



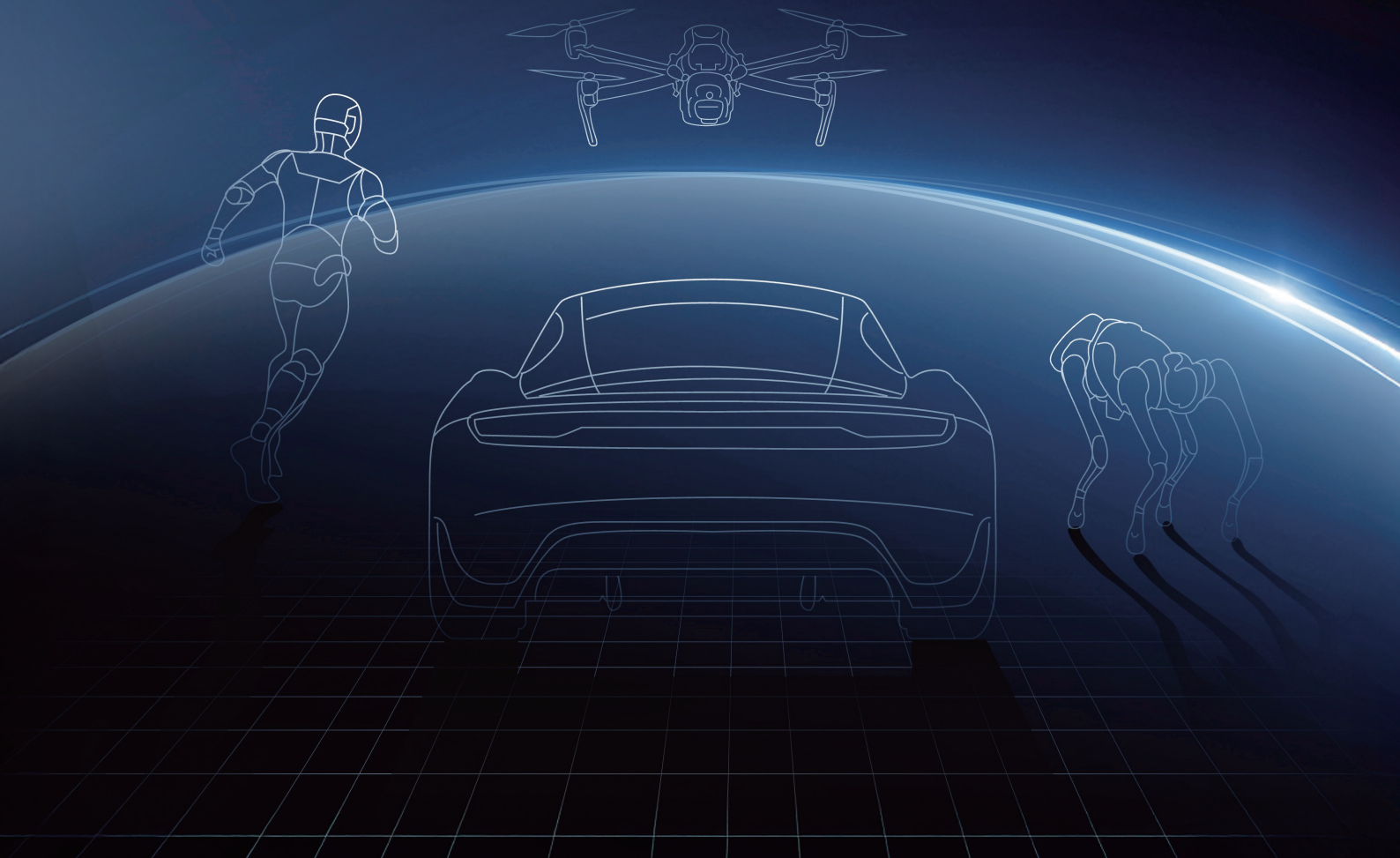
**北京五一视界数字孪生科技股份有限公司**

**Beijing 51WORLD Digital Twin Technology Co., Ltd.**

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

**Stock Code : 6651**

# Annual Report 2025



# CONTENTS

<b>2</b>	Corporate Information
<b>4</b>	Financial Highlights
<b>5</b>	Management Discussion and Analysis
<b>18</b>	Biographies of Directors and Senior Management
<b>24</b>	Directors' Report
<b>46</b>	Corporate Governance Report
<b>62</b>	Environmental, Social and Governance Report
<b>125</b>	Independent Auditor's Report
<b>130</b>	Consolidated Statement of Comprehensive Income
<b>131</b>	Consolidated Statement of Financial Position
<b>133</b>	Consolidated Statement of Changes in Equity
<b>134</b>	Consolidated Cash Flow Statement
<b>135</b>	Notes to the Financial Statements
<b>190</b>	Definitions and Glossary of Technical Terms

## CORPORATE INFORMATION

### DIRECTORS

#### EXECUTIVE DIRECTORS

Mr. Li Yi (*Chairman of the Board and chief executive officer*)

Mr. Wang Chenkang

Ms. Du Jinyan

Ms. Tong Shan

Ms. Pu Ge

#### NON-EXECUTIVE DIRECTOR

Mr. Yang Gu

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Pan

Mr. Lin Chen

Mr. Zhang Lening

#### JOINT COMPANY SECRETARIES

Ms. Du Jinyan

Ms. Chu Cheuk Ting

#### AUTHORISED REPRESENTATIVES

Mr. Li Yi

Ms. Chu Cheuk Ting

#### AUDIT COMMITTEE

Mr. Zhang Lening (*Chairman*)

Mr. Yang Gu

Mr. Li Pan

#### REMUNERATION AND APPRAISAL COMMITTEE

Mr. Zhang Lening (*Chairman*)

Ms. Du Jinyan

Mr. Lin Chen

#### NOMINATION COMMITTEE

Mr. Lin Chen (*Chairman*)

Ms. Du Jinyan

Mr. Li Pan

#### STRATEGY COMMITTEE

Mr. Li Yi (*Chairman*)

Mr. Wang Chenkang

Mr. Lin Chen

#### SUPERVISORY COMMITTEE

*(Abolished on 13 February 2026)*

Mr. Kuang Peng (*Chairman*)

Mr. Hou Tao

Ms. Hou Jingjing

#### H SHARE REGISTRAR

Tricor Investor Services Limited

17/F Far East Finance Centre

16 Harcourt Road

Hong Kong

#### REGISTERED OFFICE IN CHINA

Room 301, 3/F, Building No.1

19, Shangdi Xinxu Road

Haidian District

Beijing

China

## CORPORATE INFORMATION

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

No.1 Xiangheyuan Road  
Dongcheng District  
Beijing  
China

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### PRINCIPAL BANKS

China Merchants Bank  
Beijing Branch  
International Financial Centre A  
156 Fuxingmen Nei Street  
Xicheng District  
Beijing  
China

Shanghai Pudong Development Bank  
Beijing Branch  
1/F, Fortune Resource International Center  
No. 18, Taipingqiao Avenue  
Xicheng District  
Beijing  
China

### HONG KONG LEGAL ADVISOR

Zhong Lun Law Firm  
4/F  
Jardine House  
1 Connaught Place Central  
Hong Kong

### PRC LEGAL ADVISOR

Zhong Lun Law Firm  
22-24/F & 27-31/F, South Tower of CP Center  
20 Jin He East Avenue  
Chaoyang District  
Beijing 10020  
China

### COMPLIANCE ADVISER

Somerley Capital Limited  
20th Floor  
China Building  
29 Queen's Road Central  
Hong Kong

### AUDITOR

KPMG  
Certified Public Accountants  
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance  
8<sup>th</sup> Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

### COMPANY WEBSITE

<https://www.51world.com.cn>

### STOCK CODE

06651

## FINANCIAL HIGHLIGHTS

A summary of the results and assets and liabilities of the Group for the last four financial years, as extracted from the audited consolidated financial statements and the Prospectus, is set out below.

	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	169,977	256,302	287,362	<b>347,761</b>
Cost of sales	(59,571)	(117,280)	(140,478)	<b>(243,591)</b>
Gross profit	110,406	139,022	146,884	<b>104,170</b>
Loss before tax	(189,785)	(87,027)	(77,500)	<b>(185,954)</b>
Income tax	–	(50)	(1,472)	<b>(61)</b>
Loss for the year	(189,785)	(87,077)	(78,972)	<b>(186,015)</b>
Total assets	504,342	374,688	634,217	<b>1,321,714</b>
Total liabilities	1,439,968	271,609	379,309	<b>590,198</b>
Total (equity deficit)/equity	(935,626)	103,079	254,908	<b>731,516</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the Year ended 31 December 2025 compared to the Year ended 31 December 2024

The following table presents figures for the years ended 31 December 2025 and 2024:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	<b>347,761</b>	287,362
Cost of sales	(243,591)	(140,478)
<b>Gross profit</b>	<b>104,170</b>	146,884
Other net income	10,201	10,353
Selling expenses	(64,452)	(58,195)
General and administrative expenses	(105,547)	(89,597)
Research and development expenses	(82,304)	(58,312)
Impairment losses on trade and other receivables and contract assets	(41,317)	(22,155)
<b>Loss from operations</b>	<b>(179,249)</b>	(71,022)
Finance costs	(6,307)	(5,603)
Share of results of associates	(398)	(875)
<b>Loss before tax</b>	<b>(185,954)</b>	(77,500)
Income tax	(61)	(1,472)
<b>Loss for the year</b>	<b>(186,015)</b>	(78,972)

## BUSINESS REVIEW

### OVERALL PERFORMANCE

In 2025, against the backdrop of global macroeconomic complexity and a generational revolution in AI technologies, 51WORLD upheld its commitment to innovation, achieving historic breakthroughs in both core technologies and business growth.

#### Highlight I: Entering the Capital Market and Establishing Core Competitiveness in Physical AI

In December 2025, the Company was listed on the Main Board of the Stock Exchange (stock code: 06651.HK), marking its position as the first core infrastructure enterprise in “Physical AI” to enter capital market in China. The funds raised from the Listing further solidified the Company’s foundation in fundamental research and international development.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Company focused on the intersection of 3D graphics, simulation and Artificial Intelligence, establishing three core technological elements for the development of Physical AI:

- **World Spatial Model:** Leveraging 3D Gaussian Splatting (3DGS) and AIGC technology, we have built a model base that covers both macro and micro scene elements. By binding digital assets with real-world physical properties, such as gravity, collision, and friction boundaries, the AI system gains the ability to perceive and compute within a true three-dimensional physical environment.
- **Simulation Training Platform:** To mitigate the high costs and safety risks of real-world testing, the Company has developed a high-concurrency virtual testing platform that integrates multiple rigid-body dynamics engines and multi-source sensors (radar, cameras, etc.) simulation. This platform enables intelligent systems to perform high-frequency obstacle avoidance and simulations in a controlled environment at low cost, accelerating safe validation from simulation to reality (Sim-to-Real).
- **Synthetic Data Fuel:** In response to the urgent need for the data of Long-tail Problem and Corner Cases in end-to-end (E2E) large models and the challenges of collecting real-world data, the Company employs dynamic scene reconstruction technology to generate multimodal synthesized data on a large scale with precise physical Ground Truth. This approach provides stable and cost-effective data support for the continuous training of Physical AI models.

### Highlight II: 51Aes' "Steady Progress" and 51Sim's "Rapid Growth"

During the Reporting Period, all business segments of the Company maintained healthy development.

- **51Sim (a synthetic data and simulation platform):** With the implementation of high-level intelligent driving technologies, 51Sim's business has grown rapidly. According to a Frost & Sullivan report, 51Sim's business ranked first in China's end-to-end high-level intelligent driving simulation and data platform market in 2025 with a market share of 53.5%. As of the end of the Reporting Period, 51Sim established partnerships with 55% of the world's top 20 passenger vehicle OEMs and 60% of China's top 20. The Company also achieved 100% cooperation coverage with the top six national authoritative testing and evaluation institutions in China, establishing its position in data infrastructure for validating and evaluating in autonomous driving.
- **51Aes (Digital Twin Platform):** As the core business foundation, 51Aes maintained steady growth, consistently delivering benchmark projects in smart cities, water conservancy, high-end manufacturing and other fields. It also launched the 51GIM (GeoEnergy Information Model) to expand into the underground engineering safety monitoring market. During the Reporting Period, 51Aes integrated with the Clonova (a Spatial Intelligence Platform) and scaled the adoption of AI+PCG generation tools across its delivery process, significantly reducing reliance on manual modeling and effectively enhancing delivery efficiency.
- **51Earth (Digital Earth Platform):** As the Company's long-term vision carrier, 51Earth has introduced two major AI platforms: the Clonova and the Aperdata (an Embodied AI Data Platform). Clonova has been integrated with 51Aes, providing spatial management applications powered by natural language interaction. Aperdata supports 51Sim with specialized training environments and data resources, enabling embodied intelligent robots to operate in real-world scenarios.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Highlight III: Driving comprehensive enterprise AI transformation to significantly enhance organizational operational efficiency

During the Reporting Period, to boost operational effectiveness and adapt to industry development needs, the Company has identified the “Establishment of an AI-native Corporate Culture” as one of the core strategies, systematically advancing AI transformation across the organization.

- **Empowering the Entire Workforce with AI:** A continuous learning system was established, spanning both cognitive and practical dimensions, with more than 50 AI training programs delivered throughout the year. Spearheaded by the CEO, the Company equipped all employees with advanced tools such as Claude Code and Visual Language Modeling (VLM), achieving an 86% deep participation rate and fostering collaboration between generative AI and staff.
- **Pushing the Boundaries of Professional Efficiency:** AI applications have delivered measurable results across real-world business processes. During producing GIS building data in digital twin scenarios, the adoption of VLM led to a tenfold increase in data processing efficiency by shifting from “pixel-based statistics” to “semantic understanding”. In text-based processes such as pre-sales and policy requirements analysis, large model tools shortened the solution generation cycle from an average of 3 days to half a day, driving efficiency improvements of more than 80% per task.
- **Optimizing Human Resource Structure:** Driven by the scenarios, human resources has been rapidly shifting from routine tasks to high value-added design processes. With a stringent target of limiting annual human cost growth to no more than 10%, the Company leveraged AI to expand operational capabilities substantially, resulting in a dual improvement in internal operations and customer value delivery.

### Performance of Each Business Segments

#### 51Aes

#### 51Aes Digital Twin Platform: Industry-Grade Standard Leadership in Verification and a Firmly Stable Core Position

As our core business foundation, 51Aes maintained steady growth during the Reporting Period. We continued delivering benchmark projects in smart cities, water conservancy, advanced manufacturing and other fields, while also launching 51GIM (GeoEnergy Information Model) to expand into the underground engineering safety monitoring market.

#### 51CIM (City Information Modeling): Vertical Development and Horizontal Expansion

On the vertical, we accelerated penetration into grassroots levels such as districts, counties, townships, and digital villages, successfully empowering benchmark projects including the Jinan Start-up Area (濟南起步區), and digital village projects in Shiquan of Shanxi and Changping of Beijing, thereby bridging the “last mile” of urban-rural digital integration. On the horizontal, we proactively crossed the traditional boundaries of “planning, construction, and management (規建管)” by leveraging cutting-edge technologies such as digital twins and LLMs to empower large venues, smart hospitals, and smart campuses. During the Reporting Period, comprehensive solutions covering core scenarios such as security coordination, smart logistics, and energy consumption management were implemented in major projects including Phase II of the China National Convention Center, Xuanwu Hospital in Xiong’an (雄安宣武醫院), The First People’s Hospital of Changzhou (常州市第一人民醫院), and Fudan University, driving refined governance of urban public spaces across all elements to new heights.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **51WIM (Water Information Modeling): Benchmark Deployment and Overseas Expansion**

Closely aligned with the national digital twin water conservancy system strategy of China, this business strongly supports the requirements for construction “Four Pre’s” capabilities (prediction, pre-warning, pre-simulation, and pre-planning). During the year, the Company successfully delivered high-quality digital twin solutions for a certain reservoir and several domestic benchmark projects of water affairs and water conservancy, thereby significantly improving refined management standards in flood and disaster prevention, water resource allocation, and engineering safety. In addition, partnering with Huawei, we implemented key benchmark water affairs projects in Saudi Arabia, marking 51WIM’s first breakthrough in the high-end Middle East market. These domestic and international benchmark projects jointly validated the practicality, reliability, and global capabilities of the platform, supporting steady progress in the domestic market while laying a solid foundation for global expansion.

