individuals have not received any emolument from the Group as an inducement to join or upon joining the Group or compensation for loss of office during the years ended 31 December 2025 and 2024.

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	Year ended 31 December	
	2025	2024
HKD2,000,001 to HKD2,500,000	–	1
HKD2,500,001 to HKD3,000,000	–	1
HKD3,000,001 to HKD3,500,000	–	1
HKD3,500,001 to HKD4,000,000	–	1
HKD12,500,000 to HKD13,000,000	2	–
HKD14,000,000 to HKD14,500,000	1	–
HKD16,500,000 to HKD17,000,000	1	–
HKD18,500,000 to HKD19,000,000	1	–
	5	4

10. FINANCE COSTS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest charge for borrowings	21,433	11,313
Interest charges for lease liabilities (Note 15)	6,831	7,172
Other interest expenses (Note 28)	17,896	17,472
	46,160	35,957

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. SUBSIDIARIES

(a) Principal subsidiaries information

The Group's principal subsidiaries at 31 December 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of subsidiaries	Place and date of registration and place of operations	Issued shares/ registered capital	Paid up capital	Proportion of ownership interest and voting power		Principal activities
				31 December 2025	2024	
Yadea Group Management Holdings Limited	British Virgin Islands, 17 July 2014	USD100	–	100%	100%	Investment holding
Yadea HK Holdings Limited	Hong Kong, 5 August 2014	HKD100	–	100%	100%	Investment holding
無錫雅迪諮詢有限公司* (Wuxi Yadea Consulting Co., Ltd.)*	Wuxi, the PRC, 30 June 2014	RMB1,000,000	RMB1,000,000	100%	100%	Investment holding
雅迪科技集團有限公司* (Yadea Technology Group Co., Ltd.)*	Wuxi, the PRC, 17 December 2010	RMB100,000,000	RMB100,000,000	100%	100%	Investment holding and manufacture and sale of electric vehicles and accessories
江蘇雅迪科技發展有限公司* (Jiangsu Yadea Technology Development Co., Ltd.)*	Wuxi, the PRC, 20 June 2001	RMB150,000,000	RMB150,000,000	100%	100%	Manufacture and sale of accessories
浙江雅迪機車有限公司* (Zhejiang Yadea Motorcycle Co., Ltd.)*	Ningbo, the PRC, 28 September 2002	RMB100,000,000	RMB100,000,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
無錫雅迪進出口有限公司* (Wuxi Yadea Import and Export Co., Ltd.)*	Wuxi, the PRC, 5 April 2007	RMB5,000,000	RMB510,000	100%	100%	Export of electric vehicles and accessories
天津雅迪偉業車業有限公司* (Tianjin Yadea Weiye Vehicle Co., Ltd.)*	Tianjin, the PRC, 25 August 2009	RMB500,000	RMB500,000	100%	100%	Manufacture and sale of accessories
天津雅迪實業有限公司* (Tianjin Yadea Industry Co., Ltd.)*	Tianjin, the PRC, 25 January 2011	RMB50,000,000	RMB50,000,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
雅迪科技集團銷售有限公司* (Yadea Technology Group Sales Co., Ltd.)*	Wuxi, the PRC, 7 February 2014	RMB50,000,000	RMB50,000,000	100%	100%	Sale of electric vehicles and accessories
江蘇雅迪智能科技有限公司* (Jiangsu Yadea Intelligent Technology Co., Ltd.)*	Wuxi, the PRC, 28 April 2014	RMB70,000,000	RMB70,000,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. SUBSIDIARIES (Continued)

(a) Principal subsidiaries information (Continued)

Name of subsidiaries	Place and date of registration and place of operations	Issued shares/ registered capital	Paid up capital	Proportion of ownership interest and voting power		Principal activities
				31 December 2025	2024	
廣東雅迪機車有限公司* (Guangdong Yadea Motorcycle Co., Ltd.)*	Qingyuan, the PRC, 15 July 2015	RMB33,980,000	RMB23,980,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
重慶雅迪科技有限公司* (Chongqing Yadea Technology Co., Ltd.)*	Chongqing, the PRC, 5 December 2019	RMB20,000,000	RMB20,000,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
重慶雅迪電動車銷售有限公司* (Chongqing Yadea Motorcycle Sales Co., Ltd.)*	Chongqing, the PRC, 16 January 2020	RMB5,000,000	RMB5,000,000	100%	100%	Sale of electric vehicles and accessories
上海慕虹投資管理有限公司* (Shanghai Muhong Investment Management Co., Ltd.)*	Shanghai, the PRC, 12 December 2014	RMB83,000,000	RMB83,000,000	100%	100%	Investment holding
安徽雅迪機車有限公司* (Anhui Yadea Motorcycle Co., Ltd.)*	Lu'an, the PRC, 8 August 2018	RMB240,000,000	RMB240,000,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
安徽小迪機車零部件有限公司* (Anhui Xiaodi Motorcycle Accessories Co., Ltd.)*	Lu'an, the PRC, 14 September 2021	RMB100,000	RMB100,000	100%	100%	Manufacture and sale of accessories
無錫雅迪電動車技術有限公司* (Wuxi Yadea Motorcycle Technology Co., Ltd.)*	Wuxi, the PRC, 1 June 2021	USD50,000,000	USD50,000,000	100%	100%	Technical service
天津雅迪智能科技有限公司* (Tianjin Yadea Intelligent Technology Co., Ltd.)*	Tianjin, the PRC, 21 January 2021	RMB10,000,000	RMB10,000,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
華宇新能源科技有限公司* (Huayu New Energy Technology Co., Ltd.)*	Jieshou, the PRC, 12 November 2008	RMB100,000,000	RMB100,000,000	100%	100%	Development, manufacture and sale of batteries
界首華宇新能源銷售有限公司* (Jieshou Huayu New Energy Sales Co., Ltd.)*	Jieshou, the PRC, 4 April 2006	RMB5,000,000	RMB5,000,000	100%	100%	Sale of batteries
安徽雅迪供應鏈管理有限公司* (Anhui Yadea Supply Chain Management Co., Ltd.)*	Lu'an, the PRC, 20 April 2022	RMB50,000,000	-	100%	100%	Manufacture and sale of accessories

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. SUBSIDIARIES (Continued)

(a) Principal subsidiaries information (Continued)