### **51GIM (GeoEnergy Information Model): Commercialization Achieved**

Targeting complex underground scenarios, our forward-looking 51GIM (GeoEnergy Information Model) achieved a major commercial closed-loop breakthrough in 2025. In collaboration with a national key laboratory, the Company released a geological energy information model and built a technical system covering resource assessment, extraction optimization, and safety early warning, while also achieved commercial implementation. The Company successfully delivered intelligent mining platform products to a mine operated by China Pingmei and another mine in Inner Mongolia under China Energy, advancing in step with the national strategy for smart mine development.

### **51Sim**

#### **Continued Growth in Intelligent Driving Market Share, with Further Deepening of Partnerships with Leading Automakers**

In 2025, as the penetration of advanced intelligent driving continued to rise, the strategic value of simulation and synthetic data, as core infrastructure for intelligent driving R&D and mass production validation, has become increasingly evident. As a leading domestic platform for intelligent driving simulation and synthetic data, the Group’s 51Sim further increased its market share and continued to strengthen its industry position.

During the Reporting Period, 51Sim further deepened its cooperation with leading domestic and international automakers. On the international level, customers such as Mercedes-Benz and Hyundai Motor Company continued to renew purchases and expand the scope of application. In the domestic market, 51Sim further strengthened cooperation with leading automakers, including Great Wall Motor, JAC Motors, BAIC Group, and Geely Auto in areas such as end-to-end algorithm validation, closed-loop testing, and large-scale mass-production support.

As advanced intelligent driving moves from the functional validation stage into large-scale mass production, customers’ demand for high-confidence, large-scale, and automated simulation validation capabilities has increased significantly. 51Sim has become a key partner in the Data-Driven Closed-Loop systems of multiple leading automakers.

#### **Continued Breakthroughs in Core Technologies, with Cutting-Edge Research Recognized by a Top International Conference**

During the Reporting Period, 51Sim made important progress in 3D high-fidelity reconstruction and dynamic scene generation. Related technologies in 3DGS and 4DGS achieved engineering breakthroughs, significantly improving the realism and generalizability of complex traffic scenarios.

## MANAGEMENT DISCUSSION AND ANALYSIS

Recently, a research achievement led by 51Sim, titled “A LiDAR-Constrained Single-Step Diffusion Novel View Synthesis Model (基於激光雷達(LiDAR)約束的單步擴散新視角合成模型)”, was accepted by AAAI (Association for the Advancement of Artificial Intelligence). The AAAI is one of the longest-established and most influential academic conferences in the world in the field of AI. The 2026 conference received 23,000 submissions, with an acceptance rate of only 17.6%, reflecting intense competition.

This achievement marked the Company’s advancement to an internationally leading level in key areas such as multimodal fusion modeling, single-step diffusion generation, and physically consistent realism constraints, and provided solid technical support for intelligent driving simulation and embodied intelligence scenario generation.

### **Advancing from a Data-Driven Closed-Loop to a Training Closed Loop, Continuously Enabling the Mass Production of Advanced Intelligent Driving**

As intelligent driving functions at L3 and above gradually enter a phase of stringent regulation and large-scale mass production, the industry has imposed higher requirements on the efficiency of the closed-loop process spanning simulation validation, data feedback, model training, and re-validation.

During the Reporting Period, building on its existing data-driven closed-loop capabilities, 51Sim continued to upgrade toward a “training closed-loop” system, enabling full-chain integration from scenario construction and synthetic data generation to accelerated model training. Through its high-fidelity scenario generation and automated data construction capabilities, 51Sim improved the efficiency and generalisation performance of customers’ end-to-end foundation model training, shortened algorithm iteration cycles, and enhanced the certainty of mass-production delivery.

This closed-loop system has already been implemented and validated in multiple mass-production projects, serving as a critical infrastructure for customers to enhance the efficiency of large-scale deployment of advanced intelligent driving technologies.

### **Steady Progress in Internationalization Strategy and Phased Achievements in Overseas Market Exploration**

In 2025, 51Sim debuted in Stuttgart and Munich, Germany, two core automotive industry hubs in Europe, where it carried out technical exchanges and business development activities while actively engaged with local OEMs and industry chain partners.

Through participation in European technology forums, industry matchmaking events, and customer technical evaluations, the Company further validated the adaptability and competitiveness of its products in international markets, laying a solid foundation for its subsequent global expansion.

### **51Earth**

As the Company’s core strategic carrier for advancing its “Earth Clone Project”, 51Earth achieved a landmark upgrade in its product architecture in 2025, formally establishing a dual-foundation platform matrix centred on Clonova (Spatial Intelligence Platform) and Aperdata (Embodied AI Data Platform). This pioneering strategic layout has successfully enabled the Company to open up a two-way channel connecting digital space and physical reality.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Clonova (Spatial Intelligence Platform) — “Enabling humans to engage with the digital world in a smarter, more immersive way!”**

In 2025, Clonova remained focused on the direction of Spatial Intelligence, continuing to strengthen its technology foundation and validate commercial applications. By integrating the capabilities of LLM AI and spatial computing AI, it built a new-generation “spatial operating system” that enabled the structured representation, semantic understanding, and intelligent interaction in the real world. During the Reporting Period, Clonova explored multiple vertical markets, including urban transportation, industrial parks, and cultural tourism venues, and developed preliminary replicable solutions for scenarios such as traffic governance, park management, and spatial operations. Meanwhile, the Company engaged in joint R&D collaborations with leading AI enterprises to explore the integration of large models and spatial computing, further enhancing system-level capabilities and ecosystem synergies.

### **Aperdata (Embodied AI Data Platform)— “Accelerating Safe and Efficient Entry of Embodied AI into the Real World!”**

On the eve of a boom in embodied AI (e.g., humanoid robots), “data” became a key bottleneck constraining real-world implementation. During the Reporting Period, leveraging the Company’s years of accumulated high-precision digital assets of the physical world, the Aperdata platform provided massive volumes of high-fidelity synthetic training data with strong physical-property characteristics for the pre-training and compliance testing of underlying large models for robotics.

Aperdata effectively addresses the pain point of the difficulty of obtaining real-world long-tail data and the high cost of verifying it. It served as a crucial cornerstone in assisting embodied AI in bridging the “Sim-to-Real” gap, facilitating the transition from virtual simulation to practical operation in the real world.

## STRATEGIC OUTLOOK

2026 is a crucial year for the development of the Physical AI industry. As an infrastructure service related provider, 51WORLD will leverage the capital market platform to accelerate its technology research and development and business expansion.

### **Highlight I: Physical AI is emerging as the next global wave of AI, and the Company is well-positioned to benefit from its leadership role and market-entry advantage**

Latest research and development initiatives by relevant technology companies and institutions, such as NVIDIA, indicate that the focus of the AI industry is gradually shifting from text and image generation toward “Physical AI”, which understands and adapts to the laws of the three-dimensional real world. The Company’s business strategy is aligned with this industry trend. At present, both high-level intelligent driving systems and embodied intelligent robots approaching mass production face the challenges of acquiring real-world physical data – the Long-tail Problem and Corner Cases are difficult to fully meet training requirements through actual data collection. Against this backdrop, Physical AI simulation platforms and synthetic data are gradually becoming key infrastructure in the AI industry chain.

In 2026, the Company will leverage its years of technological accumulation across the three key elements of Physical AI, namely World Spatial Model, Simulation Training Platform, and Synthetic Data Fuel, to further strengthen its market position in the Physical AI sector. We are committed to providing the industry with high-quality virtual training platforms and synthetic data solutions, and to capturing the growth opportunities arising from the intelligent upgrading of industries.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Highlight II: Leveraging its market leadership and the essential access requirement for L3, 51Sim is poised for explosive revenue growth and a paradigm shift**

In 2026, as commercialization of high-level intelligent driving progresses and market access policies come into force, 51Sim will capitalize on its existing market share and compliance verification capabilities to achieve dual upgrades in business scale and commercial models. To meet high-level intelligent driving training and access requirements, 51Sim will join hands with industry partners to launch the “Physical AI Factory” model. Unlike traditional software licensing for testing, this model integrates computing power, software, and data, enabling customers to pay based on actual usage of computing resources and data. This approach not only reduces customers’ costs of building their own test centers but also generates stable recurring service revenue for the Company.

Meanwhile, the application scenarios of 51Sim are gradually expanding from autonomous driving to broader Physical AI sectors such as embodied AI (e.g. general-purpose humanoid robots) and low-altitude economy aircraft, further broadening the Company’s target market and business scale.

### **Highlight III: Through full-stack domestic production and spatial intelligence upgrades, the core business of 51Aes will maintain steady growth**

Addressing industry-wide demands for spatial computing, 51Aes will advance three core business upgrades in 2026 based on its existing foundation:

- **Advancing Full-Stack Domestic Solutions.** In response to the stringent data and system security compliance requirements across government, enterprises, and critical infrastructure sectors, 51Aes will collaborate with domestic computing power enterprises (such as adapting to the Moore Threads GPU-based intelligent computing clusters) to deliver spatial intelligence solutions that are domestically developed and fully integrated across hardware and software to the market.
- **Deepening the Application of Spatial Intelligence Technologies.** Leveraging platforms like Clonova, 51Aes will provide customers with interactive AI system tools and API interfaces. This will progressively optimize the Company’s business structure, driving the shift from traditional project-based customization revenue to software as a SaaS revenue, thereby increasing the proportion of high value-added business.
- **Expanding Overseas Market.** With respect to overseas market expansion, the Company will adopt a light-asset model, concentrating on the market of Middle East and Southeast Asia in 2026. By promoting Clonova products with multilingual API interfaces and providing WDP licensing to local system integrators, we will achieve healthy overseas growth through technology empowerment and platform subscriptions.

In 2026, 51WORLD will leverage its independent research and development capabilities and global market perspective to advance rapidly in the Physical AI sector, consistently delivering long-term value for the Shareholders and society.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

The following table presents figures for the year ended 31 December 2025 together with the comparative figures for the year ended 31 December 2024:

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	<b>347,761</b>	287,362
Cost of sales	(243,591)	(140,478)
<b>Gross profit</b>	<b>104,170</b>	146,884
Other net income	10,201	10,353
Selling expenses	(64,452)	(58,195)
General and administrative expenses	(105,547)	(89,597)
Research and development expenses	(82,304)	(58,312)
Impairment losses on trade and other receivables and contract assets	(41,317)	(22,155)
<b>Loss from operations</b>	<b>(179,249)</b>	(71,022)
Finance costs	(6,307)	(5,603)
Share of results of associates	(398)	(875)
<b>Loss before tax</b>	<b>(185,954)</b>	(77,500)
Income tax	(61)	(1,472)
<b>Loss for the year</b>	<b>(186,015)</b>	(78,972)

### REVENUE

Our revenue increased from RMB287.4 million in 2024 to RMB347.8 million in 2025, primarily attributable to the higher sales revenue from 51Aes, 51Sim, and 51Earth.

Sales revenue from 51Aes increased from RMB236.2 million in 2024 to RMB274.4 million in 2025. Sales revenue from 51Sim rose from RMB47.6 million in 2024 to RMB55.6 million in 2025, while sales revenue from 51Earth grew from RMB3.6 million in 2024 to RMB17.8 million in 2025.

### COST OF SALES

Our cost of sales increased from RMB140.5 million in 2024 to RMB243.6 million in 2025, which was in line with the growth of our revenue. The increase in cost of sales was primarily attributable to higher revenue generated from 51Aes, 51Sim, and 51Earth.

## MANAGEMENT DISCUSSION AND ANALYSIS

### GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit decreased from RMB146.9 million in 2024 to RMB104.2 million in 2025, while our overall gross profit margin declined from 51.1% in 2024 to 30.0% in 2025. This was primarily due to the positioning of certain scale sales projects as integrated solution offerings. To deliver high-quality, fully unified digital twin platforms, we consolidated ecosystem resources and leveraged our core strengths to provide customers with comprehensive end-to-end solutions. These projects focus on integration services and involve higher cost, resulting in a lower overall gross margin.

### RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses increased from RMB58.3 million in 2024 to RMB82.3 million in 2025, primarily attributable to an increase in technology service fees mainly related to service charges incurred from outsourcing various auxiliary and non-core software development tasks to third-party companies.

### SELLING EXPENSES

Our selling expenses increased from RMB58.2 million in 2024 to RMB64.5 million in 2025, primarily due to an increase in advertising and promotional expenses.

### GENERAL AND ADMINISTRATIVE EXPENSES

Our general and administrative expenses increased from RMB89.6 million in 2024 to RMB105.5 million in 2025, primarily due to an increase in employee compensation expenses in relation to share-based payments.

### OTHER NET INCOME

Our other net income decreased from RMB10.4 million in 2024 to RMB10.2 million in 2025, remained stable with no significant fluctuations.

### IMPAIRMENT LOSSES ON TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

Impairment losses on trade and other receivables and contract assets increased from RMB22.2 million in 2024 to RMB41.3 million in 2025, primarily due to an increase in trade receivables in 2025, which has led to an increase in the proportionate provision for losses.

### FINANCE COSTS

Our finance costs increased from RMB5.6 million in 2024 to RMB6.3 million in 2025, primarily due to higher interest expenses resulting from higher bank loans during the year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### LOSS FOR THE YEAR

As a result of the foregoing, we incurred a loss of RMB186.0 million in 2025, compared to a loss of RMB79.0 million in 2024.

### TRADE AND OTHER RECEIVABLES

Our trade and other receivables increased from RMB194.9 million as of 31 December 2024 to RMB261.5 million as of 31 December 2025, primarily due to an increase in revenue in 2025 and a corresponding increase in trade receivables.

### NET CASH USED IN OPERATING ACTIVITIES

Net cash used in operating activities for 2025 amounted to RMB91.8 million. The difference between the net cash used in operating activities and the loss before income tax was RMB94.2 million, primarily attributable to the increase in trade and other receivables and bank deposits, which were offset by the increase in trade and other payables.

### NET CASH GENERATED FROM INVESTING ACTIVITIES

Net cash generated from investing activities for 2025 amounted to RMB10.6 million, primarily attributable to the difference between redemptions and purchases of wealth management products and the overall impact of payments for investments.

### NET CASH GENERATED FROM FINANCING ACTIVITIES

Net cash generated from financing activities in 2025 amounted to RMB743.6 million, primarily attributable to the increase in funds raised from the Listing.

### INTEREST RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at 31 December 2025, RMB38 million (2024: nil) of bank loans were variable rate loans while the rest of the Group's fixed deposits, certificates of deposit and borrowings are all issued at fixed rates. The balance of bank structured deposits is not significant. Fluctuation of interest rate will not have significant impact to the Group.

### EXPOSURE TO EXCHANGE RATE FLUCTUATION

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. Our business is principally conducted in RMB. The majority of non-RMB assets and liabilities are cash and cash equivalents denominated in US and HK dollars.

We are primarily exposed to changes in US dollar exchange rates in our overseas subsidiaries whose functional currency is Australian dollar. We currently do not engage in hedging activities designed or intended to manage foreign exchange rate risk. However, we will continue to monitor changes in currency exchange rates and will take necessary measures to mitigate the impact of exchange rates.

## MANAGEMENT DISCUSSION AND ANALYSIS

### EMPLOYEES, TRAINING AND REMUNERATION POLICY

As of 31 December 2025, the Group employed 350 employees in total, with staff costs amounting to RMB199 million. For details, please see note 5(b) to the consolidated financial statements in this report. The number of employees engaged by the Group varies from time to time according to operational requirements.