Name of subsidiaries	Place and date of registration and place of operations	Issued shares/ registered capital	Paid up capital	Proportion of ownership interest and voting power		Principal activities
				31 December 2025	2024	
青島雅迪電動車銷售有限公司* (Qingdao Yadea Motorcycle Sales Co., Ltd.)*	Qingdao, the PRC, 1 November 2022	RMB10,000,000	RMB5,000,000	100%	100%	Sale of electric vehicles and accessories
海南雅迪供應鏈科技有限公司* (Hainan Yadea Supply Chain Technology Co., Ltd.)*	Chengmai County, the PRC, 1 November 2022	RMB10,000,000	–	100%	100%	Sale of electric vehicles and accessories
浙江雅迪電動車銷售有限公司* (Zhejiang Yadea Motorcycle Sales Co., Ltd.)*	Hangzhou, the PRC, 13 July 2022	RMB10,000,000	RMB5,000,000	100%	100%	Sale of electric vehicles and accessories
上海雅迪電動車銷售有限公司* (Shanghai Yadea Motorcycle Sales Co., Ltd.)*	Shanghai, the PRC, 21 June 2022	RMB10,000,000	RMB5,000,000	100%	100%	Sale of electric vehicles and accessories
安徽雅迪電動車銷售有限公司* (Anhui Yadea Motorcycle Sales Co., Ltd.)*	Lu'an, the PRC, 14 August 2022	RMB5,000,000	RMB5,000,000	100%	100%	Sale of electric vehicles and accessories
安徽雅迪新能源機車銷售有限公司* (Anhui Yadea New Energy Sales Co., Ltd.)*	Lu'an, the PRC, 3 August 2022	RMB5,000,000	RMB5,000,000	100%	100%	Sale of electric vehicles and accessories
安徽雅迪新能源機車製造有限公司* (Anhui Yadea New Energy Motorcycle Manufacturing Co., Ltd.)*	Lu'an, the PRC, 29 June 2023	RMB50,000,000	RMB50,000,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
浙江華宇鈉電新能源科技有限公司* (Zhejiang Huayu Sodium Electric New Energy Technology Co., Ltd.)*	Hangzhou, the PRC, 18 April 2023	RMB100,000,000	RMB80,000,000	100%	100%	Development, manufacture and sale of batteries
天津雅迪新能源科技發展有限公司* (Tianjin Yadea New Energy Technology Development Co., Ltd.)*	Tianjin, the PRC, 28 March 2024	RMB30,000,000	RMB2,000,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
無錫凌博電子技術股份有限公司* (Wuxi Lingbo Electronic Technology Co., Ltd.)* (see note 38)	Wuxi, the PRC, 4 August 2011	RMB60,000,000	RMB60,000,000	100%	100%	Sale of batteries and accessories

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. SUBSIDIARIES (Continued)

(a) Principal subsidiaries information (Continued)

Name of subsidiaries	Place and date of registration and place of operations	Issued shares/ registered capital	Paid up capital	Proportion of ownership interest and voting power		Principal activities
				31 December 2025	2024	
無錫九通電子技術有限公司* (Wuxi Jiutong Electronic Technology Co., Ltd.)*	Wuxi, the PRC, 22 November 2024	RMB10,000,000	–	100%	100%	Manufacture and sale of accessories
無錫凌博動力科技有限公司* (Wuxi Lingbo Power Technology Co., Ltd.)*	Wuxi, the PRC, 1 February 2021	RMB8,500,000	RMB8,500,000	100%	100%	Manufacture and sale of accessories
廣東凌博動力科技有限公司* (Guangdong Lingbo Power Technology Co., Ltd.)*	Qingyuan, the PRC, 13 August 2025	RMB5,000,000	–	100%	100%	Manufacture and sale of accessories
Yadea International Pte. Ltd.	Singapore, 25 October 2022	USD150,000	USD150,000	100%	100%	Investment holding
YADEA (EUROPE) TECHNOLOGY GMBH	Germany, 4 September 2019	EUR1,000,000	EUR1,000,000	100%	100%	Sale of electric vehicles and accessories
Yadea Technologies (Netherlands) B.V.	Amsterdam, 1 December 2022	EUR100,000	EUR50,000	100%	100%	Investment holding
Yadea America Inc.	United States, 20 December 2022	USD20,000	USD20,000	100%	100%	Sale of consumer products
Viet Nam Yadea Electric Motorcycle Co., Ltd.	Bắc Giang, Vietnam, 27 June 2019	USD2,600,000	USD2,600,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
(VIETNAM) YADEA SCIENCE TECHNOLOGY CO.,LTD.	Bắc Giang, Vietnam, 23 June 2023	USD23,200,000	USD23,200,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
HUAYU NEW ENERGY SCIENCE AND TECHNOLOGY (VIETNAM) CO., LTD.	Ho Chi Minh, Viet Nam, 6 June 2024	VND25,390,000,000	VND25,390,000,000	100%	100%	Development, manufacture and sale of batteries
PT YADEA MANUFAKTUR KENDARAAN LISTRIK	Cikarang, Indonesia, 15 February 2024	RP46,540,000,000	RP46,540,000,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
PT YADEA INDONESIA DISTRIBUTOR	Cikarang, Indonesia, 15 February 2024	RP10,860,000,000	RP10,860,000,000	100%	100%	Sale of electric vehicles and accessories

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. SUBSIDIARIES (Continued)

(a) Principal subsidiaries information (Continued)

Name of subsidiaries	Place and date of registration and place of operations	Issued shares/ registered capital	Paid up capital	Proportion of ownership interest and voting power		Principal activities
				31 December 2025	2024	
PT YADEA TEKNOLOGI INDONESIA	Cikarang, Indonesia, 19 February 2024	RP625,000,000,000	RP625,000,000,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
PT HUAYU TEKNOLOGI ENERGI BARU INDONESIA	Cikarang, Indonesia, 4 July 2024	RP66,000,000,000	RP53,750,000,000	100%	100%	Development, manufacture and sale of batteries
Yadea Technology (Thailand) Co., Ltd.	Samut Prakan, Thailand, 11 September 2024	THB3,000,000	THB3,000,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
MEXICO YADEA TECHNOLOGY, S DE R.L. DE C. V.	Mexico City, Mexico, 29 October 2024	MXN50,000	MXN50,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories
YADEA TECHNOLOGIES BRASIL LTDA.	São Paulo, Brazil, 7 February 2025	USD200,000	USD200,000	100%	100%	Development, manufacture and sale of electric vehicles and accessories

* Wholly foreign owned enterprise established in the PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. INCOME TAX EXPENSE

This note provides an analysis of the Group's income tax expense, and shows how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current PRC Enterprise Income Tax	649,564	329,724
Deferred income tax (Note 23)	33,190	(18,703)
Total tax charge for the year	682,754	311,021

(a) Cayman Islands income tax

Under the current laws of the Cayman Islands, the Company is not subject to tax on the Company's income or capital gains. In addition, no Cayman Islands withholding tax is imposed upon any payments of dividends.

(b) Hong Kong income tax

Entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 8.25% on assessable profits up to HKD2 million and 16.5% on any part of assessable profits over HKD2 million for the years presented.