To maintain the quality, knowledge, and skill levels of our employees, we provide ongoing internal and external education and training programmes to enhance their technical, professional, or managerial competencies. We also conduct regular training sessions to ensure they understand and comply with our policies and procedures across all areas. During the Reporting Period, the Group actively advanced its organizational intelligent transformation. Through the broad adoption of advanced AI productivity tools and systematic specialized training programs, office efficiency and research and development productivity of all employees were significantly enhanced. This initiative achieved deep integration of internal operations with cutting-edge AI technologies, strengthened employees' professional competitiveness, and reinforced the talent foundation for the Group's long-term development in the Physical AI sector. Additionally, we offer various incentives and benefits to our employees, particularly to key personnel, including competitive remuneration, bonuses, and employee incentive schemes. We have granted share-based awards to employees and intend to continue doing so in the future as a means of rewarding their contributions to our growth and development.

The Board regularly reviews and determines the remuneration and compensation packages of the Directors and senior management and receives recommendations from the remuneration and appraisal committee, which takes into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

### USE OF PROCEEDS FROM THE GLOBAL OFFERING

Following the Listing of the H Shares on the Stock Exchange on 30 December 2025, the net proceeds from the Global Offering, after deduction of underwriting commissions and other estimated expenses paid or payable by us in connection with the Global Offering, amounted to approximately HK\$649.9 million. The proceeds will be used in accordance with the purposes set out in the Prospectus. For details of the proposed use of proceeds, please refer to the section entitled "Future Plans and Use of Proceeds" in the Prospectus.

## MANAGEMENT DISCUSSION AND ANALYSIS

As of 31 December 2025, the Group has not utilised the net proceeds for the intended purposes as stated in the Prospectus, and the unutilised net proceeds have been allocated as short-term interest-bearing deposits with licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).

Intended purposes as set out in the Prospectus	Planned proportion of the net proceeds  (%)	Planned use of the net proceeds  (Approx. HK\$ million)	Actual use of net proceeds from the Listing Date to 31 December 2025  (Approx. HK\$ million)		Expected timeline for fully utilising the net proceeds from the Global Offering <sup>(1)</sup>
			Net proceeds unused as of 31 December 2025  (Approx. HK\$ million)		
(i) Research and development	80	519.9	0	519.9	31 December 2028
– 51Aes	20	130.0	0	130.0	31 December 2028
– 51Sim	30	195.0	0	195.0	31 December 2028
– 51 Earth	30	194.9	0	194.9	31 December 2028
(ii) Marketing activities in China and overseas	10	65.0	0	65.0	31 December 2028
– Global expansion initiatives	8	52.0	0	52.0	31 December 2028
– Strengthen marketing activities in China	2	13.0	0	13.0	31 December 2028
(iii) Working capital and general corporate purposes	10	65.0	0	65.0	31 December 2028
<b>Total</b>	100	649.9	0	649.9	

Note:

- (1) The expected timeline for fully utilising the remaining proceeds is based on the Group's best estimates and may be subject to change under the current and future market conditions.

### GEARING RATIO

As of 31 December 2025, our gearing ratio (i.e. total liabilities divided by total assets) was 44.7%.

### CONTINGENT LIABILITIES

As of 31 December 2025, we had no contingent liabilities.

## MANAGEMENT DISCUSSION AND ANALYSIS

### SIGNIFICANT INVESTMENTS HELD

As of 31 December 2025, we did not hold any significant investments.

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2025, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

### PLEDGE OF AND CHARGES ON ASSETS

As of 31 December 2025, we had not pledged or charged any assets.

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As of 31 December 2025, we had no specific future plans for material investments in or acquisitions of capital assets. The Group will continue to identify new investment opportunities in companies with principal businesses related to the Group's core business, to create synergies with the Group's existing core business, and enhance the services and products provided to our customers.

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

**Mr. Li Yi (李熠)**, aged 40, is an executive Director, chief executive officer, the chairman of our Board, and the general manager of our Company. Mr. Li is responsible for the overall strategic planning and overall management of our Group. Mr. Li has served as the chief executive officer since February 2015, the chairman of our Board since November 2016 and the general manager of our Company since April 2018. Mr. Li continues to serve as a director of First MOMA Assets Management (Beijing) Co., Ltd. (第一摩碼資產管理(北京)有限公司) (“**First Moma Asset Management**”) at present, in recognition of his contributions to the company’s business development and strategic direction. However, Mr. Li serves in the capacity of a non-executive director and does not participate in the daily management or operations of First Moma Asset Management. Previously, Mr. Li served as the president of First Moma Asset Management, an asset management company, from January 2013 to December 2019, the general manager of First Moma Commercial Operation Management (Beijing) Co., Ltd. (第一摩碼商業運營管理(北京)有限公司), a commercial leasing, sales, and operations company, from January 2011 to December 2012, and the vice president of First Moma Asset Management from March 2009 to December 2010. He also served as the operation manager at First Property Service (Beijing) Co., Ltd. (第一物業服務(北京)有限公司) (formerly known as First Property (Beijing) Co., Ltd. (第一物業(北京)股份有限公司), a property management services company, from July 2008 to March 2009. Mr. Li received his master’s degree in business administration from Tsinghua University (清華大學) in the PRC in June 2023 and his bachelor’s degree in engineering cost from Chongqing University (重慶大學) in the PRC in June 2008.

**Mr. Wang Chenkang (王辰康)**, aged 37, is an executive Director and the assistant president of our Company. He is responsible for the strategy implementation and operation of our Group. Mr. Wang joined our Group in February 2015 as a product manager. Prior to joining our Group, Mr. Wang served as an assistant to president responsible for the North America market at Modern Green Development Co., Ltd. (當代節能置業股份有限公司), a real estate development company, from July 2013 to January 2015. Mr. Wang received his master’s degree in foreign linguistics and applied foreign linguistics from Beijing International Studies University (北京第二外國語學院) in July 2013 and his bachelor’s degree in English (international trade) from Nanjing Institute of Technology (南京工程學院) in the PRC in June 2011. Mr. Wang has served as a standard committee expert of Z-Park Strategic Alliance of Smart City Industry Technology Innovation (中關村智慧城市產業技術創新戰略聯盟), an alliance formed by institutions actively involved in technology and innovation, since June 2023. He was also certified as a senior engineer of city information modelling integration and application by the Ministry of Industry and Information Technology (工業和信息化部) in April 2022 and a Level 2 interpreter of the China Accreditation Test for Translators and Interpreters (CATTI) by the Ministry of Human Resources and Social Security (人力資源和社會保障部) in May 2012.

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

**Ms. Du Jinyan (杜金艷)**, aged 36, is an executive Director, the secretary to the Board and the joint company secretary of the Company. Ms. Du has served as a director of Starcraft Technology (Beijing) Co., Ltd. (星際宏圖科技(北京)有限公司), Mirrorverse Asset Management (Beijing) Co., Ltd. (萬物鏡像資產管理(北京)有限公司), and Hainan Mirrorverse Technology Co., Ltd. (海南萬物鏡像科技有限公司), and Mirror Vision (Shenzhen) Technology Co., Ltd. (鏡像視界(深圳)科技有限公司). Ms. Du joined the Group in August 2018. Prior to joining the Group, Ms. Du was engaged in legal work in the international business department of Beijing Dadi Law Firm (北京市大地律師事務所) from August 2014 to August 2018. Ms. Du received her master's degree in law from Beijing Institute of Technology (北京理工大學) in the PRC in July 2014. Ms. Du obtained the Legal Professional Qualification Certificate (法律職業資格證書) issued by the Ministry of Justice of the People's Republic of China (中華人民共和國司法部) in March 2014 and was qualified as a corporate compliance officer (senior) issued by China Enterprise Evaluation Association (中國企業評價協會) in November 2023.

As of 31 December 2025, Ms. Du is the limited partner of Xinyi Ruizhi Management Consulting Partnership (Limited Partnership) (新沂睿智管理諮詢合夥企業(有限合夥)), and holds 10% of its partnership interests. Xinyi Ruizhi Management Consulting Partnership (Limited Partnership) (新沂睿智管理諮詢合夥企業(有限合夥)) is beneficially interested in 395,295 H Shares of the Company.

**Ms. Tong Shan (佟珊)**, aged 38, is an executive Director. She is also the general manager and marketing general manager of 51Aes, where she is responsible for the overall operations and the marketing activities of 51Aes. Ms. Tong has also served as a director of Mirrorverse (Shanghai) Technology Co., Ltd. (萬物鏡像(上海)科技有限公司), Mirrorverse (Shenzhen) Co., Ltd. (萬物鏡像(深圳)有限公司), Wanwu Twin Technology (Chongqing) Co., Ltd. (萬物雙生科技(重慶)有限公司). Ms. Tong joined our Group in September 2015. Prior to joining our Group, Ms. Tong served as a financial project manager at the crowdfunding department of Jingdong Technology Holding Co., Ltd. (北京京東世紀貿易有限公司), a company that provides digital solutions for financial institutions, from December 2014 to July 2015, where she was responsible for business development. Ms. Tong received her bachelor's degree in computer science and technology from Shenyang Normal University (瀋陽師範大學) in the PRC in June 2010.

**Ms. Pu Ge (蒲鵠, formerly known as 蒲戈)**, aged 38, is an executive Director. She is responsible for industry research of our Group. Ms. Pu joined our Group in February 2019 and she served as the head of the branding department of our Company from February 2019 to February 2026. She served as the head of marketing of 51Earth from June 2024 to August 2025. Prior to joining our Group, Ms. Pu worked at Beijing Zhibai Technology Co. (北京智百科技有限公司), an AI technology developer from April 2017 and was subsequently transferred to Beijing Innovative Lezhi Information Technology Co. (北京創新樂知信息技術有限公司), an information technology and services company, where she served as the department manager from June 2017 to October 2018. She was the founder and served as an editor-in-chief of Beijing Xiaowang Technology Co., Ltd. (北京小望科技有限公司), a technology development company, from August 2016 to April 2017. She also served as an industry editor-in-chief at Beijing Venture Future Media Technology Co., Ltd.\* (北京創業未來傳媒技術有限公司), a company that provides business innovation and entrepreneurship services, from January 2015 to July 2016. Prior to that, she worked at Beijing Wenchuang International Group Limited (北京文創國際集團有限公司), an advertisement agency, from March 2013 to October 2014. Ms. Pu received her master's degree in English language and literature from Beijing Foreign Studies University (北京外國語大學) in the PRC in March 2013 and her bachelor's degree in Chinese language and literature from Beijing International Studies University (北京第二外國語學院) in the PRC in July 2009.

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### NON-EXECUTIVE DIRECTOR

**Mr. Yang Gu (楊谷)**, aged 37, serves as a non-executive Director from 13 February 2026. Mr. Yang serves as chairman of the Board of Directors and vice president of First MOMA Assets Management (Beijing) Co., Ltd. (第一摩碼資產管理(北京)有限公司). From December 2024 to December 2025, Mr. Yang held the positions of general manager of the Investment Development Center and vice president of First MOMA Assets Management (Beijing) Co., Ltd. (第一摩碼資產管理(北京)有限公司). From January 2017 to December 2024, he served as deputy general manager of the Industrial Development Center of Modern Land (China) Co., Limited, a company listed on the Stock Exchange (Stock Code: 1107). From January 2014 to January 2017, he served as the chief operating officer of First MOMA Apartment Management (Beijing) Co., Ltd. (第一摩碼公寓管理(北京)有限公司). From September 2012 to December 2013, he served as deputy director of the Human Resources Center of Modern Land (China) Co., Limited, a company listed on the Stock Exchange (Stock Code: 1107). Mr. Yang is currently pursuing a Master of Business Administration (MBA) degree at the Business School of Renmin University of China (中國人民大學商學院). In July 2012, he obtained a bachelor's degree in Information and Computing Science from Chongqing Technology and Business University (重慶工商大學).

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Li Pan (李攀)**, aged 42, serves as an independent non-executive Director from 16 September 2024. He is responsible for supervising and providing independent opinion and judgment to the Board. Mr. Li has been with Case Western Reserve University since August 2015, with his current position as tenured professor. Mr. Li is also the chief executive officer of Hangzhou Bashi Space Artificial Intelligence Information Technology Co., Ltd. (杭州八識空間人工智能信息技術有限公司) and Hangzhou Butaitian Biology Technology Co., Ltd. (杭州不太甜生物科技有限公司). He was with Mississippi State University from August 2009 to August 2015, with his last position as tenured professor. Mr. Li received his PhD degree in engineering from University of Florida in the United States in August 2009 and his bachelor's degree in electronic information engineering from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2005.

**Mr. Lin Chen (林晨)**, aged 48, serves as an independent non-executive Director from 16 September 2024. He is responsible for supervising and providing independent opinion and judgment to the Board. Mr. Lin is an independent non-executive director of CITIC Resources Holdings Limited, a company listed on the Stock Exchange (stock code: 1205) since December 2025. Also, Mr. Lin is currently an independent non-executive director of Smart-Core Holdings Limited (芯智控股有限公司), a company listed on the Stock Exchange (stock code: 2166) since June 2025, an independent non-executive director of Waterdrop Inc. (水滴公司), a company listed on the New York Stock Exchange (NYSE: WDH) since March 2025, an independent non-executive director of Shiyue Daotian Group Co., Limited (十月稻田集團股份有限公司), a company listed on the Stock Exchange (stock code: 9676) since October 2023, and a director of China Merchants Land Asset Management Co., Limited (the manager of China Merchants Commercial REIT, a company listed on the Stock Exchange (stock code: 1503)) since December 2019. Mr. Lin has served at various positions at The University of Hong Kong, including as the Chair of Finance and Stelux Professor in Finance since 2013 and the Vice-President since June 2025.

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Lin obtained his PhD degree in August 2006, master of arts degree in August 2005 and master of business administration degree (MBA) in May 2004 from University of Florida in the United States. He received his bachelor's degree in engineering from South China University of Technology (華南理工大學) in the PRC in July 2000. He is a non-official member of the Task Force on Promoting Web3 Development of the Government of Hong Kong since July 2023, a Fellow of the Academy of Social Sciences, UK since March 2023, a Member of the Academia Europaea since June 2022, a member of the Hang Seng Index Advisory Committee since August 2021, a member of the Fintech Advisory Group of the Securities and Futures Commission since March 2021 and an advisory member of the Hong Kong Institute for Monetary and Financial Research of the Hong Kong Monetary Authority since June 2019.

**Mr. Zhang Lening (張樂寧)**, aged 49, serves as an independent non-executive Director from 16 September 2024. He is responsible for supervising and providing independent opinion and judgment to the Board. Mr. Zhang has over 10 years of experience in his capacity as a financing and investment management professional, through which he has gained financial management expertise required under Rule 3.10(2) of the Listing Rules. Mr. Zhang has been a partner of Guizhou Yunli High Tech Industry Investment Partnership Enterprise (Limited Partnership)\* (貴州省雲力高新技術產業投資合夥企業(有限合夥)), a partnership that manages a private equity fund.

Mr. Zhang served as the deputy general manager of Beijing Hydsoft Technology Co., Ltd.\* (北京慧博雲通科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301316), a company that offers software technology services, professional technical services, and products and solutions, from April 2020 to September 2024, where he was responsible for overseeing corporate strategy, operation and financing. He was a senior director of corporate investment at Alibaba Group, a company listed on the Stock Exchange (stock code: 9988.hk) from June 2017 to December 2017, where he was in charge of investment strategy. Prior to this, he was the founder and served as the chief executive officer of Beijing HaoLe Technology Co., Ltd.\* (北京昊樂科技有限公司), a company that focuses on venture capital fund and direct investment opportunities, from May 2014 to June 2016, where he was responsible for overseeing company strategy and operation. He served as the executive director of the investment banking division of Goldman Sachs (Asia) LLC from January 2010 to May 2014, where he was working closely with companies in the preparation of their offer document disclosures and other related financial documents in advance of their public offerings in the Hong Kong Stock Exchange or other offerings on the Hong Kong Stock Exchange or Nasdaq as well as other corporate finance transactions. In connection with such corporate finance transactions, he was also responsible for discussing financial statements and other financial information with audit committees, external auditors, financial advisors and other professional parties, overseeing the implementation and evaluation of internal audit and compliance controls, which falls within the scope of related financial management expertise under Note to Rule 3.10(2) of the Listing Rules.

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhang received his master of science degree in chemical engineering from Stanford University in the United States in January 2005 and his master's degree in mechanical engineering in December 2002 from Texas A&M University in the United States.

### SENIOR MANAGEMENT

**Mr. Li Yi (李熠)**, aged 40, is also the general manager of the Company. For his biographical details, please refer to “Biographies of Directors and Senior Management – Board of Directors – Executive Directors”.

**Mr. Wang Chenkang (王辰康)**, aged 37, is also an assistant president of the Company. For his biographical details, please refer to “Biographies of Directors and Senior Management – Board of Directors – Executive Directors”.

**Ms. Zhang Jing (張敬, formerly known as 張靖)**, aged 36, is the director of finance of the Company. Ms. Zhang is responsible for managing the finance activities of our Group. Ms. Zhang joined our Group in January 2021 and is currently the head of finance of our Company. Prior to joining our Group, Ms. Zhang served as a financial manager of BizConf Telecom Co., Ltd., a domestic smart cloud video company for AI information creation, (上海會暢通訊股份有限公司) (SZSE Stock Code: 300578) from August 2018 to November 2020 and a project manager of Da Hua Certified Public Accountants (Special General Partnership) (大華會計師事務所(特殊普通合夥)) from November 2014 to August 2018. Ms. Zhang received her bachelor's degree in international economics and trade from Tianjin University of Commerce (天津商業大學) in the PRC in June 2013.

**Ms. Tong Shan (佟珊)**, aged 38, is also the general manager of 51Aes of the Company. For her biographical details, please refer to “Biographies of Directors and Senior Management – Board of Directors – Executive Directors”.

**Ms. Du Jinyan (杜金艷)**, aged 36, is also the Board secretary of the Company. For her biographical details, please refer to “Biographies of Directors and Senior Management – Board of Directors – Executive Directors”.

### JOINT COMPANY SECRETARIES

**Ms. Du Jinyan (杜金艷)**, aged 36, is also one of the joint company secretaries of the Company. For her biographical details, please refer to “Biographies of Directors and Senior Management – Board of Directors – Executive Directors”.

**Ms. Chu Cheuk Ting (朱卓婷)**, has been appointed as one of our joint company secretaries. Ms. Chu currently serves as a manager of the listing services department of TMF Hong Kong Limited and is responsible for the provision of corporate secretarial and compliance services to listed company clients. She has over 12 years of experience in the corporate service field. Ms. Chu is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Chu received her master's degree in science in professional accounting and corporate governance from City University of Hong Kong in 2011 and her bachelor's degree in arts from The Hong Kong Polytechnic University in 2007.

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### CHANGES OF DIRECTORS, SUPERVISORS AND THE GENERAL MANAGER

From the Listing Date and up to the Latest Practicable Date, changes of the Directors, Supervisors and the general manager of the Company were as follows:

On 29 January 2026, due to adjustments in work arrangements, Ms. Zhang Yuwei resigned from her position as an executive Director, and Mr. Lyu Jinrong resigned from his position as a non-executive Director. The resignations shall take effect upon the appointment of new executive Director and non-executive Director by the Company to fill the casual vacancies arising from the resignations.

On 13 February 2026, an extraordinary general meeting was held to consider and approve the proposed abolishment of the Supervisory Committee and the amendments to the Articles of Association and its attachments. The duties of the Supervisors shall be automatically terminated from 13 February 2026. On the same date, Ms. Du Jinyan was elected as an executive Director and Mr. Yang Gu as a non-executive Director at the general meeting, and the resignations of Ms. Zhang Yuwei and Mr. Lyu Jinrong took effect on that date. Pursuant to Rule 3.09D of the Listing Rules, Ms. Du Jinyan and Mr. Yang Gu obtained legal advice on 13 February 2026, and confirmed their understanding of the obligations as a Director of the Company.

Save as disclosed in this annual report, there were no other changes in the information of the Directors, Supervisors and the general manager of the Company from the Listing Date and up to the Latest Practicable Date.

## DIRECTORS' REPORT

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

### BOARD OF DIRECTORS

The Board currently comprises five executive Directors, one non-executive Director and three independent non-executive Directors. Our Directors during the year ended 31 December 2025 and up to the Latest Practicable Date are:

#### EXECUTIVE DIRECTORS

Mr. Li Yi (*Chairman*)  
Mr. Wang Chenkang  
Ms. Du Jinyan (appointed on 13 February 2026)  
Ms. Tong Shan  
Ms. Pu Ge  
Ms. Zhang Yuwei (resigned on 13 February 2026)

#### NON-EXECUTIVE DIRECTORS

Mr. Yang Gu (appointed on 13 February 2026)  
Mr. Lyu Jinrong (resigned on 13 February 2026)

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Pan  
Mr. Lin Chen  
Mr. Zhang Lening

Details of our Directors are set out in the section headed “Biographies of Directors and Senior Management” in this report.

### GENERAL INFORMATION

The Company was established in Beijing, the PRC on 16 February 2015 and was converted into a joint stock limited liability company on 1 December 2020. The H Shares of the Company have been listed on the Main Board of the Stock Exchange since 30 December 2025.

### PRINCIPAL ACTIVITIES

Founded in February 2015, the Company is China's first core infrastructure enterprise for “Physical AI” listed on the capital market. With the vision of “cloning the Earth's 510 million square kilometers”, the Company is dedicated to building a bridge between the digital and physical worlds. It has established three core business pillars: the 51Aes (Digital Twin Platform), the 51Sim (Synthetic Data and Simulation Platform), and the 51Earth (Digital Earth Platform). For further details, please refer to “Management Discussion and Analysis – Business Review” in this report.

## DIRECTORS' REPORT

### SUBSIDIARIES

Particulars of our Company's principal subsidiaries are set out in note 13 to the consolidated financial statements in this report.

### BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance, including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business, is set out in the section headed "Management Discussion and Analysis" in this report. These discussions form part of this Directors' report. Events affecting our Company that have occurred since the end of the Reporting Period are set out in the paragraph headed "Important Events after the Reporting Period" below. The discussion of our key relationships with employees, suppliers and others that have a significant impact on the Company is set out in "Relationship with Key Stakeholders" below.

### COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS AND MATERIAL LITIGATION

As of the Latest Practicable Date, neither we nor any of our Directors were involved in any litigation, arbitration or administrative proceedings which could have a material adverse impact on our business, financial condition or results of operations. As of the Latest Practicable Date, we were not aware of any pending or threatened litigation, arbitration or administrative proceedings against us or our Directors which would have a material adverse impact on our business, financial condition or results of operations, nor any material breach by the Group of applicable laws and regulations in China that are material to our business operations.

### RELATIONSHIP WITH KEY STAKEHOLDERS

We recognize that various stakeholders including suppliers, employees, Shareholders and other business partners are key to the Group's success. We strive to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationships with them.

### EMPLOYEES, TRAINING AND EMOLUMENT POLICY

As of 31 December 2025, the Group had 350 employees. The number of employees employed by the Group varies from time to time depending on needs.

To maintain the quality, knowledge and skill levels of our workforce, we provide continuing education and training programs, both internally and externally, to enhance their technical, professional or management skills. We also conduct periodic training sessions to ensure their awareness and compliance with our policies and procedures in various aspects. Furthermore, we provide various incentives and benefits to our employees, including competitive salaries, bonuses and incentive schemes to our employees, particularly our key employees. The Company has adopted certain Share Incentive Schemes to provide incentives and awards for certain employees who have contributed to the success of our business. Please refer to the section headed "Share Schemes" below for further details.

## DIRECTORS' REPORT

The Board regularly reviews and determines the remuneration and compensation packages of the Directors and senior management and receives recommendation from the Remuneration and Appraisal Committee, which takes into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

For the year ended 31 December 2025, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations, or any difficulty in recruiting employees.

## CUSTOMERS AND SUPPLIERS

Our customers mainly consisted of enterprises of varying sizes and of various industries. Leveraging our extensive interdisciplinary technical expertise, our industry solutions comprehensively cover sectors such as city, industry, and water conservation. We also provide highly realistic simulation training environments and massive amounts of synthetic data for embodied AI applications, including automatic driving, smart devices, and robotics.

During the Reporting Period, revenue generated from the five largest customers of the Group accounted for 21.9% of the total revenue of the Group, and revenue generated from the largest customer accounted for 5.0% of the total revenue of the Group.

During the Reporting Period, purchases from the five largest suppliers of the Group accounted for 20.2% of the total purchases of the Group, and purchases from the largest supplier of the Group accounted for 5.8% of the total purchases of the Group.

None of the Directors, their close associates or any Shareholders who, to the knowledge of the Directors, owned more than 5% of issued Shares of the Company, held any interest in any of the five largest customers and suppliers of the Group during the Reporting Period.

## SHAREHOLDERS

We consider that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of our business performance and strategies. Apart from transparent and timely disclosure of corporate information in accordance with the Listing Rules, our Company has kept effective communication with Shareholders through our website, Shareholder's hotline, and IR mailbox. Senior management are also glad to receive Shareholders' on-site visit and have one-on-one meetings with them to share the information which they are concerned and enable them to make rational investment decisions.

## RESULTS AND FINANCIAL SUMMARY

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of comprehensive income on page 130 of this report. A summary of the audited consolidated results and the assets and liabilities of the Group for the last four financial years, as extracted from the audited consolidated financial statements, is set out in the section "Financial Highlights" in this report. This summary does not form part of the audited consolidated financial statements of the Company. Please also refer to the section headed "Management Discussion and Analysis" in this report for further details.

## DIRECTORS' REPORT

### PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Company and the Group for the year ended 31 December 2025 are set out in note 10 to the consolidated financial statements in this report.

### DONATION

For the year ended 31 December 2025, the donation of the Group was RMB30,000.

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

The Shares of the Company were first listed on the Main Board of the Stock Exchange on 30 December 2025. Since the Listing Date and up to the end of the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including the sale of any Treasury Shares). As of 31 December 2025, the Company had no Treasury Shares (as defined under the Listing Rules).

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the PRC which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

### DIVIDENDS

The Board did not recommend the distribution of a final dividend for the year ended 31 December 2025 (2024: Nil).

### TAX RELIEF AND EXEMPTION

The Company did not declare or pay any dividend for the year ended 31 December 2025. Accordingly, the Shareholders of the Company (including the holders of H Shares) are not subject to income tax on dividend distribution. If any of the H Shareholders is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the H Shares, he/she is advised to consult an expert.

### SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended 31 December 2025 are set out in note 23 to the consolidated financial statements in this report.

### ISSUANCE OF DEBENTURE AND CONVERTIBLE BOND

The Group did not issue any debenture or convertible bond for the year ended 31 December 2025.

## DIRECTORS' REPORT

### EQUITY-LINKED AGREEMENTS

Save for the Share Incentive Schemes as described below, no equity-linked agreements were entered into by the Group, or existed for the year ended 31 December 2025.

### PERMITTED INDEMNITY

The Company has arranged appropriate insurance to provide liability insurance for Directors and senior management of the Company in respect of legal actions against them due to affairs of the Company. As of the Latest Practicable Date, all Directors of our Company were covered under the liability insurance purchased by our Company for its Directors.

### DISTRIBUTABLE RESERVES

As of the Latest Practicable Date, the Company did not have any reserves available for distribution to our Shareholders.

### BANK LOANS

As of 31 December 2025, the Company has total bank loans of RMB286 million. Please refer to note 19 to the consolidated financial statements in this report.

### LOAN AGREEMENTS THAT ARE REQUIRED TO BE DISCLOSED UNDER THE LISTING RULES

As of the Latest Practicable Date, the Company has not entered into any loan agreement which contains covenants requiring specific performance of the controlling Shareholders (as defined in the Listing Rules). The Directors have confirmed that, as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to disclosure requirements under Rules 13.13 to 13.22 of the Listing Rules.

### DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

The Company has entered into a service contract with each of the Directors and Supervisors which contains provisions in relation to, among other things, compliance with relevant laws and regulations, observation of the Articles of Association and provisions on arbitration. Specifically, the term of the Directors' service contracts commences from the date of their respective appointments and lasts until the expiration of the second session of the Company's Board of Directors, and the service contracts may be renewed upon the expiration in accordance with our Articles of Association and the applicable rules. The term of the Supervisors' Service contracts commences from the date of their respective appointments and lasts until the expiration of the second session of the Company's Supervisory Committee. On 13 February 2026, the Company dissolved the Supervisory Board, and the Supervisory Committee Service contracts were accordingly terminated.

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

## DIRECTORS' REPORT

### DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, none of the Directors nor any entity connected with the Directors or Supervisors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, our holding company, or any of our subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended 31 December 2025.

### INTERESTS IN COMPETING BUSINESS

Save as disclosed in this report and save for their respective interests in the Group, none of the Directors was interested in any business which competes or is likely to compete, directly or indirectly, with the businesses of the Group for the year ended 31 December 2025.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Company is subject to various risks during our operations, the details of which are set out in the section headed "Risk Factors" in the Prospectus.

### MANAGEMENT CONTRACTS

No contract concerning the management or administration of the whole or any substantial part of the business of the Company was entered into or existed for the year ended 31 December 2025.

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

As at 31 December 2025, so far as the Directors are aware, the following persons (other than Directors, chief executives of the Company) have interests or short positions in the Shares or the underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

## DIRECTORS' REPORT

### LONG POSITIONS IN THE SHARES OR UNDERLYING SHARES OF THE COMPANY

Names	Nature of Interest	Number and Class of Shares <sup>(1)</sup>	Approximate percentage of interest in our Company <sup>(1)</sup>	Approximate percentage of shareholding in the relevant class of Share <sup>(1)</sup>
LS 51World Holding Limited	Beneficial owner	66,209,905 H Shares	16.29%	17.10%
Nanjing Mirrorverse No. 1 Management Consulting Partnership (Limited Partnership) <sup>(2)</sup> (南京萬物鏡像一號管理諮詢合夥企業(有限合夥))	Interested in controlled corporation	26,708,875 H Shares	6.57%	6.90%
Qingdao Mirrorverse Management Consulting Partnership (Limited Partnership) (青島萬物鏡像管理諮詢合夥企業(有限合夥))	Beneficial owner	26,708,875 H Shares	6.57%	6.90%
Starcraft Technology (Beijing) Co., Ltd. (星際宏圖科技(北京)有限公司))	Beneficial owner	14,314,725 Domestic Shares 32,618,800 H Shares	11.55%	75.02% 8.42%
Li Yi <sup>(3)</sup>	Beneficial owner	4,767,083 Domestic Shares 81,141,837 H Shares	21.14%	24.98% 20.95%
	Interested in controlled corporation	14,314,725 Domestic Shares 32,618,800 H Shares	11.55%	75.02% 8.42%
Hao Lili <sup>(4)</sup>	Interested in controlled corporation	27,104,170 H Shares	6.67%	7.00%

#### Notes:

- As at 31 December 2025, the Company has issued a total of 406,356,152 Shares, including 19,081,808 Domestic Shares and 387,274,344 H Shares. All interests stated are long position.
- Nanjing Mirrorverse No. 1 Management Consulting Partnership (Limited Partnership) (南京萬物鏡像一號管理諮詢合夥企業(有限合夥)) is a general partner of Qingdao Mirrorverse Management Consulting Partnership (Limited Partnership) (青島萬物鏡像管理諮詢合夥企業(有限合夥)) and holds 24.90% of its partnership interests. Therefore, it is deemed to have an interest in the Shares of the Company held by Qingdao Mirrorverse Management Consulting Partnership (Limited Partnership) (青島萬物鏡像管理諮詢合夥企業(有限合夥)).
- Mr. Li Yi is the beneficial owner of Starcraft Technology (Beijing) Co., Ltd. (星際宏圖科技(北京)有限公司) and holds 92.74% of its Shares. Therefore, he is deemed to have an interest in the Shares of the Company held by Starcraft Technology (Beijing) Co., Ltd. (星際宏圖科技(北京)有限公司). Mr. Li Yi holds 81,141,837 H shares as the beneficial owner, including 38,238,095 CEO Options, of which 7,647,619 H shares were exercised on 13 April 2026.
- Ms. Hao Lili is a general partner of Nanjing Mirrorverse No. 1 Management Consulting Partnership (Limited Partnership) (南京萬物鏡像一號管理諮詢合夥企業(有限合夥)) and holds 4.76% of its partnership interests, while Nanjing Mirrorverse No. 1 Management Consulting Partnership (Limited Partnership) (南京萬物鏡像一號管理諮詢合夥企業(有限合夥)) is a general partner of Qingdao Mirrorverse Management Consulting Partnership (Limited Partnership) (青島萬物鏡像管理諮詢合夥企業(有限合夥)). Ms. Hao Lili is also a general partner of Xinyi Ruizhi Management Consulting Partnership (Limited Partnership)\* (新沂睿智管理諮詢合夥企業(有限合夥)) and holds 20% of its partnership interests, while Xinyi Ruizhi Management Consulting Partnership (Limited Partnership)\* (新沂睿智管理諮詢合夥企業(有限合夥)) holds 395,295 H Shares of the Company, representing 0.10% of the total share capital of the Company. Therefore, Ms. Hao Lili is deemed to have an interest in the Shares of the Company held by Qingdao Mirrorverse Management Consulting Partnership (Limited Partnership) (青島萬物鏡像管理諮詢合夥企業(有限合夥)) and Xinyi Ruizhi Management Consulting Partnership (Limited Partnership)\* (新沂睿智管理諮詢合夥企業(有限合夥)).