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

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC for the years ended 31 December 2025 and 2024, calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% during the year ended 31 December 2025 (2024: 25%) except:

- 雅迪科技集團有限公司 (Yadea Technology Group Co., Ltd.), 廣東雅迪機車有限公司 (Guangdong Yadea Motorcycle Co., Ltd.), 天津雅迪實業有限公司 (Tianjin Yadea Industry Co., Ltd.), 浙江雅迪機車有限公司 (Zhejiang Yadea Motorcycle Co., Ltd.), 安徽雅迪機車有限公司 (Anhui Yadea Motorcycle Co., Ltd.), 華宇新能源科技有限公司 (Huayu New Energy Technology Co., Ltd), 上海雅迪信息技術有限公司 (Shanghai Yadea Information Technology Co., Ltd.), 重慶雅迪科技有限公司 (Chongqing Yadea Technology Co., Ltd.), 無錫凌博電子技術股份有限公司 (Wuxi Lingbo Electronic Technology Co., Ltd.) and 浙江華宇鈉電新能源科技有限公司 (Zhejiang Huayu Sodium Electric New Energy Technology Co., Ltd.) obtained/renewed 'New High-tech Enterprise' qualification from 2023 to 2025. They were entitled to a preferential CIT rate of 15% for a three-year period since the qualification day. The applicable CIT rate of these entities was 15% in 2025.
- Pursuant to the relevant laws and regulations in the PRC, 重慶雅迪電動車銷售有限公司 (Chongqing Yadea Motorcycle Sales Co., Ltd.) and 重慶雅迪科技有限公司 (Chongqing Yadea Technology Co., Ltd.) are qualified as companies under the development strategy of the PRC's western region and are able to enjoy a preferential income tax rate of 15%. The tax preference for the western region development are valid until 2030.
- Pursuant to the relevant laws and regulations in the PRC, 海南雅迪供應鏈科技有限公司 (Hainan Yadea Supply Chain Technology Co., Ltd.) is qualified as company under the income tax preferential policy of Hainan Free Trade Port and is able to enjoy a preferential income tax rate of 15%. The tax preference for Hainan Free Trade Port is valid until 2027.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. INCOME TAX EXPENSE (Continued)

(c) PRC corporate income tax ("CIT") (Continued)

- Pursuant to the relevant laws and regulations in the PRC, 廣東橫琴雅迪供應鏈科技有限公司 (Guangdong Hengqin Yadea Supply Chain Technology Co., Ltd) and 廣東橫琴雅迪新能源科技有限公司 (Guangdong Hengqin Yadea New Energy Technology Co., Ltd) are qualified as companies under the income tax preferential policy of Guangdong-Macao In-Depth Cooperation Zone in Hengqin and are able to enjoy a preferential income tax rate of 15%.

Taxation arising in other jurisdictions is calculated at rates prevailing in the relevant jurisdictions.

Pursuant to laws and regulations newly promulgated by the State Administration of Tax of the PRC and the Ministry of Finance, enterprises engaging in research and development activities are entitled to claim 200% of their qualified research and development expenses so incurred as tax deductible expenses. The additional deduction of 100% of qualified research and development expenses can be directly claimed in the annual EIT filing without the approval from the relevant tax authorities. Therefore, management has made its best estimation for the Group's entities in ascertaining their assessable profits for the years ended 31 December 2025 and 2024.

(d) PRC withholding tax

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits are generally subject to a 10% withholding tax rate. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%. In April 2020, Yadea HK Holdings Limited ("Yadea HK") was approved by Inland Revenue Department of Hong Kong Special Administrative Region as a resident of the Hong Kong Special Administration Region for 2019, 2020 and 2021 and the resident status was approved for renewal in 2022 and 2025 for another 3 years starting from 2022 and 2025. Pursuant to such approval, the dividends distributed to Yadea HK from the PRC subsidiaries during the approved periods are subject to a withholding tax rate of 5%.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to losses of the consolidated entities as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before tax	3,594,361	1,583,395
Tax at the statutory tax rate (25%)	898,590	395,849
Tax effect of preferential tax rate	(322,868)	(134,334)
Different tax jurisdiction	(1,743)	(1,385)
Tax credit for qualified research and development expenses and qualified purchase of property, plant and equipment	(94,362)	(79,905)
Withholding tax of appropriation of dividend (i)	77,641	73,652
Tax effect of expenses not deductible for tax purpose and other effect	99,324	45,931
Utilisation of previously unrecognised tax losses and other timing difference	(28,481)	(9,681)
Decrease in opening deferred tax assets resulting from a decrease in applicable tax rate	17,432	–
Tax losses and temporary differences for which no deferred tax assets were recognised	37,221	20,894
Income tax expense for the year	682,754	311,021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. INCOME TAX EXPENSE (Continued)

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

(i) Withholding tax

In 2024, in addition to 50% of the annual profits of its PRC subsidiaries for 2023 remitted to Yadea HK, the Company additionally remitted annual profits of RMB732,806,000 of its PRC subsidiaries for 2023 to Yadea HK and a corresponding withholding tax of RMB36,624,000 was recognised accordingly.

In 2025, management still anticipated to remit 50% of the annual profits of its PRC subsidiaries to Yadea HK for the year ended 31 December 2025. Accordingly, withholding tax of RMB77,641,000 (2024: RMB34,098,000) was recognised for 50% of the PRC subsidiaries' profits for the year ended 31 December 2025 to be distributed.

At the end of 31 December 2025, the aggregate amount of temporary differences associated with undistributed earnings of overseas subsidiaries for which deferred tax liabilities have not been recognised was RMB7,537,403,000 (2024: RMB5,902,609,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

13. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit of the Group attributable to the owners of the Company by the weighted average number of ordinary shares in issue during each period.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit attributable to owners of the Company (RMB'000)	2,911,585	1,272,374
Weighted average number of ordinary shares in issue (thousand shares)	3,038,679	3,017,794
Basic earnings per share (in RMB cents/share)	95.8	42.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the years ended 31 December 2025 and 2024, the Company has the dilutive potential ordinary shares of RSUs granted to employees. For the RSUs, the calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding RSUs. The RSUs are assumed to have been fully vested and released from restrictions with no impact on earnings.

The share options granted in January 2023 (Note 33(e)) are not included in the calculation of diluted earnings per share because they have no diluted impact for the years ended 31 December 2025 and 2024. These options could potentially dilute basic EPS in the future.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit attributable to owners of the Company arising from (RMB'000):	2,911,585	1,272,374
Weighted average number of ordinary shares in issue (thousand shares)	3,038,679	3,017,794
Adjustments for share based compensation — RSUs (thousand shares)	10,163	1,591
Weighted average number of ordinary shares for the calculation of diluted EPS (thousand shares)	3,048,842	3,019,385
Diluted earnings per share (in RMB cents/share)	95.5	42.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RMB'000	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Other equipment RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2025								
Cost	342,080	3,928,079	702,641	57,810	133,288	172,359	902,502	6,238,759
Accumulated depreciation	–	(902,965)	(223,554)	(33,775)	(89,750)	(84,198)	–	(1,334,242)
Net book amount	342,080	3,025,114	479,087	24,035	43,538	88,161	902,502	4,904,517
Year ended 31 December 2025								
Opening net book amount	342,080	3,025,114	479,087	24,035	43,538	88,161	902,502	4,904,517
Additions	259	1,347	79,534	6,337	7,364	2,670	721,709	819,220
Transfers	–	639,743	180,912	–	312	28,402	(852,456)	(3,087)
Depreciation charge (Note 8)	–	(208,188)	(94,954)	(7,111)	(18,669)	(28,197)	–	(357,119)
Disposal	–	(4,655)	(35,344)	(2,406)	(3,357)	(8,353)	(1,017)	(55,132)
Currency translation differences	(27,187)	(18)	(385)	63	(31)	(219)	–	(27,777)
Closing net book amount	315,152	3,453,343	608,850	20,918	29,157	82,464	770,738	5,280,622
At 31 December 2025								
Cost	315,152	4,563,830	881,818	57,794	128,589	181,735	770,738	6,899,656
Accumulated depreciation	–	(1,110,487)	(272,968)	(36,876)	(99,432)	(99,271)	–	(1,619,034)
Net book amount	315,152	3,453,343	608,850	20,918	29,157	82,464	770,738	5,280,622
At 1 January 2024								
Cost	–	3,348,102	690,605	52,373	116,354	156,530	645,084	5,009,048
Accumulated depreciation	–	(729,927)	(174,825)	(30,128)	(68,657)	(65,234)	–	(1,068,771)
Net book amount	–	2,618,175	515,780	22,245	47,697	91,296	645,084	3,940,277
Year ended 31 December 2024								
Opening net book amount	–	2,618,175	515,780	22,245	47,697	91,296	645,084	3,940,277
Acquisition	–	–	7,575	929	462	4	1,017	9,987
Additions	342,080	30,025	43,659	10,676	20,743	24,177	826,504	1,297,864
Transfers	–	554,412	4,054	–	2,282	9,355	(570,103)	–
Depreciation charge (Note 8)	–	(173,192)	(73,500)	(9,215)	(27,243)	(29,419)	–	(312,569)
Disposal	–	(4,306)	(18,481)	(600)	(403)	(7,252)	–	(31,042)
Closing net book amount	342,080	3,025,114	479,087	24,035	43,538	88,161	902,502	4,904,517
At 31 December 2024								
Cost	342,080	3,928,079	702,641	57,810	133,288	172,359	902,502	6,238,759
Accumulated depreciation	–	(902,965)	(223,554)	(33,775)	(89,750)	(84,198)	–	(1,334,242)
Net book amount	342,080	3,025,114	479,087	24,035	43,538	88,161	902,502	4,904,517

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2025, the application for the property ownership certificates for certain buildings with an aggregate net book value of approximately RMB582,147,000 (2024: RMB873,011,000) was still in process. In the opinion of the Directors, there is no legal barrier or otherwise for the Group to obtain the relevant title ownership certificates for these buildings from the relevant PRC authority.

As at 31 December 2025, certain of the Group's buildings and construction in progress with an aggregate net carrying amount of RMB730,095,000 (2024: RMB657,315,000) were pledged to secure the Group's government financing (Note 28) and no buildings and construction in progress were pledged to secure the Group's bills payable (2024: RMB72,822,000).

15. LEASE

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

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Right-of-use assets		
Land use rights	906,514	931,253
Leased properties	126,872	151,769
	1,033,386	1,083,022
Lease liabilities		
Current	34,102	62,092
Non-current	94,598	87,263
	128,700	149,355

Additions to the right-of-use assets during the year ended 31 December 2025 were RMB74,486,000 (2024: RMB156,323,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. LEASE (Continued)

(b) Amounts recognised in the consolidated statement of profit or loss

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation charge of right-of-use assets		
Land use rights	18,000	19,516
Leased properties	56,425	71,146
	74,425	90,662
Interest expense (included in finance costs) (Note 10)	6,831	7,172
Expense relating to short-term leases	12,165	10,145
Expense relating to leases of low-value assets that are not shown above as short-term leases	1,466	1,229

The total cash outflow for leases in 2025 was RMB75,480,000 (2024: RMB95,202,000).

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

The Group leases equipment, vehicles, office furniture, land and buildings. Rental contracts are typically made for fixed periods of 14 months to 10 years.

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

In addition, the Group owns several industrial buildings where its manufacturing facilities and office buildings are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands, each with a lease period of 50 years. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. INTANGIBLE ASSETS

	Software RMB'000	Patents RMB'000	Customer relationships RMB'000	Goodwill RMB'000	Total RMB'000
Year ended 31 December 2025					
Opening net book amount	15,120	231,506	86,707	706,685	1,040,018
Additions	1,250	933	–	–	2,183
Transfer	3,087	–	–	–	3,087
Amortisation charge (Note 8)	(9,672)	(33,156)	(9,290)	–	(52,118)
Disposal	(20)	–	–	–	(20)
Closing net book amount	9,765	199,283	77,417	706,685	993,150
At 31 December 2025					
Cost	119,792	368,667	92,900	706,685	1,288,044
Accumulated amortisation	(110,027)	(169,384)	(15,483)	–	(294,894)
Net book amount	9,765	199,283	77,417	706,685	993,150
Year ended 31 December 2024					
Opening net book amount	26,245	247,224	–	683,858	957,327
Acquisition (Note 38)	1,113	20,820	92,900	22,827	137,660
Additions	5,141	–	–	–	5,141
Amortisation charge (Note 8)	(17,377)	(33,538)	(6,193)	–	(57,108)
Disposal	(2)	(3,000)	–	–	(3,002)
Closing net book amount	15,120	231,506	86,707	706,685	1,040,018
At 31 December 2024					
Cost	115,511	367,734	92,900	706,685	1,282,830
Accumulated amortisation	(100,391)	(136,228)	(6,193)	–	(242,812)
Net book amount	15,120	231,506	86,707	706,685	1,040,018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. INTANGIBLE ASSETS (Continued)

(a) Impairment tests for goodwill

Goodwill is monitored by management at the CGU level. The goodwill of RMB683,858,000 represented the excess of total consideration over the fair value of identifiable net assets arisen from the acquisitions of Huayu New Energy Technology Co., Ltd. and Jieshou Huayu New Energy Sales Co., Ltd. (collectively, “**Huayu**”) in 2022. The goodwill is allocated to Huayu CGU. The goodwill of RMB22,827,000 represented the excess of total consideration over the fair value of identifiable net assets arisen from the acquisition of Wuxi Lingbo Electronic Technology Co., Ltd. (“**Lingbo**”) in 2024 disclosed in Note 38. The goodwill is allocated to Lingbo CGU. Both of them belong to batteries and electric drive segment.