## DIRECTORS' REPORT

Save for disclosed above, as at 31 December 2025, no other persons, other than the Directors or chief executives of the Company whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company and any of its Associated Corporations" below, had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

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

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

### LONG POSITIONS IN THE SHARES OR UNDERLYING SHARES OF OUR COMPANY

Names	Nature of Interest	Number and Class of Shares <sup>(1)</sup>	Approximate percentage of interest in our Company <sup>(1)</sup>	Approximate percentage of shareholding in the relevant class of Share <sup>(1)</sup>
Zhang Yuwei <sup>(2)</sup>	Interested in controlled corporation	395,295 H Shares	0.10%	0.10%
Li Yi <sup>(3)</sup>	Beneficial owner	4,767,083 Domestic Shares	21.14%	24.98%
		81,141,837 H Shares		20.95%
	Interested in controlled corporation	14,314,725 Domestic Shares	11.55%	75.02%
		32,618,800 H Shares		8.42%

*Notes:*

- As at 31 December 2025, the Company has issued a total of 406,356,152 Shares, including 19,081,808 domestic Shares and 387,274,344 H Shares. All interests stated are long positions.
- Ms. Zhang Yuwei is a limited partner of Xinyi Ruizhi Management Consulting Partnership (Limited Partnership)\* (新沂睿智管理諮詢合夥企業(有限合夥)) and holds 40% of its partnership interests. Therefore, Ms. Zhang Yuwei is deemed to have an interest in the Shares of the Company held by Xinyi Ruizhi Management Consulting Partnership (Limited Partnership)\* (新沂睿智管理諮詢合夥企業(有限合夥)). On 13 February 2026, Ms. Zhang Yuwei tendered her resignation as an executive Director of the Company.
- Mr. Li Yi is the beneficial owner of Starcraft Technology (Beijing) Co., Ltd. (星際宏圖科技(北京)有限公司) and holds 92.74% of its Shares. Therefore, he is deemed to have an interest in the Shares of the Company held by Starcraft Technology (Beijing) Co., Ltd. (星際宏圖科技(北京)有限公司)). Mr. Li Yi holds 81,141,837 H shares as the beneficial owner, including 38,238,095 CEO Options, of which 7,647,619 H shares were exercised on 13 April 2026.

## DIRECTORS' REPORT

Save as disclosed above, as of 31 December 2025, none of the Directors, and chief executives of our Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of our 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 our Company pursuant to Section 352 of the SFO, or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code.

### LOCK-UP

According to the information publicly available to the Company or otherwise known to the Directors, as at 31 December 2025, the following Shares will be subject to disposal restrictions pursuant to Rule 18C.14 of the Listing Rules:

Name	Capacity	Number of Shares subject to disposal restrictions	Shareholding subject to disposal restrictions <sup>(1)</sup>	Lock-up period pursuant to Rule 18C.14 of the Listing Rules
<b><i>Disposal restrictions pursuant to rule 18C.14(1) of the Listing Rules</i></b>				
Mr. Li	Executive Director	101,709,545 <sup>(2)</sup>	25.0%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
Starcraft Technology	Close associate of Mr. Li	46,933,525	11.5%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
Mr. Wang Chenkang (王辰康)	Executive Director	1,127,841 <sup>(3)</sup>	0.3%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
Ms. Zhang Yuwei (張雨薇)	Former Executive Director	305,174 <sup>(4)</sup>	0.1%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
Ms. Tong Shan (佟珊)	Executive Director	278,079 <sup>(5)</sup>	0.1%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
Ms. Pu Ge (蒲鵬)	Executive Director	156,255 <sup>(6)</sup>	0.04%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
Mr. Kuang Peng (匡鵬)	Former Supervisor	30,304 <sup>(7)</sup>	0.01%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
Ms. Hou Jingjing (侯靜靜)	Former Supervisor	28,100 <sup>(8)</sup>	0.01%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
Ms. Zhang Jing (張敬)	Senior management	200,004 <sup>(9)</sup>	0.05%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date

## DIRECTORS' REPORT

Name	Capacity	Number of Shares subject to disposal restrictions	Shareholding subject to disposal restrictions <sup>(1)</sup>	Lock-up period pursuant to Rule 18C.14 of the Listing Rules
Ms. Du Jinyan (杜金艷)	Executive Director, secretary to the Board and joint company secretary	257,706 <sup>(10)</sup>	0.1%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
Mr. Bao Shiqiang (鮑世強)	Chief technology officer, CEO of 51Sim and a core R&D team member	729,035 <sup>(11)</sup>	0.2%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
Mr. Hou Tao (侯濤)	Former Supervisor, R&D director and a core R&D member	306,406 <sup>(12)</sup>	0.1%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
Mr. Wang Yiyuan (王憶源)	Deputy general manager of 51Sim and a core R&D team member	457,683 <sup>(13)</sup>	0.1%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
Mr. Wang Yongchao (王永超)	Senior architect and a core R&D team member	247,060 <sup>(14)</sup>	0.1%	Commencing on 18 December 2025 and ending on expiry of 12 months from the Listing Date
<b>Disposal Restriction pursuant to Rule 18C.14(2) of the Listing Rules</b>				
LS 51World Holding Limited	Pathfinder sophisticated independent investors	66,209,905	16.3%	Commencing on 18 December 2025 and ending on expiry of 6 months from the Listing Date
Sky9 51World Limited	Pathfinder sophisticated independent investors	13,050,210	3.2%	Commencing on 18 December 2025 and ending on expiry of 6 months from the Listing Date

### Notes:

- The calculation is based on the issued share capital of the Company as of 31 December 2025.
- This represents (i) 47,670,825 Shares directly held by Mr. Li; (ii) 46,933,525 Shares directly held by Starcraft Technology which is held as to 92.7% by Mr. Li; (iii) the indirect beneficial interest in 112,907 Shares through Mr. Li holding 4.23% of the economic interest in Xinyi Zhongzhi Management Consulting Partnership (Limited Partnership) (新沂眾智管理諮詢合夥企業(有限合夥)) ("Xinyi Zhongzhi"); and (iv) the indirect beneficial interest in 6,992,288 Shares through Mr. Li holding 26.18% of the economic interest in Qingdao Mirrorverse. As Mr. Li does not control the exercise of the voting rights held by Xinyi Zhongzhi and Qingdao Mirrorverse in our Company, the indirect beneficial interest in 112,907 Shares and 6,992,288 Shares held by Mr. Li through Xinyi Zhongzhi and Qingdao Mirrorverse, respectively, are not included in the calculation of Mr. Li's control of voting rights in the Company. As a result, Mr. Li will directly and indirectly control an aggregate of approximately 23.3% of the voting rights of our Company, while Mr. Li's beneficial interest in 101,709,545 Shares (approximately 25.03% of the issued share capital of our Company) would be subject to the disposal restrictions pursuant to rule 18C.14(1) of the Listing Rules.
- This represents the indirect beneficial interest in (i) 310,493 Shares through Mr. Wang Chenkang holding 11.64% of the economic interest in Xinyi Zhongzhi; and (ii) 817,348 Shares through Mr. Wang Chenkang holding 3.06% of the economic interest in Qingdao Mirrorverse.

## DIRECTORS' REPORT

4. This represents the indirect beneficial interest in (i) 158,118 Shares through Ms. Zhang Yuwei holding 40.0% of the economic interest in Xinyi Ruizhi; and (ii) 147,056 Shares through Ms. Zhang Yuwei holding 0.55% of the economic interest in Qingdao Mirrorverse.
5. This represents the indirect beneficial interest in 278,079 Shares through Ms. Tong Shan holding 1.04% of the economic interest in Qingdao Mirrorverse.
6. This represents the indirect beneficial interest in 156,255 Shares through Ms. Pu Ge holding 0.59% of the economic interest in Qingdao Mirrorverse.
7. This represents the indirect beneficial interest in 30,304 Shares through Mr. Kuang Peng holding 0.11% of the economic interest in Qingdao Mirrorverse.
8. This represents the indirect beneficial interest in 28,100 Shares through Ms. Hou Jingjing holding 0.11% of the economic interest in Qingdao Mirrorverse.
9. This represents the indirect beneficial interest in 200,004 Shares through Ms. Zhang Jing holding 0.75% of the economic interest in Qingdao Mirrorverse.
10. This represents the indirect beneficial interest in (i) 218,176 Shares through Ms. Du Jinyan holding 0.82% of the economic interest in Qingdao Mirrorverse; and (ii) 39,530 Shares through Ms. Du Jinyan holding 10.00% of the economic interest in Xinyi Ruizhi.
11. This represents the indirect beneficial interest in 729,035 Shares through Mr. Bao Shiqiang holding 2.73% of the economic interest in Qingdao Mirrorverse.
12. This represents the indirect beneficial interest in 306,406 Shares through Mr. Hou Tao holding 1.15% of the economic interest in Qingdao Mirrorverse.
13. This represents the indirect beneficial interest in 457,683 Shares through Mr. Wang Yiyuan, an Independent Third Party, holding 1.71% of the economic interest in Qingdao Mirrorverse.
14. This represents the indirect beneficial interest in 247,060 Shares through Mr. Wang Yongchao, an Independent Third Party, holding 0.93% of the economic interest in Qingdao Mirrorverse.

The Shares held by all the existing Shareholders, being 382,380,952 Shares will be subject to lock-up for a period of 12 months commencing from the Listing Date pursuant to the applicable PRC laws.

Therefore, (i) 382,380,952 Shares (representing 94.10% of the Company's total issued Shares) will be subject to lock-up from the Listing Date, and (ii) all other 23,975,200 H Shares (representing approximately 5.90% of the Company's total issued Shares) will not be subject to any lock-up undertaking or requirements and will be free float Shares of the Company.

## PENSION SCHEME

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Chinese Mainland are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. During the Reporting Period, there were no contributions forfeited under the central pension scheme and no forfeited contributions were used to reduce the existing level of contributions.

# DIRECTORS' REPORT

## SHARE SCHEMES

### A. Pre-IPO Share Incentive Scheme

Our Company adopted a Pre-IPO Share Incentive Scheme on 28 June 2023 which was further amended on 9 August 2024 (the “**Share Incentive Scheme**”). The following is a summary of the principal terms of the Share Incentive Scheme. The terms of the Share Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of options or Shares by our Company after our Listing.

#### (i) Purpose

The purpose of the Share Incentive Scheme is to improve our Group's corporate governance structure and incentive mechanism and incentivize our Group's employees to achieve a sustained and healthy development of our Group in order to realize our Group's long-term objectives. The Share Incentive Scheme is implemented to align the interests of the Shareholders with the interests of the Group and employees which will benefit the sustained development of our Group.

#### (ii) Administration

The Share Incentive Scheme is subject to the approval of the general meeting, administration and supervision of the Board.

#### (iii) Participants

The participants of the Share Incentive Scheme include employees of our Group.

#### (iv) Source and maximum number of Shares

Qingdao Mirrorverse No. 8 Management Consulting Partnership (Limited Partnership)\* (青島萬物鏡像八號管理諮詢合夥企業(有限合夥)) (“**Qingdao Mirrorverse No. 8**”) was established as our employee incentive platform. Qingdao Mirrorverse No. 8 is a limited partner of Qingdao Mirrorverse, holding approximately 13.67% of the economic interest in Qingdao Mirrorverse and, thus, indirectly interested in 3,650,035 Shares. Participants under the Share Incentive Scheme are granted the right to subscribe for partnership interest in Qingdao Mirrorverse No. 8 (the “**Awards**”), where upon the payment of the subscription price, the participants will be registered as its limited partners and would be indirectly interested in our Shares.

#### (v) Term of the Share Incentive Scheme

The Share Incentive Scheme shall be effective from the date of approval by the Shareholders up to the date when the participants no longer hold any partnership interest in Qingdao Mirrorverse No. 8.

## DIRECTORS' REPORT

### (vi) Lock-up of Shares Awards

The grantees shall not dispose of their respective partnership interest in Qingdao Mirrorverse No. 8 during the period commencing from the date of establishment of Qingdao Mirrorverse No. 8 until (i) the Shares underlying the Awards are not subject to any lock-up pursuant to any relevant laws, regulations and listing rules of our Company's place of listing, or (ii) 31 December 2025, whichever is later. During the lock-up period, in the event that an employee depart from the Group, our Company would be entitled (but not obliged) to request the relevant employee(s) to dispose of his/their interests in Qingdao Mirrorverse No. 8 at original investment cost paid by the relevant employee(s).

### (vii) Details of Awards

As of 31 December 2025, all Awards have been granted to the participants. The subscription price has been fully paid by the grantees and the grantees have become partners of Qingdao Mirrorverse No. 8. The grantees are entitled to the right to receive dividends. In the event that any grantee ceases to be an employee of the Company during the term of service, the Company may require the grantee to transfer his or her partnership interest in Qingdao Mirrorverse No. 8 to a third party designated by the Company at the subscription price pursuant to the terms of the Share Incentive Scheme.

As of 31 December 2025, the total number of Shares underlying the Awards was 3,650,035, representing approximately 0.88% of the issued Shares of the Company as of the Latest Practicable Date.

The following table sets forth the details of Awards granted to the Directors, senior management or connected persons of our Company as of 31 December 2025<sup>(1)</sup>:

Name of participant	Position in our Company	Date of subscription	Number of Underlying Shares	Subscription Price per Share	Approximate % of issued Shares
Ms. Du Jinyan (杜金艷)	Executive Director, Secretary to the Board and joint company secretary	15 June 2023	200,004	RMB1.36	0.05%
Ms. Tong Shan (佟珊)	Executive Director	15 June 2023	200,004	RMB1.36	0.05%
Ms. Zhang Jing (張敬)	Senior Management	15 June 2023	200,004	RMB1.36	0.05%
Ms. Zhang Yuwei (張雨薇) (resigned in 2026)	Former Executive Director	15 June 2023	147,056	RMB1.36	0.04%
Mr. Hou Tao (侯濤) (resigned in 2026)	Former Supervisor	15 June 2023	100,000	RMB1.36	0.02%
<b>Total</b>			<b>847,068</b>		<b>0.21%</b>

## DIRECTORS' REPORT

The following table sets forth the details of Awards granted to other participants (excluding Directors, senior management and connected persons of our Company) as of 31 December 2025:

Number of participant	Date of subscription	Number of Underlying Shares	Subscription Price per Share	Approximate % of issued Shares
19 <sup>(2)</sup>	15 June 2023	1,775,026	RMB1.36	0.44%
	27 December 2023	200,004	RMB1.36	0.05%
	4 July 2024	827,937	RMB1.36	0.20%
<b>Total</b>		<b>2,802,967</b>		<b>0.69%</b>

Note:

- The subscription price per Share was determined with reference to the Company's then prevailing financing valuation.
- As of 31 December 2025, six of the participants collectively holding approximately 21.88% of the interests in Qingdao Mirrorverse No. 8 and, thus, indirectly interested in 798,537 Shares have resigned and are no longer employees of our Group.