Management conducted impairment review on the goodwill according to HKAS 36 “Impairment of assets” which requires the Company to allocate the goodwill to the cash-generating units and compare the unit’s carrying amount with its recoverable amount.

The recoverable amount of a CGU is determined based on value-in-use calculations. The calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the respective industry in which the CGU operates.

The key assumptions used for the value-in-use calculations for Huayu CGU during the years ended 31 December 2025 and 2024, and the recoverable amount as at 31 December 2025 and 2024 is disclosed as below:

	Year ended 31 December 2025	Year ended 31 December 2024
Sales growth rate	5%–10%	6%–25%
Gross profit margin	10.6–10.8%	16–18%
Terminal growth rate	1.2%	2.0%
Pre-tax discount rate	15.2%	14.3%
Recoverable amount of CGU (RMB’000)	2,233,977	2,448,726

The budgeted gross profit margins used in the goodwill impairment testing, were determined by management based on past performance and its expectation for market development. The expected sales growth rate and gross profit margins are following the business plan approved by the Group. Pre-tax discount rates reflect market assessments of the time value and the specific risks relating to the industry.

The recoverable amount of Huayu CGU is estimated to exceed the carrying amount of Huayu CGU at 31 December 2025 by RMB755,243,000 (2024: RMB970,503,000). Therefore, no impairment loss was recognised in 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. INTANGIBLE ASSETS (Continued)

(a) Impairment tests for goodwill (Continued)

The Company performs sensitivity analysis. Had the estimated key assumption during the forecast period been changed as below, the headroom would be decreased to as below:

If the sales growth rate used in the value-in-use calculation had been 2% lower than management's estimates at 31 December 2025, the recoverable amount of Huayu CGU would have been RMB162,410,000 (2024: RMB175,848,000) lower, and no impairment would have been recognised against the amount of goodwill.

If the gross profit margin used in the value-in-use calculation had been 0.5% lower than management's estimates at 31 December 2025, the recoverable amount of Huayu CGU would have been RMB351,699,000 (2024: RMB342,759,000) lower, but no impairment would have been recognised against the amount of goodwill.

If the post-tax discount rate applied to the cash flow projections had been 1% higher than management's estimates as at 31 December 2025, the recoverable amount of Huayu CGU would have been RMB245,887,000 (2024: RMB336,618,000) lower, but no impairment would have been recognised against the amount of goodwill.

The goodwill of Lingbo CGU is insignificant.

17. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Financial Assets at FVTPL	4,765,986	2,471,164
Financial assets at amortised cost	14,695,042	12,021,231
— Cash and cash equivalents	5,991,384	7,868,883
— Pledged bank deposits	4,359,805	3,476,071
— Term deposits	3,822,881	140,000
— Trade receivable	470,286	457,747
— Other receivables	50,686	78,530
Equity instruments at FVTOCI	352	360
Debt instruments at FVTOCI	15,091	3,974
	19,476,471	14,496,729
Financial liabilities		
At amortised cost:		
— Trade and bills payable	14,099,472	11,871,433
— Other payables, accruals and liabilities*	1,572,459	1,309,326
— Other non-current liabilities	361,104	541,271
— Borrowings	1,462,379	898,806
	17,495,414	14,620,836

* Excluding staff costs and welfare accruals, warranty, accruals and other taxes.

Fair value of the Group's and the Company's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Associates	484	25,389

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	25,389	71,333
Reduction of investment	(26,672)	–
Share of profit/(loss) of investments accounted for using the equity method	1,767	(45,944)
At the end of the year	484	25,389

The Company's investments in associates accounted for using equity method are not considered material individually or aggregately during the years ended 31 December 2025 and 2024.

19. TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	486,732	477,940
Less: allowance for credit losses	(16,446)	(20,193)
	470,286	457,747

The following is an ageing analysis of trade receivables net of allowance for credit losses, presented based on the invoice dates:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 6 months	425,164	424,029
Over 6 months	45,122	33,718
	470,286	457,747

Details of impairment assessment of trade receivables are set out in Note 4.1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. INVENTORIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Raw materials	537,379	474,012
Work in progress	279,010	292,842
Finished goods	610,167	512,531
	1,426,556	1,279,385

The inventory provisions as of 31 December 2025 and 2024 were insignificant.

21. FINANCIAL ASSETS AT FVTPL

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Wealth management products and structured deposits	4,600,791	2,299,890
Unlisted equity investment	83,724	82,248
Listed equity investment	74,722	67,478
Bond investment	6,749	6,279
Other financial assets	–	15,269
	4,765,986	2,471,164

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current assets		
Advance payments to customers (i)	761,458	1,004,188
Prepayment for acquisition of property, plant and equipment and land use rights	109,988	108,813
Others	15,994	12,404
	887,440	1,125,405
Current assets		
VAT recoverable	344,205	361,284
Prepayments to suppliers	217,557	15,149
Deposits	22,224	19,201
Receivables from reduction of investment accounted for using the equity method	10,672	–
Prepaid income tax	46,690	25,196
Others	89,089	118,268
	730,437	539,098
Provision for doubtful receivables	(102)	(3,451)
	730,335	535,647
	1,617,775	1,661,052

- (i) Advance payments to customers represent cash paid by the Group to the distributors directly or on behalf of the distributors. The payments are refundable if the distributors are not able to achieve the agreed revenue targets during the measurement periods. Advance payments to customers are amortised ratably as reduction of revenue over the measurement periods, usually three years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. DEFERRED INCOME TAX

(a) Deferred income tax assets

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
The balance comprises temporary differences attributable to:		
— Sales rebate	103,184	88,886
— Tax losses	91,365	127,344
— Lease liabilities	20,994	31,309
— Government grants	9,652	9,922
— Others	36,095	14,128
Total gross deferred tax assets	261,290	271,589
Set-off of deferred tax liabilities pursuant to set-off provisions	(42,341)	(64,278)
Net deferred tax assets	218,949	207,311

The followings are the major gross deferred income tax assets recognised and movements during the current and prior years:

	Sales rebate	Tax losses	Lease liabilities	Government grants	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023	36,098	188,553	30,707	9,500	12,997	277,855
Acquisition	36	—	1,128	32	3,907	5,103
Credit/(debit) to profit or loss (Note 12)	52,752	(61,209)	(526)	390	(2,776)	(11,369)
At 31 December 2024	88,886	127,344	31,309	9,922	14,128	271,589
Credit/(debit) to profit or loss (Note 12)	14,298	(35,979)	(10,315)	(270)	21,967	(10,299)
At 31 December 2025	103,184	91,365	20,994	9,652	36,095	261,290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. DEFERRED INCOME TAX (Continued)

(b) Deferred income tax liabilities

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
The balance comprises temporary differences attributable to:		
— Withholding tax of dividend	77,641	34,098
— Assets appreciation	47,998	55,580
— Right-of-use assets	20,861	31,875
— Others	33,192	35,248
Total gross deferred tax liabilities	179,692	156,801
Set-off of deferred tax liabilities pursuant to set-off provisions	(42,341)	(64,278)
Net deferred tax liabilities	137,351	92,523

The followings are the major gross deferred income tax liabilities recognised and movements during the current and prior years:

	Withholding tax of dividend	Assets appreciation	Right-of-use assets	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023	67,433	45,853	30,715	24,963	168,964
Acquisition	–	17,058	851	–	17,909
(Credit)/debit to profit or loss (Note 12)	(33,335)	(7,331)	309	10,285	(30,072)
At 31 December 2024	34,098	55,580	31,875	35,248	156,801
Debit/(credit) to profit or loss (Note 12)	43,543	(7,582)	(11,014)	(2,056)	22,891
At 31 December 2025	77,641	47,998	20,861	33,192	179,692

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. DEFERRED INCOME TAX (Continued)

(b) Deferred income tax liabilities (Continued)

At the end of the reporting period, the Group has unused tax losses of approximately RMB483,338,000 (2024: RMB527,425,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately RMB91,365,000 (2024: RMB127,344,000) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately RMB227,642,000 (2024: RMB87,502,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB183,204,000 (2024: RMB59,879,000) with various expiry dates up to and including 2035 (2024: 2029). Other losses may be carried forward indefinitely.

24. PLEDGED BANK DEPOSITS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current assets	1,456,041	500,000
Current assets	2,903,764	2,976,071
	4,359,805	3,476,071

Pledged bank deposits represent deposits pledged to banks as security for the Group's bills payable and bank loans (Note 32).

25. TERM DEPOSITS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current assets	3,131,441	60,000
Current assets	691,440	80,000
	3,822,881	140,000

The interest rates for the term deposits of the Group as at 31 December 2025 are 1.55% to 3.59% (2024: 1.70% to 3.10%) per annum. The maturity dates for the term deposits of the Group as at 31 December 2025 are from 9 February 2026 to 12 September 2028.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. CASH AND CASH EQUIVALENTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash and cash equivalents	5,991,384	7,868,883

Cash and cash equivalents carry interest at market rates of 0.00% to 3.66% (2024: 0.10% to 4.35%) per annum.

27. DEFERRED INCOME

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Government grants	64,342	66,145

Deferred income represents government grants relating to assets and is credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Amortisation of RMB6,543,000 (2024: RMB6,124,000) has been charged in other income and gains — net in Note 7.

28. OTHER NON-CURRENT LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Government financing	361,104	541,271

Other non-current liabilities represent interest-free loans from local government for the Group's construction of new production facilities. The loans of RMB112,231,000, RMB103,813,000 and RMB145,060,000 will be due in 2027, 2028 and 2029, respectively. The loans which will be due in 2026 was reclassified to other payables, accrual and liabilities (note 30). For the year ended 31 December 2025, the Group recognised a gain of RMB12,335,000 (2024: RMB17,472,000) for these interest-free loans in other income and the discounting impact of RMB12,335,000 (2024: RMB17,472,000) as finance cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. TRADE AND BILLS PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	4,246,981	3,630,925
Bills payable	9,852,491	8,240,508
	14,099,472	11,871,433

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 3 months	4,212,346	3,582,310
3 to 12 months	19,073	32,936
Over 12 months	15,562	15,679
	4,246,981	3,630,925

Trade payables are non-interest-bearing and generally have a credit term of 30 to 90 days.

To enable certain suppliers to receive cash earlier, in 2025, the Group has entered into arrangements with banks and certain suppliers, under which the Group bears the discount interest incurred when the suppliers discount bills issued by the Group. The Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements. During the year ended 31 December 2025, the total amount of bills discounted under this arrangement approximately RMB1,476,522,000 (2024: nil), of which the outstanding bills as of 31 December 2025 is RMB1,079,090,000 (31 December 2024: nil). The discount interest amounts to RMB5,560,000 (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. OTHER PAYABLES, ACCRUALS AND LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current liabilities		
Warranty	4,876	26,994
Current liabilities		
Deposits from suppliers and distributors	548,797	487,068
Staff payroll and welfare payables	541,410	286,712
Sales rebate (i)	529,000	352,390
Accrued expenses	335,772	210,082
Payables for purchase of property, plant and equipment	271,348	209,293
Government financing (note 28)	163,176	–
Warranty	68,509	88,515
Other tax payable	42,225	41,678
Tax element of contract liabilities	41,310	53,851
Others	60,137	50,493
	2,601,684	1,780,082
	2,606,560	1,807,076

(i) As at 1 January 2024, sales rebate amounted to RMB119,360,000.

Revenue recognised during each year with performance obligation satisfied includes the entire amount of sales rebate at the beginning of each year. All of the sales and services are for periods of one year or less and the Group does not have material unsatisfied contract.

31. CONTRACT LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Advance from distributors for sales of electric vehicles and others	317,773	414,235

As at 1 January 2024, contract liabilities amounted to RMB162,401,000.

(a) Revenue recognised in relation to contract liabilities

Revenue recognised during each year with performance obligation satisfied includes the entire amount of contract liability at the beginning of each year.

(b) Transaction price allocated to unsatisfied long-term contract

All of the sales and services are for periods of one year or less and the Group does not have material unsatisfied contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Bank loans	1,462,379	898,806

The bank loans are secured by the Group's pledged bills and are to be settled within one year.

The weighted average effective interest rates of the Group's bank loans as at 31 December 2025 is 0.94% (2024: 0.83%) per annum.

33. SHARE CAPITAL

(a) Share Capital

	Number of shares	Share capital USD'000
Authorised: 5,000,000,000 ordinary shares of USD0.00001 each	5,000,000,000	50
Issued and fully paid		
As at 31 December 2023	3,063,800,000	31
Scrip dividend in 2024(i)	48,847,294	–
As at 31 December 2024 and 2025	3,112,647,294	31
Equivalent to RMB'000		
As at 31 December 2024 and 2025		195

- (i) On 19 March 2024, the board of directors declared a final dividend of HKD48.0 cents per share for the year ended 31 December 2023. The shareholders were provided with an option to receive the final dividend in form of scrip dividend. On 19 August 2024, 48,847,294 shares were issued at an issue price of HKD10.19 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme. Accordingly, dividend payable of RMB456,540,000 were settled and the corresponding share capital of RMB3,000 and share premium of RMB456,537,000 were recognised. During the year ended 31 December 2025, the share premium of RMB456,537,000 was fully used when the board of directors declared a final dividend for the year ended 31 December 2024.