### (viii) Details of interests in Qingdao Mirrorverse No. 8

As of 31 December 2025, all partnership interests in Qingdao Mirrorverse No. 8 have been granted to, vested in and subscribed by and fully paid up by the limited partners, and the relevant registration had been completed. As of 31 December 2025, Qingdao Mirrorverse No. 8 held 3,650,035 Shares, representing approximately 0.88% of the total issued Shares of our Company as of the Latest Practicable Date.

As of 31 December 2025, details of the Awards (which have been fully vested and corresponded to a total of 2,851,498 underlying Shares of our Company) granted to Directors, senior management of our Company, and employees of the Group under the Share Incentive Scheme are set out below:

Name	Position(s)	Relevant Employee Shareholding Platforms	Approximate partnership interests in the relevant Employee Incentive Platform	Approximate number of Shares corresponding to partnership interests held by the grantees as of 31 December 2025	Approximate shareholding percentage of total issued Shares
Du Jinyan (杜金艷)	Executive Director, Secretary to the Board and joint company secretaries	Qingdao Mirrorverse No. 8	5.48%	200,004	0.05%
Tong Shan (佟珊)	Executive Director	Qingdao Mirrorverse No. 8	5.48%	200,004	0.05%
Zhang Jing (張敬)	Senior management	Qingdao Mirrorverse No. 8	5.48%	200,004	0.05%
Han Zhuang (韓壯)	Capital operation director	Qingdao Mirrorverse No. 8	5.48%	200,000	0.05%
Wang Hong (王宏)	Funding director	Qingdao Mirrorverse No. 8	10.60%	386,769	0.10%
Liang Haoxiang (梁昊翔)	Solution manager	Qingdao Mirrorverse No. 8	4.03%	147,060	0.04%
Wang Yongchao (王永超)	Senior architect	Qingdao Mirrorverse No. 8	6.77%	247,060	0.06%
Peng Bo (彭博)	Senior technical artist	Qingdao Mirrorverse No. 8	2.01%	73,526	0.02%

## DIRECTORS' REPORT

Name	Position(s)	Relevant Employee Shareholding Platforms	Approximate partnership interests in the relevant Employee Incentive Platform	Approximate number of Shares corresponding to partnership interests held by the grantees as of 31 December 2025	Approximate shareholding percentage of total issued Shares
Du Fei (杜菲)	Marketing manager	Qingdao Mirrorverse No. 8	5.48%	200,004	0.05%
Dou Siang (竇司昂)	Secretary to the board of Beijing 51Sim Technology Co., Ltd. ("Beijing 51Sim") (萬物鏡像(北京)計算機系統有限公司)	Qingdao Mirrorverse No. 8	4.11%	150,002	0.04%
Bao Shiqiang (鮑世強)	CEO of Beijing 51Sim	Qingdao Mirrorverse No. 8	2.74%	100,000	0.02%
Wu Yaguang (吳亞光)	Director and general manager of Beijing Mirrorverse Data Service Co., Ltd.* (北京萬物鏡像數據服務有限公司) and CEO of its Shanghai branch	Qingdao Mirrorverse No. 8	2.74%	100,000	0.02%
Zhang Anchun (張安春)	Deputy general manager and director of R&D	Qingdao Mirrorverse No. 8	2.74%	100,000	0.02%
Wang Qingtao (王慶濤)	Sales director	Qingdao Mirrorverse No. 8	4.11%	150,002	0.04%
Zhang Xiaona (張曉娜)	Deputy general manager	Qingdao Mirrorverse No. 8	4.11%	150,002	0.04%
Hao Lili (郝麗麗) <sup>(1)</sup>	Human resources director manager	Qingdao Mirrorverse No. 8	0.00%	5	0.00%
Hou Tao (侯濤)	Former Supervisor, Former Supervisor, R&D director and a core R&D member	Qingdao Mirrorverse No. 8	2.74%	100,000	0.02%
Zhang Yuwei (張雨薇)	Former Executive Director	Qingdao Mirrorverse No. 8	4.03%	147,056	0.04%

Note:

- Hao Lili is the general partner of Qingdao Mirrorverse No. 8 holding approximately 5 Shares corresponding to her partnership interest as qualifying partnership interest as a general partner.

### B. Pre-IPO Share Option Scheme

Our Company adopted a Pre-IPO Share Option Scheme on 9 August 2024 (the "**Pre-IPO Share Option Scheme**"). The Pre-IPO Share Option Scheme does not involve the grant of any options or Share after Listing and is not subject to the provisions of Chapter 17 of the Listing Rules. The following is a summary of the principal terms of the Pre-IPO Share Option Scheme:

#### (i) Purpose

The Pre-IPO Share Option Scheme is to improve the Company's incentive mechanism, attract and retain talents and to motivate the senior management to ensure the achievement of the Company's development goals.

## DIRECTORS' REPORT

### *(ii) Administration*

The Pre-IPO Share Option Scheme's approval, alteration and termination are subject to a general meeting. The Board is authorized for the implementation of the Pre-IPO Share Option Scheme.

### *(iii) Eligibility*

The eligible participants of the Pre-IPO Share Option Scheme are the senior management of the Company.

### *(iv) Maximum Number of Shares*

The maximum number of Shares to be granted under the Pre-IPO Share Option Scheme shall not exceed 38,238,095 Shares, representing approximately 9.24% of the Shares of the Company as of the Latest Practicable Date.

### *(v) Source of Shares*

The underlying Shares under the Pre-IPO Share Option Scheme are the issued H Shares of the Company or, subject to the compliance with the relevant laws and regulations and the listing rules of the stock exchange where the Shares are listed, Treasury Shares to be transferred to the specified participants by the Company.

### *(vi) Validity*

The Pre-IPO Share Option Scheme shall be valid and effective for the period of six years commencing on the date of grant.

### *(vii) Vesting Schedule and Performance Targets*

The Board, in its discretion, determines the vesting schedule, which is specified in the relevant award agreement. The actual amount of options to be vested under the Pre-IPO Share Option Scheme are subject to the achievement of certain performance targets specified in the relevant award agreement.

### *(viii) Exercise Period*

Options may be exercised by the grantees provided that the H Shares are listed on the Stock Exchange and the grantees may exercise the vested options in accordance with the terms of the Pre-IPO Share Option Scheme and the relevant award agreement if the vesting conditions under the Pre-IPO Share Option Scheme are met. The grantees must exercise their options within ten years from the date of grant.

### *(ix) Exercise Price*

The Board determines the exercise price specified in the relevant award agreement at its discretion, taking into account the Company's actual operating conditions.

## DIRECTORS' REPORT

### (x) Lock-up Period and Restrictions

The participants under the Pre-IPO Share Option Scheme shall comply with the lock-up period and restriction requirements under the relevant laws and regulations.

### (xi) CEO Options

On 9 August 2024, our Company granted 38,238,095 options to Mr. Li to subscribe for 38,238,095 Unlisted Shares (the “**CEO Options**”) under the Pre-IPO Share Option Scheme. In respect of the grant of the CEO Options, Mr. Li has also undertaken and covenanted that his annual compensation shall not exceed HK\$510,000 for the period between 1 January 2025 and 31 December 2030.

The exercise price of the CEO Options is HK\$5.1 per Share. The exercise period of the CEO Options is 10 years from the date of grant. If Mr. Li ceases to hold the position of the Director or chief executive officer during the exercise period, Mr. Li may continue to exercise any vested CEO Options in accordance with the terms of the grant and any unvested CEO Options may be cancelled by the Company.

The CEO Options shall vest in accordance with the achievement of the performance targets set out below. The Board shall from time to time, by benchmarking Mr. Li's performance with the performance targets, assess whether and to what extent the performance targets have been achieved.

Tranche	Market capitalization target <sup>(1)</sup> (HK\$)	% of CEO Options vested
1	10.0 billion	10%
2	20.0 billion	10%
3	30.0 billion	10%
4	40.0 billion	10%
5	50.0 billion	10%
6	60.0 billion	10%
7	70.0 billion	10%
8	80.0 billion	10%
9	90.0 billion	10%
10	100.0 billion	10%

Note:

- The market capitalization target is achieved when the Six-month Market Cap or Thirty-day Market Cap between 1 January 2025 and 31 December 2030 meets or exceeds the requisite market capitalization target.
  - A trading day refers to a day on which the Stock Exchange is open for trading;
  - The Company's market capitalization for a particular trading day is equal to the product of (a) the closing price of the H Shares as stated in the Stock Exchange's daily quotations sheet for such trading day and (b) the total number of issued Shares of the Company as of the close of such trading day (the “**Daily Market Capitalization**”);

## DIRECTORS' REPORT

- The "Six-month Market Cap" is equal to (a) the sum of the Daily Market Capitalization for each trading day during the six consecutive months period, divided by (b) the number of trading days during such period; and
- The "Thirty-day Market Cap" is equal to (a) the sum of the Daily Market Capitalization for each trading day during the 30 consecutive calendar days period, divided by (b) the number of trading days during such period.

### *(xii) Outstanding CEO Options granted under the Pre-IPO Share Option Scheme*

As of 31 December 2025, CEO Options to subscribe for a total of 38,238,095 Unlisted Shares, representing approximately 9.24% of the total issued share capital of our Company as of the Latest Practicable Date have been granted to Mr. Li under the Pre-IPO Share Option Scheme but not yet been exercised. H Shares which may be allotted and issued to Mr. Li upon the exercise of the outstanding CEO Options pursuant to the Pre-IPO Share Option Scheme are subject to disposal restrictions pursuant to Rule 18C.14(1) of the Listing Rules. On 13 April 2026, 7,647,619 shares under the CEO Options were exercised.

## C. BEIJING 51SIM TECHNOLOGY CO., LTD.

The following is a summary of the principal terms of the Stock Option Scheme adopted by Beijing 51Sim Technology Co., Ltd., a subsidiary of the Company ("**Beijing 51Sim**"), which took effect on 4 August 2023. The terms of the Beijing 51Sim Stock Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as Beijing 51Sim is not a principal subsidiary of our Company under Rule 17.14 of the Listing Rules.

### Summary of terms

#### *(i) Purpose*

The purpose of the Beijing 51Sim Stock Option Scheme is to motivate and retain employees within the Group or consultants to contribute to the growth of Beijing 51Sim.

#### *(ii) Eligible participants*

Eligible participants of the Beijing 51Sim Stock Option Scheme may include employees (including officers, directors and other employees) of Beijing 51Sim.

#### *(iii) Administration*

The Beijing 51Sim Stock Option Scheme is administered by the executive Director of Beijing 51Sim (the "**Scheme Administrator**").

## DIRECTORS' REPORT

### *(iv) Awards*

An award will take the form of option only which represents the right to subscribe for Shares of Beijing 51Sim.

### *(v) Grant of awards*

Awards granted will be evidenced by a written agreement, which will contain the terms, conditions, limitations, and restrictions determined by the Scheme Administrator. Such written agreements must include or incorporate by reference at least the following terms and conditions: number of shares, exercise price, vesting schedule, term and termination.

### *(vi) Validity period of the Beijing 51Sim Stock Option Scheme*

Unless being terminated earlier, the term of the Beijing 51Sim Stock Option Scheme is for the period from the date of adoption by the Shareholders until all the share options have been exercised by the grantees.

### *(vii) Term of options*

Unless determined by the Scheme Administrator, the option has a term of 4 years commencing from the grant date.

### *(viii) Vesting period of options*

All the options granted shall vest in four equal installments on each of the first, second, third and fourth anniversaries of the date of grant. Upon exercise of the options, the grantees will become limited partners of an employee incentive platform of Beijing 51Sim and, thus, indirectly hold economic interest in the relevant Shares of Beijing 51Sim.

### *(ix) Awards granted*

As of 31 December 2025, options representing the right to acquire economic interest in 645,715 Shares of Beijing 51Sim granted to 32 employees of the Group remain outstanding, accounting for approximately 5.7% of the total issued share capital of Beijing 51Sim.

## DIRECTORS' REPORT

As of 31 December 2025, the table below sets out the details of options granted to directors, senior management and employees of members of our Group under the Beijing 51Sim Stock Option Scheme<sup>(1)</sup>:

Name of Grantee	Positions held in our Group	Date of Grant	Total Number of Shares of Beijing 51Sim Underlying the Options Granted	Exercise Price per Share of Beijing 51Sim (RMB)	Approximate Percentage of Shareholding in the Total Issued Share Capital of Beijing 51Sim
Bao Shiqian (鮑世強)	CEO of Beijing 51Sim	10 August 2023	142,863	35	1.26%
Zhang Anchun (張安春)	Deputy general manager and director of R&D	10 August 2023	57,143	35	0.50%
Cai Hong (蔡鴻)	Senior architect	10 August 2023	28,571	35	0.25%
Cao Shi (曹石)	R&D manager	10 August 2023	5,714	35	0.05%
Chen Dehao (陳德灝)	Senior hardware engineer	10 August 2023	28,571	35	0.25%
Chen Lei (陳磊)	Senior product manager	10 August 2023	28,571	35	0.25%
Dou Siang (竇司昂)	Board secretary of Beijing 51Sim	10 August 2023	14,286	35	0.13%
Fang Zehua (房澤華)	Backend engineer	10 August 2023	5,714	35	0.05%
Fu Yong (付勇)	Senior product manager	10 August 2023	5,714	35	0.05%
Gao Feng (高峰)	Senior simulation engineer	10 August 2023	22,857	35	0.20%
Li Shendong (李申東)	Senior simulation engineer	10 August 2023	5,714	35	0.05%
Li Yule (李宇功)	Senior user experience designer	10 August 2023	5,714	35	0.05%
Lin Changnuan (林昌暖)	Senior R&D manager	10 August 2023	28,571	35	0.25%
Liu Ming (柳明)	Simulation engineer	10 August 2023	5,714	35	0.05%
Luo Senli (羅森禮)	Senior frontend engineer	10 August 2023	5,714	35	0.05%
Mao Zuqiu (毛祖秋)	Senior R&D manager	10 August 2023	28,571	35	0.25%
Mi Nanqiang (米南強)	R&D director	10 August 2023	28,571	35	0.25%
Niu Chao (牛超)	Sales director	10 August 2023	5,714	35	0.05%
Qing Gele (青格勒)	Senior application engineer	10 August 2023	5,714	35	0.05%
Tang Yi (唐怡)	Senior product manager	10 August 2023	14,286	35	0.13%
Wang Huadong (王華棟)	Frontend engineer	10 August 2023	5,714	35	0.05%
Wang Xiaoman (王曉曼)	Algorithm engineer	10 August 2023	5,714	35	0.05%
Yang Qihang (楊啟航)	Simulation engineer	10 August 2023	5,714	35	0.05%
Yu Jinyang (余進洋)	Senior frontend engineer	10 August 2023	5,714	35	0.05%
Yu Xiaolong (喻小龍)	Senior level designer	10 August 2023	14,286	35	0.13%
Zhang Chenchen (張晨晨)	Senior backend engineer	10 August 2023	5,714	35	0.05%
Zhang Hongru (張宏儒)	Senior test engineer	10 August 2023	14,286	35	0.13%
Zhang Xiaona (張曉娜)	Deputy general manager	10 August 2023	57,143	35	0.50%
Zhao Wenjie (趙文傑)	Solution expert	10 August 2023	14,286	35	0.13%
Zhou Yao (周耀)	Architect	10 August 2023	14,286	35	0.13%
Zhu Xiaowen (朱曉文)	Architect	10 August 2023	22,857	35	0.20%
Zou Nan (鄒楠)	Senior sales manager	10 August 2023	5,714	35	0.05%

Note:

- The exercise price per Share was determined with reference to the Beijing 51Sim's then prevailing financing valuation.

## DIRECTORS' REPORT

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time for the year ended 31 December 2025 were our Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of our Company or any other body corporate; and none of the Directors, or any of their spouses or children under the age of 18, had any right to subscribe for equity or debt securities of our Company or any other body corporate, or had exercised any such right.

### EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

The Company has established the Remuneration and Appraisal Committee to formulate remuneration policies. Our Directors receive remuneration in forms of salaries, allowances, benefits in kind, and contributions to pension scheme paid by us on their behalf. The remuneration of our Directors and senior management members is determined with reference to their experience, duties and performance and the salaries of comparable companies.