(b) Treasury shares

For the years ended 31 December 2025 and 2024:

	Number of shares		RMB'000	
	2025	2024	2025	2024
Treasury shares				
At beginning of year	72,154,339	70,678,139	300,661	210,749
Share repurchase for share award scheme	4,346,000	13,624,000	48,958	132,052
Vested and transferred to employees	–	(12,147,800)	–	(42,140)
At end of the year	76,500,339	72,154,339	349,619	300,661

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. SHARE CAPITAL (Continued)

(c) Share based payment

The Company historically adopted the share award schemes to recognise the contributions by certain participants and to give incentive to them in order to retain them for the continual operation and development of the Group, to attract suitable personnel for further development of the Group and to provide certain participants with a direct economic interest in attaining a long-term relationship between the Group and certain participants. A trust or equivalent entity (ie. limited partnership) was established under a trust deed/partnership agreement entered into by the Company to administer the schemes, and for the purchase or subscription of the shares of the Company, based on financial support given by the Group. Any shares subsequently awarded by the Company to the qualifying employees will be settled with the shares held by these entities on behalf of the Company. The Directors have determined that the Company controls the trust or equivalent entity through the trust deed/partnership agreement and therefore consolidates these entities.

(d) Restricted Share Units (“RSUs”)

The following table summarises certain information in respect of RSUs activity as of 31 December 2025 and 2024:

	Number of Awards		Weighted Average Grant Date Fair Value Per RSU	
	2025	2024	2025	2024
RSUs outstanding, beginning of the year	16,394,000	30,274,000	5.67	5.67
Granted	75,015,000	–	5.40	–
Vested	–	(12,147,800)	–	5.67
Forfeited	(17,374,000)	(1,732,200)	5.40	5.67
RSUs outstanding, end of the year	74,035,000	16,394,000	5.47	5.67

In 2022 and 2025, the Group has granted RSUs to certain employees under the share award schemes. The RSUs granted would vest in different schedules from the grant date. The fair value of RSUs granted was determined by reference to the market price and exercise price of the ordinary share of the Company. Vesting of the RSUs is subject to certain performance measures and continued employment with the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. SHARE CAPITAL (Continued)

(e) Share options

The following table summarises certain information in respect of share options activity as of 31 December 2025 and 2024:

	Number of share options		Weighted Average exercise price per share option	
	2025	2024	2025	2024
Share options outstanding, beginning of period	25,174,500	31,740,000	13.89	13.89
Forfeited	(9,397,000)	(6,565,500)	13.89	13.89
Share options outstanding, end of the year	15,777,500	25,174,500	13.89	13.89
Exercisable at the end of the period	4,489,500	4,495,500	13.89	13.89

(i) Fair value of options granted

The fair value of the share options granted was determined using Binomial Model. The exercise of the share options is subject to certain performance measures and continued employment with the Group. Key assumptions are set as below:

	Year ended 31 December 2023
Grant date	17 January 2023
Expiry date	16 January 2028
Exercise price	HK\$16.14
Share price at grant date	HK\$16.14
Expected price volatility	53%
Expected dividend yield	2%
Risk-free interest rate	3%
Contractual term	5 years

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33. SHARE CAPITAL (Continued)

(f) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefits expense were as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Share options (i)	–	(9,806)
RSUs (i)	179,028	(37,041)
	179,028	(46,847)

- (i) The Company reversed share-based compensation expenses of RMB62,638,000 recognised in prior periods during the year ended 31 December 2024 because the related performance conditions of the awards granted were not expected to be met.

34. DIVIDENDS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
A final dividend of 22.0 HK cents and a special dividend of 23.0 HK cents for the year ended 31 December 2024 (2023— final dividend 48.0 HK cents) per fully paid share	1,250,582	1,316,081

Subsequent to the end of the reporting period, a final dividend to external shareholders in respect of the year ended 31 December 2025 of 53.0 HK cents (2024: a final dividend of 22.0 HK cents and a special dividend of 23.0 HK cents) per ordinary share respectively, equivalent to RMB1,453,424,000 (2024: HKD1,368,222,000 equivalent to RMB1,250,582,000), has been proposed by the Directors and are subject to approval by the shareholders in the forthcoming annual general meeting of the Company (the "AGM").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. CASH FLOW INFORMATION

(a) Cash generated from operations

	Notes	Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
Profit before tax		3,594,361	1,583,395
Adjustments for:			
Bank interest income	7	(180,732)	(248,654)
Loss on disposal of property, plant and equipment and intangible assets, net	7	16,165	13,039
Depreciation of property, plant and equipment	8	357,119	312,569
Depreciation of right-of-use assets	8	74,425	90,662
Amortisation of intangible assets	8	52,118	57,108
Share results of associates	18	(1,767)	45,944
Share based compensation	9	179,028	(46,847)
Interest expense	10	40,599	35,957
Net provision for impairment losses on financial assets		(5,907)	10,450
Other income and gains		1,826	15,557
Net fair value gains on financial assets at FVTPL	7	(179,527)	(91,112)
Operating cash flows before movement in working capital		3,947,708	1,778,068
Increase in inventories		(147,171)	(293,583)
(Increase)/decrease in trade receivables		(8,792)	116,444
(Increase)/decrease in prepayments, deposits and other receivables		(61,032)	243,214
(Increase)/decrease in debt instruments at FVTOCI		(11,117)	1,373
(Increase)/decrease in pledged bank deposits		(178,368)	576,869
Increase/(decrease) in trade and bills payables		2,298,275	(1,761,402)
Increase/(decrease) in other payables, accruals and liabilities		579,897	(184,436)
(Decrease)/increase in contract liabilities		(96,462)	246,507
Cash generated from operations		6,322,938	723,054

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. CASH FLOW INFORMATION (Continued)

(b) Reconciliation of liabilities generated from financing activities

	Borrowings	Lease liabilities	Other non-current liabilities	Other payables, accruals and liabilities	Total
Net debt as at 31 December 2023	(267,257)	(153,444)	(565,226)	–	(985,927)
Cash flows	(620,236)	81,559	15,229	–	(523,448)
Foreign exchange adjustments	–	130	–	–	130
Acquisition-lease	–	(70,428)	–	–	(70,428)
Interest expenses	(11,313)	(7,172)	–	–	(18,485)
Non-cash financing activities (i)	–	–	8,726	–	8,726
Net debt as at 31 December 2024	(898,806)	(149,355)	(541,271)	–	(1,589,432)
Cash flows	(542,140)	59,359	16,991	–	(465,790)
Foreign exchange adjustments	–	3,339	–	–	3,339
Termination-lease	–	12,476	–	–	12,476
Acquisition-lease	–	(47,688)	–	–	(47,688)
Interest expenses	(21,433)	(6,831)	–	–	(28,264)
Reclass to other payables, accruals and liabilities (ii) (note 30)	–	–	163,176	(163,176)	–
Net debt as at 31 December 2025	(1,462,379)	(128,700)	(361,104)	(163,176)	(2,115,359)

(i) Non-cash financing activities

In 2024, the local government who provided interest-free loans (Note 28) to the Group entered into an agreement with the Group to redesignate a portion of interest-free loans of RMB8,726,000 from loan to government grant to compensate the Group's purchase of its equipment. Therefore, the Group derecognised the loan from non-current liabilities by RMB8,726,000 and recognised the corresponding amount as an addition in deferred income (Note 27).