Our Company has also adopted the Share Incentive Schemes to provide incentives for certain employees. Please refer to the section headed "Share Schemes" above for details.

Details of the remuneration of the Directors, Supervisors and the five highest paid individuals are set out in note 7 and note 8 to the consolidated financial statements in this report, respectively.

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

### CONNECTED TRANSACTIONS

For the financial year ended 31 December 2025, the Group entered into certain transactions with "related parties" (as defined in the applicable accounting standards). These transactions have been disclosed in note 25 to the consolidated financial statements. Save for those transactions involving the payment of emoluments to certain management personnel of the Group (which constitute connected transactions that are fully exempt from compliance with the connected transaction requirements under Rule 14A.76(1) or Rule 14A.95 of the Listing Rules), none of the related party transactions disclosed in the consolidated financial statements constitute connected transactions as defined in Chapter 14A of the Listing Rules. The Company has complied with the applicable disclosure requirements under Chapter 14A of the Listing Rules.

Save as disclosed in this annual report, since the Listing Date and up to the Latest Practicable Date, the Company has not entered into any connected transactions or continuing connected transactions that are required to be disclosed under the Listing Rules.

## DIRECTORS' REPORT

### SUFFICIENT PUBLIC FLOAT

Based on the publicly available information of the Company and to the best knowledge of the Directors, from the Listing Date up to the Latest Practicable Date, there is sufficient public float, as not less than 25% of the Company's issued Shares are held by the public as required under the Listing Rules.

### AUDITOR

The Company engaged KPMG as its auditor and did not change its auditor during the past three years.

By order of the Board

**Beijing 51WORLD Digital Twin Technology Co., Ltd.**

**Mr. Li Yi**

*Chairman of the Board, Executive Director and Chief Executive Officer*

Hong Kong, PRC

15 April, 2026

# CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report in our Company's annual report for the year ended 31 December 2025.

## CORPORATE CULTURE

**Vision:** Creating a real, complete and permanent digital twin world

**Mission:** Making the real world safer, more efficient and better

**Values:**

Purity

Product Purity: Centered on real customer needs, we create products with genuine value

Team Purity: A culture of simplicity and focus, built on trust and efficient collaboration

Partnership Purity: Anchored in customer success, we strive for excellence in products and services

Pursuit

Technological Pursuit: Daring to tackle technical challenges and continuously pushing the boundaries of innovation

Goal Pursuit: Setting 10x targets to achieve breakthrough results

Action Pursuit: Acting fast and validating quickly, moving in agile steps to find the right path

## CORPORATE GOVERNANCE PRACTICES

The Company strives to attain and maintain relatively high standards of corporate governance that are best suited to the needs and interests of the Group, as it believes that effective corporate governance practices are fundamental to safeguarding the interests of Shareholders and other stakeholders and enhancing Shareholder value.

The Board has adopted the relevant requirements for CG Code set out in the Appendix C1 to the Listing Rules. Since the Listing Date and up to the end of the Reporting Period, save as disclosed in the section headed "Chairman and Chief Executive Officer", the Company has fully complied with all applicable code provisions under the Corporate Governance Code. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code and to maintain the Company's high standards of corporate governance.

## BOARD OF DIRECTORS

### BOARD COMPOSITION

The Board structure is governed by the Articles of Association. The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of our Group.

As of the Latest Practicable Date, the Board comprised nine members, including five executive Directors, one non-executive Director and three independent non-executive Directors. For the Board composition as of the Latest Practicable Date, please refer to the "Directors' Report – BOARD OF DIRECTORS" of this report. The details of the biographies of Directors are set out in the "Biographies of Directors and Senior Management" of this report.

## CORPORATE GOVERNANCE REPORT

Save as disclosed in this report, there is no other relationship (including financial, business, family or other material/relevant relationships) between the Directors, Supervisors and the senior management.

### BOARD MEETINGS AND GENERAL MEETINGS

The Company has adopted the practice of holding regular Board meetings at least four times a year, approximately once every quarter. Notices of all regular Board meetings are given to all Directors at least 14 days before the meetings, enabling them to have an opportunity to attend and to include matters requiring discussion in the agenda for regular Board meetings.

During the Reporting Period, the Company has held 4 Board meetings and 1 general meeting. The attendance of each Director at the Board meetings and general meetings is as follows:

Member of the Board	Board Meetings			General Meetings		
	Attendance in person/ number of meetings	Attendance by way of proxy/number of meetings	Attendance Rate	Attendance in person/ number of meetings	Attendance by way of proxy/number of meetings	Attendance Rate
Mr. Li Yi (李熠) (Chairman)	4	0	100%	1	0	100%
Mr. Wang Chenkang (王辰康)	4	0	100%	1	0	100%
Ms. Tong Shan (佟珊)	4	0	100%	1	0	100%
Ms. Pu Ge (蒲鵬)	4	0	100%	1	0	100%
Ms. Zhang Yuwei (張雨薇) (resigned on 13 February 2026)	4	0	100%	1	0	100%
Mr. Lyu Jinrong (呂金榮) (resigned on 13 February 2026)	4	0	100%	1	0	100%
Mr. Li Pan (李攀)	4	0	100%	1	0	100%
Mr. Lin Chen (林晨)	4	0	100%	1	0	100%
Mr. Zhang Lening (張樂寧)	4	0	100%	1	0	100%

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

Pursuant to the Articles of Association and the Working Rules of the Nomination Committee, Directors shall be elected or replaced by the general meetings and may be removed from office by the general meetings before the expiration of their term of office. The term of office of the Directors is three years. Upon expiration of the term, the Directors may be re-elected and serve consecutive terms. The term of office of Directors shall last from the date on which the Directors take office to the expiration of the term of office of the current Board. If the term of office of a Director expires but the Director fails to be re-elected in time, the former Director shall, before the newly elected Director takes office, still perform the duties of the Director in accordance with the provisions of laws, regulations and the Articles of Association. Any person appointed by the Board as a Director to fill a casual vacancy or increase the number of members of the Board shall hold office until the expiry of the term of the current session of the Board and shall be eligible for re-election at that time. The general meetings may, subject to the provisions of relevant laws and administrative regulations, remove by ordinary resolution any director (including executive Director) whose term of office has not yet expired (provided that claims under any contract shall not be affected).

## CORPORATE GOVERNANCE REPORT

The Nomination Committee of the Board is primarily responsible for reviewing and making recommendations to the Board on the selection of candidates for Directors of the Company and senior management personnel whose appointment or removal is subject to Board approval, as well as the selection criteria and procedures. When considering the composition of the Board, the Nomination Committee shall ensure a balanced composition of executive and non-executive Directors (including independent non-executive Directors) on the Board. At the same time, it shall consider board diversity from multiple perspectives, including but not limited to the gender, age, cultural and educational background, and professional experience of the Directors. Directors may concurrently serve as the general manager or other senior management personnel, provided that the total number of Directors who also serve as the general manager or other senior management personnel shall not exceed one-half of the total number of Directors of the Company.

### DUTIES OF THE BOARD OF DIRECTORS AND THE MANAGEMENT

In accordance with the rights and duties stipulated in the Articles of Association, the Board reports to the general meeting and is responsible for implementing resolutions of the general meeting, safeguarding interests of the Company and all Shareholders, and making decisions on the Company's development goals and major business activities. The rights of the Board include, but not limited to, laying down strategies and overseeing their implementation, directly and indirectly through its committees leading and providing direction to the management, monitoring the Group's operation and financial performance, ensuring that sound internal control and risk management systems are in place, and other rights conferred by the Articles of Association.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have full and timely access to all the data of the Company and may, upon request, seek independent professional advice in appropriate circumstances for discharging their duties to the Company. The independent non-executive Directors are responsible for earnestly reviewing significant matters to be resolved by the Board and exercising their voting rights on an independent, prudent and objective basis, to effectively safeguard legitimate rights and interests of the Company and its public Shareholders.

Daily management, administration and operation of the Group are delegated to the management, which is responsible for overseeing the Company's production, operation and management, organising and implementing the resolutions of the Board and other duties stipulated in the Articles of Association. The delegated functions and duties should be periodically reviewed by the Board.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. We do not have separate roles of chairman and chief executive officer and Mr. Li Yi currently performs these two roles. The Board believes that Mr. Li Yi will provide solid and continuous leadership to the Group with his extensive experience and knowledge in management and the support of other members of the Board. Further, vesting the roles of both chief executive officer and chairman of our Board in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for such arrangement will not be impaired and this structure will be more conducive to the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of our Board and the chief executive officer of our Company at a time when it is appropriate by taking into account circumstances of our Group as a whole.

## CORPORATE GOVERNANCE REPORT

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period and up to the Latest Practicable Date, the Company has three independent non-executive Directors, which complies with the requirements of the Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board and not be less than three, and that at least one independent non-executive Director possesses appropriate professional qualifications or accounting or related financial management expertise.

The Board has received written annual confirmation from each independent non-executive Director of his independence pursuant to Rule 3.13 of the Listing Rules. Our Company considers all independent non-executive Directors to be independent.

Each of the independent non-executive Directors has signed a service agreement with our Company, effective from his or her respective date of appointment and continuing until the expiry of the second session of the Board of Directors, subject to termination in accordance with the terms and conditions stated in the agreement. Independent non-executive Directors are required to inform our Company if there is any change that may affect his/her independence.

### INDUCTION AND CONTINUING DEVELOPMENT OF DIRECTORS

All Directors will comply with Rules 3.09F to 3.09H of the Listing Rules that all Directors participate in continuous professional development to develop and refresh their knowledge and skills. The Directors will be provided with amendments to or updates on the relevant laws, rules and regulations and the Listing Rules to keep them abreast of the latest developments.

Directors should participate in appropriate continuing professional development to develop and update their knowledge and skills. The Company will arrange internal lectures/seminars for Directors, and provide reading materials on relevant topics. The Company encourages all Directors to attend relevant training courses at the Company's expense.

Every newly appointed Director should receive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of our Company and full awareness of Directors' responsibilities and obligations under the Listing Rules and relevant statutory requirements.

## CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025 and up to the Latest Practicable Date, the participation of all Directors in continuous professional development and training is as follows:

Name of Directors	Training content	
	Attendance at seminars, conferences, forums and/or training courses organized by the Company or external organizations (covering the Company's business updates, directors' duties and responsibilities, corporate governance and regulatory updates, and other applicable regulatory requirements).	Reading materials provided by the Company or external parties, such as materials relating to the Company's business updates, directors' duties and responsibilities, corporate governance and regulatory updates, and other applicable regulatory requirements.
<b>Executive Directors</b>		
Mr. Li Yi ( <i>Chairman</i> )	✓	✓
Mr. Wang Chenkang	✓	✓
Ms. Du Jinyan (appointed on 13 February 2026)	✓	✓
Ms. Tong Shan	✓	✓
Ms. Pu Ge	✓	✓
Ms. Zhang Yuwei (resigned on 13 February 2026)	✓	✓
<b>Non-executive Directors</b>		
Mr. Yang Gu (appointed on 13 February 2026)	✓	✓
Mr. Lyu Jinrong (resigned on 13 February 2026)	✓	✓
<b>Independent Non-executive Directors</b>		
Mr. Li Pan	✓	✓
Mr. Lin Chen	✓	✓
Mr. Zhang Lening	✓	✓

## MODEL CODE FOR SECURITIES TRANSACTIONS

Our Company has adopted the Model Code since the Listing Date.

We have made specific inquiries to all Directors and Supervisors, and all Directors and Supervisors have confirmed that they have complied with the Model Code in conducting securities transactions of the Company since the Listing Date and up to 31 December 2025.

# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES

The Board has established four committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee, for overseeing particular aspects of our Company's affairs. All Board committees of our Company are established with defined written terms of reference which are available for Shareholders' viewing on the Company's website and the Stock Exchange's website.

### AUDIT COMMITTEE

The Audit Committee consists of three members, including two independent non-executive Directors, namely Mr. Li Pan and Mr. Zhang Lening, and one non-executive Director, namely Mr. Yang Gu. Mr. Zhang Lening acts as the chairman of the Audit Committee, and is our independent non-executive Director holding the appropriate professional qualifications.

The primary duties of the Audit Committee include, but not limited to: (1) making recommendations to the Board on the appointment or removal of the external auditor; (2) liaising with the internal audit department and external auditor to ensure that their work is coordinated; (3) reviewing the Company's financial information, and supervising the integrity of the Company's financial statements, accounts and financial reports; (4) supervising the financial reporting system, risk management and internal control system of the Company, and supervising the internal audit system and accounting policy of the Company and the implementation thereof.

During the Reporting Period, the Company held two Audit Committee meetings in total.

The annual report and annual results announcement of the Company for the year ended 31 December 2025 have been reviewed by the Audit Committee. The Audit Committee is of the view that the preparation of the relevant financial information complied with applicable accounting standards, the requirements of the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

### REMUNERATION AND APPRAISAL COMMITTEE

The Remuneration and Appraisal Committee consists of three members, including two independent non-executive Directors, namely Mr. Lin Chen and Mr. Zhang Lening, and one executive Director, namely Ms. Du Jinyan. Mr. Zhang Lening acts as the chairman of the Remuneration and Appraisal Committee.

The primary duties of the Remuneration and Appraisal Committee include, but are not limited to: (1) formulating appraisal standards and conducting evaluations based on the primary duties, scope, and importance of the management positions of Directors and senior management, as well as the remuneration levels of relevant positions in other related enterprises, and making recommendations; making recommendations to the Board on the overall performance appraisal and remuneration management system and structure for the Company's Directors and senior management, and on the establishment of formal and transparent procedures for developing remuneration policy; (2) reviewing and approving management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board; (3) reviewing the performance of duties by the Company's Directors and senior management and conducting annual performance appraisals; (4) supervising the implementation of the Company's remuneration system; (5) reviewing and/or approving matters relating to share schemes as described in Chapter 17 of the Listing Rules; (6) other duties and authorities as set out in the Corporate Governance Code.

## CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Company held one Remuneration and Appraisal Committee meeting in total.

The Company adopted Share Incentive Schemes prior to its listing on the Stock Exchange. For further details, please refer to the section headed “Share Schemes” in this report. The Remuneration and Appraisal Committee will review and/or approve the matters relating to such share schemes under the relevant requirements under the Listing Rules.

### NOMINATION COMMITTEE

The Nomination Committee consists of three members, including one executive Director, namely Ms. Du Jinyan, and two independent non-executive Directors, namely Mr. Li Pan and Mr. Lin Chen. Mr. Lin Chen acts as the chairman of the Nomination Committee. The primary duties of the Nomination Committee include, but are not limited to: (1) identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; making recommendations to the Board on the appointment or re-appointment of Directors and succession planning of Directors; (2) formulating and reviewing the board diversity policy; (3) assessing the independence of independent non-executive Directors; (4) supporting the Company in regularly evaluating the performance of the Board.

During the Reporting Period, the Company held one Nomination Committee meeting in total.

### STRATEGY COMMITTEE

The Strategy Committee consists of three members, including two executive Directors, namely Mr. Li Yi and Mr. Wang Chenkang, and one independent non-executive Director, namely Mr. Lin Chen. Mr. Li Yi acts as the chairman of the Strategy Committee. The primary duties of the Strategy Committee include, but are not limited to: (1) conducting research on the Company’s long-term development strategic plans and making recommendations; (2) conducting research and making recommendations on significant investment and financing schemes that are required by the Articles of Association to be approved by the Board; (3) conducting research and making recommendations on significant capital operations and asset management projects that are required by the Articles of Association to be approved by the Board; (4) conducting research and making recommendations on other major matters affecting the development of the Company.

During the Reporting Period, the Company held one Strategy Committee meeting in total.

### BOARD DIVERSITY POLICY

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company’s competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent.