(ii) The interest-free loans from local government which be due in 2026 were reclassified from other non-current liabilities to Other payables, accruals and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36. CONTINGENT LIABILITIES

As at 31 December 2025 and 2024, the Group had no significant contingent liabilities.

37. COMMITMENTS

(a) Capital Commitments

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated statement of financial positions	443,876	581,184

(b) Non-cancellable operating lease

At the balance sheet dates, lease commitments for the Group for leases not yet commenced or short-term leases and low value leases are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	3,123	1,849
Later than 1 year and no later than 5 years	991	667
	4,114	2,516

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. BUSINESS COMBINATION

(a) Summary of acquisition

On 17 April 2024, Zhejiang Huayu Sodium Electric New Energy Technology Co., Ltd., a subsidiary of the Company, acquired 100% of the equity interests in Lingbo at a total cash consideration of RMB351,500,000. Lingbo is principally engaged in (i) the research, development, production and sales of intelligent control system solutions and products, and (ii) the provision of customised technical solutions for two-wheeled electric vehicles, garden tools, industrial robots, electric boats and other industries.

Out of the total consideration of RMB351,500,000, RMB24,279,000 is a contingent payment. A contingent payment arrangement in which the payments are automatically forfeited if employment terminates is remuneration for post-combination services. Since the share purchase agreements specifically sets out that if certain selling shareholders (as defined in the share purchase agreements) cease their employment relationships with the Group in 3 years or 5 years or fail to meet certain performance conditions, they will give up their respective amount of the total contingent payment of RMB24,279,000. As such, RMB24,279,000 will not be included as the consideration for the acquisition, but a transaction that remunerates employees or former owners of the acquiree for future services, and it will be considered as remuneration for post-combination services. For the year ended 31 December 2025, the post-combination service expense amounting to approximately RMB4,152,000 (for the period from 17 April 2024 to 31 December 2024: RMB5,020,000) was charged to “general and administrative expenses” in the consolidated statement of profit or loss.

The assets and liabilities of Lingbo are recognised as a result of the acquisition are as follows:

	Fair Value RMB'000
Property, plant and equipment	9,987
Intangible assets (i)	114,833
Other non-current assets	19,434
Cash and cash equivalents	141,974
Trade receivables	38,700
Inventories	31,650
Other current assets	14,873
Trade and bills payables	(35,006)
Other payables, accruals and liabilities	(4,920)
Other current liabilities	(8,129)
Non-current liabilities	(19,002)
Net identifiable assets acquired	304,394
Add: goodwill (ii)	22,827
	327,221

(i) The intangible assets mainly include acquired customer relationships of RMB92,900,000 and patents of RMB20,820,000 as a result of this business combination (Note 16).

(ii) The goodwill is attributable to synergies expected to arise after the acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. BUSINESS COMBINATION (Continued)

(b) Purchase consideration — cash outflow

	Year ended 31 December 2024 RMB'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	327,221
Less: Balances acquired Cash	(141,974)
Net outflow of cash — investing activities	185,247

39. RELATED PARTY TRANSACTIONS

(a) Compensation of Key Management Personnel of the Group

	2025 RMB'000	2024 RMB'000
Salaries	43,141	11,165
Share-based compensation expenses	19,341	1,324
Pension scheme contributions and social welfare	823	884
Total	63,305	13,373

Other than the compensations paid or payable to key management personnel for employee services disclosed above, there were no significant related party transactions and balances for the years ended 31 December 2025 and 2024 and as at 31 December 2025 and 2024.

40. EVENTS AFTER THE REPORTING PERIOD

There were no material subsequent events during the period from 31 December 2025 to the approval date of these consolidated financial statements by the Board of Directors on 30 March 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current Assets		
Property, plant and equipment	443	786
Right-of-use assets	3,772	1,220
Investments in subsidiaries	416,918	426,682
Equity instrument at FVTOCI	347	343
	421,480	429,031
Current Assets		
Amount due from subsidiaries	19,539	378,369
Prepayments, deposits and other receivables	8,265	14,848
Financial assets at FVTPL	80,276	71,788
Cash and cash equivalents	375,425	716,723
	483,505	1,181,728
Total Assets	904,985	1,610,759
Non-current Liabilities		
Lease liabilities	2,510	7
	2,510	7
Current Liabilities		
Lease liabilities	1,277	1,216
Other payables, accruals and liabilities	14,565	3,310
	15,842	4,526
Total Liabilities	18,352	4,533
Net Assets	886,633	1,606,226
Equity		
Share capital	195	195
Share premium and reserves	886,438	1,606,031
Total Equity	886,633	1,606,226

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note: Movements in the Company's share premium and reserves:

	Share premium RMB'000	Share award reserve RMB'000	FVTOCI reserve RMB'000	Translation reserve RMB'000	Accumulated retained earnings RMB'000	Total RMB'000
At 1 January 2024	–	176,509	(14,569)	75,395	1,388,274	1,625,609
Total comprehensive income for the year, net of income tax	–	–	–	39,105	889,396	928,501
Dividends provided for or paid	(48,866)	–	–	–	(1,291,760)	(1,340,626)
Issuance of shares in respect of scrip dividend of 2023 final dividend (Note 33(a))	456,537	–	–	–	–	456,537
Employee share schemes — value of employee services (Note 33(f))	–	(46,847)	–	–	–	(46,847)
RSU vested	48,866	(66,009)	–	–	–	(17,143)
At 31 December 2024	456,537	63,653	(14,569)	114,500	985,910	1,606,031
Total comprehensive (loss)/income for the year, net of income tax	–	–	–	(23,618)	584,285	560,667
Dividends provided for or paid	(456,537)	–	–	–	(823,723)	(1,280,260)
At 31 December 2025	–	63,653	(14,569)	90,882	746,472	886,438