## CORPORATE GOVERNANCE REPORT

Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a director of our Company, the nomination committee of our Board will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. In particular, there are currently three female directors among the nine members of the Company's Board, representing a proportion of over 30%. Accordingly, the Board considers that the current composition of the Board follows the board diversity policy. Our Directors have a balanced mix of knowledge and skills with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the composition of our Board satisfies our board diversity policy. Pursuant to the board diversity policy, the nomination committee of our Board will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

The Board places strong emphasis on diversity (including but not limited to gender diversity) at the Board level and across all levels of the Group. Taking into account the Board's view that the current Board composition satisfies the board diversity policy, the Board targets to maintain at least the current level of female representation in the Board. In considering the Board's succession, the Board will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, employees and management of the Group. These measures will ensure that the Board will be able to develop a pipeline of potential successors to the Board, such that the Board will be able to take the opportunity to further increase the diversity on the Board (including but not limited to the proportion of female members of the Board) as and when such opportunity arises and suitable candidates are identified. The Company will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that it will have a pipeline of female senior management and potential successors to the Board in due time to ensure gender diversity of the Board. The Group will continue to emphasize training of female talent and providing long-term development opportunities for female staff.

In addition to gender diversity within the Board, the Company is also committed to promoting gender diversity among its workforce generally. As of 31 December 2025, the number and ratio of the Company's employees (including Directors and senior management) by gender are as follows:

	Female	Male
<b>The Board</b>	3, 33%	6, 67%
<b>Senior Management</b>	3, 60%	2, 40%
<b>Other employees</b>	101, 30%	235, 70%
<b>Total</b>	107, 31%	243, 69%

The Company targets to maintain at least the current level of gender diversity in its workforce. In order to achieve such goals while also ensuring that the Group's business needs and objectives may be met and diversity across all other aspects may be achieved, the Group will continue to adopt gender-neutral employment policies to ensure that candidates of all skills, background qualities and genders will be allowed equal opportunities to be considered, and the Group will be able to select its employees from a diversified pool of talents.

## CORPORATE GOVERNANCE REPORT

During the Reporting Period, the total remuneration (excluding Share-based payments) received by the Company's senior management fell within the following bands:

<b>Bands of total remuneration</b>	<b>Number of persons</b>
<b>RMB0 to RMB500,000</b>	2
<b>RMB500,001 to RMB1,000,000</b>	4
<b>RMB1,500,001 to RMB2,000,000</b>	1

*Note:* The above includes members of the senior management who resigned during the Reporting Period and up to the Latest Practicable Date.

### INDEPENDENT VIEWS AND OPINIONS

The Board has established relevant mechanisms to ensure that the Board obtains independent views and opinions. According to the provisions of the Articles of Association, the Board consists of nine Directors, including three independent non-executive Directors. All members of the Board committees are Directors. Independent non-executive Directors constitute the majority of, and serve as conveners of the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee. The convener of the Audit Committee must be a professional accountant. If Shareholders individually or in aggregate holding 10% or more of total number of the Company's Shares with voting rights or a Director has a conflict of interest in the matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution. The independent non-executive Directors who and whose close associates (as defined in the Listing Rules) have no material interest in the transaction shall be present at that Board meeting. In addition to regular Board meetings, the Chairman will also meet with the independent non-executive Directors at least once a year without the presence of other Directors.

During the Reporting Period, the Board has complied with the above relevant provisions and the above mechanisms have been effective in providing independent views and opinions for the Board. The Board will review the implementation and effectiveness of the aforesaid mechanisms annually.

### CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining corporate governance policy of our Company and performing the functions set out in Code Provision A.2.1 of the CG Code. The Board reviews our Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, our Company's policies and practices on compliance with laws and regulatory requirements, our Company's compliance with the CG Code, our Company's code of conduct applicable to its employees and Directors, and disclosure in its Corporate Governance Report during the Reporting Period.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of our Company may from time to time and as the circumstances required, provide updated written training materials relating to the roles, functions and duties of Directors of the company listed on the Stock Exchange.

# CORPORATE GOVERNANCE REPORT

## ACCOUNTABILITY AND AUDIT

### DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

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

The Directors are responsible for overseeing the preparation of financial statements of our Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and relevant statutory and regulatory requirements and applicable accounting standards are complied with as well as such internal control as the Directors determine is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

The Board has received from the senior management of our Company the management accounts and such accompanying explanations and information as are necessary to enable the Board to make an informed assessment for approving the financial statements.

### OVERSIGHT BY OUR AUDIT COMMITTEE

In accordance with the duties and responsibilities set out under its terms of reference, the Audit Committee assists the Board by providing objective review of our Company's accounting policies, financial position, financial reporting procedures and financial controls as well as the integrity, accuracy and fairness of our Company's financial statements. In addition, the Audit Committee discusses any questions or doubts that may be raised by the external auditors and reviews the external auditors' report and other recommendations to the senior management of our Company.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control system and reviews their effectiveness. Since the Listing Date and up to 31 December 2025, the Company has complied with paragraph D.2 of Part 2 of the CG Code by establishing appropriate and effective risk management and internal control system.

Our Company has established a comprehensive risk management system and relevant policies and procedures which we consider suitable for our business operations. Our policies and procedures are aimed at managing and monitoring our business performance. We have adopted, or will continue to adopt, among other things, the following risk management measures:

# CORPORATE GOVERNANCE REPORT

## RISK MANAGEMENT

The Company has established a systematic risk management framework aimed at effectively identifying, assessing, and responding to significant risks that may affect the achievement of its strategic objectives.

### *Risk Management Organizational Structure*

The Board: assuming ultimate responsibility for risk management, responsible for determining risk appetite and approving risk management strategies, and overseeing the overall effectiveness of the risk management system.

The Audit Committee: as delegated by the Board, overseeing the risk management process, reviewing major risk areas, and ensuring that management has taken appropriate measures to address such risks.

Management: responsible for identifying, assessing, and managing various risks in daily operations, formulating specific risk response measures, and reporting on risk management to the Audit Committee and the Board.

The Internal Audit Department: as an independent oversight and evaluation body, regularly auditing and assessing the effectiveness of the risk management process.

### *Procedures for Identifying, Assessing and Managing Material Risks*

Risk Identification: A systematic methodology is adopted, taking into account changes in both internal and external environments, to identify strategic, operational, financial, and compliance risks that may potentially impact the Company. A risk classification and grading framework has been established to ensure comprehensive coverage of all types of risks.

Risk Assessment: Identified risks are evaluated based on two dimensions, namely the likelihood of occurrence and the potential impact, to determine their level of significance. The assessment process features clearly defined responsibilities and is carried out collaboratively by various business and functional departments.

Risk Response and Management: For significant risks identified through the assessment, management formulates appropriate response strategies (such as risk acceptance, avoidance, transfer, or mitigation) and implements specific control measures and designated responsible persons.

Regular Review and Monitoring: A periodic risk assessment mechanism (conducted at least annually) has been established to continuously monitor changes in key risk indicators. Risk management strategies are dynamically adjusted in response to changes in internal and external environments to ensure that risks remain within a controllable range.

## INTERNAL CONTROL

The Company's internal control system is a process implemented jointly by the Board, management, and the internal audit department, designed to provide reasonable assurance regarding the efficiency and effectiveness of operations, the reliability of financial reporting, and compliance with applicable laws and regulations.

# CORPORATE GOVERNANCE REPORT

## *Internal Control System*

The internal control system has the following core features to ensure its effectiveness:

**Systematic and Comprehensive Approach:** The control system covers strategic, operational, financial, and compliance aspects, achieving a closed-loop management process across the entire chain, from policy formulation and execution monitoring to effectiveness evaluation.

**Segregation of Duties and Authorization Management:** We strictly implement the principle of segregation of duties to ensure that incompatible functions such as authorization, execution, recording, review, and custody are performed by different personnel. Clear authorization and approval procedures, as well as delegation protocols, are established for all material matters to prevent unauthorized actions and mitigate fraud risks.

**Institutionalized Management:** We have established a series of internal control policies to regulate various business activities. These include, but are not limited to, robust financial accounting and reporting processes to ensure that accounting information is true, accurate, and complete; the implementation of policies such as the Anti-Money Laundering Policy, Employee Code of Conduct, and the “Ten Red Lines” to strengthen compliance awareness and prevent integrity risks. In addition, we have established mechanisms for managing negative incidents and public opinion to promptly respond to and handle events that may affect the Company’s reputation. In accordance with relevant regulatory requirements, we have also formulated the Information Disclosure Management Measures, which specify procedures for the identification, handling, transmission, and disclosure of inside information, ensuring that such information is kept strictly confidential prior to public disclosure and is disclosed to all investors in a fair, accurate, and timely manner.

## *Information and Communication*

We have established effective communication channels to ensure that employees clearly understand their responsibilities in internal control and that important information is communicated to management, the Board, and relevant oversight bodies in a timely manner.

## *Internal Audit Function*

The Company has established an independent internal audit department, whose organizational structure, responsibilities, and authority are governed by the Internal Audit Management Policy. The internal audit department operates independently from management and reports directly to the Audit Committee. Through conducting regular, risk-based audit engagements, it provides an independent evaluation of the design and operating effectiveness of internal controls.

## EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors recognizes its responsibility for the Company’s risk management and internal control system, and is responsible for reviewing the effectiveness of these systems at least once a year.

To ensure the ongoing effectiveness of the risk management and internal control system, we have implemented the following review procedures:

## CORPORATE GOVERNANCE REPORT

Ongoing monitoring: The internal audit department conducts regular and ad-hoc audit tests on the internal control performance of business units and key control points based on the annual audit plan.

Regular assessment: The Audit Committee holds regular meetings (at least once a year) to review risk assessment reports and internal control evaluation reports submitted by the management and the internal audit department, and holds in-depth discussions of significant risks identified, control deficiencies found, and the corresponding remediation plans.

Deficiency rectification and tracking: For internal control deficiencies identified during internal audits or other oversight processes, especially severe control failures, we have established a strict rectification responsibility tracking mechanism. Clear accountability, designated individuals, and defined deadlines are set for the remediation. The internal audit department follows up to verify the effectiveness of the rectification and ensures that issues are thoroughly resolved.

The Board of Directors believes that the Company's current risk management and internal control system are effective and sufficient, providing a reliable safeguard for the Company's business development. The Board acknowledges its ultimate responsibility for risk management and internal control system, and is responsible for reviewing the effectiveness of these systems.

The management has reported to the Board and the Audit Committee on the effectiveness of risk management and internal control system during the Reporting Period. The Board, as supported by the Audit Committee as well as the management, conducts annual reviews of the effectiveness of risk management and internal control system on a regular basis. During the Reporting Period, the Board has reviewed the effectiveness of the risk management and internal control system, including the financial, operational, and compliance controls, during the Reporting Period, and considered that such systems are effective and adequate.

## AUDITOR'S REMUNERATION

The statement by the external auditors of the Company regarding their responsibility for the financial statements is set out in the "Independent Auditor's Report" on pages 125 to 129 of this report.

For the year ended 31 December 2025, the fees paid/payable to the external auditors, KPMG, were as follows:

	<b>Fees (RMB'000)</b>
Audit services	
– audit services on the financial statements of our Group for the Reporting Period	2,075
– audit services related to the listing of the Shares on the Main Board of the Stock Exchange	2,642
Non-audit services	–
<b>Total</b>	<b>4,717</b>

## CORPORATE GOVERNANCE REPORT

### JOINT COMPANY SECRETARIES

Ms. Du Jinyan (杜金艷) and Ms. Chu Cheuk Ting (朱卓婷) serve as the Company's joint company secretaries. Currently, Ms. Du Jinyan is the primary contact person for Ms. Chu Cheuk Ting. For details regarding the biographies of the joint company secretaries, please refer to the section headed "Biographies of Directors and Senior Management" in this report. Ms. Chu Cheuk Ting has completed no less than 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules. As the Company was listed on the Stock Exchange on 30 December 2025, Ms. Du Jinyan will satisfy these requirements in 2026.

### SHAREHOLDER RIGHTS

#### SHAREHOLDERS CONVENE AN EXTRAORDINARY GENERAL MEETINGS

Pursuant to the Articles of Association, Shareholders holding 10% or more of the Shares of the Company separately or in aggregate shall have the right to request the board of directors to hold an extraordinary general meeting, and shall put forward such request to the Board of Directors in writing. The Board of Directors shall, pursuant to the applicable laws, regulations, and the Articles of Association, give a written reply on whether or not it agrees to hold such an extraordinary general meeting within 10 days after receipt of the request. If the Board of Directors agrees to convene an extraordinary general meeting, a notice for convening such a meeting shall be issued within five days after the date of the resolution of the Board of Directors. If the Board of Directors does not agree to convene the extraordinary general meeting, or fails to give a response within 10 days after receipt of the request, Shareholders holding 10% or more of the Shares of the Company separately or in aggregate shall have the right to propose to the Audit Committee to convene an extraordinary general meeting, and shall put forward such request to the Audit Committee in writing. If the Audit Committee agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within five days after receipt of the request and any changes to the original proposal contained in the notice shall be subject to the approval of the relevant Shareholders. If the Audit Committee fails to issue a notice convening the general meeting by the prescribed period, the Audit Committee shall be deemed to refuse to convene and preside over such meeting, and Shareholders holding 10% or more of the Shares of the Company separately or in aggregate for no less than 90 consecutive days shall have the right to convene and preside over the meeting on their own.

#### SUBMITTING PROPOSALS AT THE GENERAL MEETING

Pursuant to the Articles of Association, Shareholders individually or jointly holding 1% or more of the Shares of the Company may submit ad hoc proposals to the convener of a general meeting in writing 10 days prior to the general meeting. Ad hoc proposals should have clear agenda items and specific resolution matters. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of such proposal, and submit the ad hoc proposal to the general meeting for review; provided, however, that the ad hoc proposal shall be in compliance with the provisions of the laws, administrative regulations or the Articles of Association or shall fall within the scope of functions and powers of the general meeting.

## CORPORATE GOVERNANCE REPORT

### COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS/ RELATIONSHIP WITH INVESTORS

The Board believes that a transparent and timely disclosure of the Company's information is essential for enhancing investor relations and will enable the Shareholders and investors to make the best investment decision and to have better understanding of the Company's business performance and strategies. The Company endeavours to maintain an on-going dialogue with the Shareholders and in particular, through Annual General Meeting and other general meetings. The Chairman of the Board and the chairmen of the Board committees will endeavour to meet the Shareholders at the general meetings to answer any questions raised by the Shareholders.

The Company has adopted a shareholders communication policy to ensure that Shareholders' views and concerns are appropriately addressed with the objective of ensuring transparent, accurate, and open communications with the Shareholders, which will be reviewed annually to ensure its effectiveness. The Company also maintains websites at <https://www.51world.com.cn>, where corporate communication documents, other documents issued by the Company that are published on the website of the Stock Exchange, constitutional documents, corporate information, other corporate publications, and up-to-date information and updates of the Company's operations, performances, and strategies are available to public. The Company's website serves as a communication platform with the Shareholders and investors.

The Shareholders and investors may also write directly to the Company's headquarters and the principal place of business in China at Building BIGGER, Modern MOMA, No. 1 Xiangheyuan Road, Dongcheng District, Beijing, China, or via email to [ir@51world.com.cn](mailto:ir@51world.com.cn) to make any queries. Queries are dealt with in an informative and timely manner.

The Company has reviewed its shareholders' communication policy and examined the implementation and effectiveness of the shareholders' communication policy. The Company believes that the shareholders' communication policy is still appropriate and effective in providing a channel for Shareholders to communicate on various matters affecting the Company, as well as the Company to solicit and understand the opinions of Shareholders and stakeholders.

### ATTENDANCE OF DIRECTORS AT GENERAL MEETINGS

For details of Directors' attendance at general meeting during the Reporting Period, please refer to the section headed "Corporate Governance Report – Board of Directors – Board Meetings and General Meetings" in this report.

### DIVIDEND POLICY

Pursuant to the Articles of Association, when the Company distributes the after-tax profits of the current year, it shall allocate 10% of the profits into the statutory surplus reserve. When the cumulated amount of the statutory surplus reserve of the Company has reached 50% or more of its registered capital, no further allocations are required. After the Company has covered its losses and withdrawn its reserves, the remaining profits of the Company shall be distributed in proportion to the shareholdings of its Shareholders, unless the Articles of Association provide that distributions are to be made otherwise than proportionally. When a resolution is made by a general meeting on the profit distribution scheme, the Board shall complete the dividend (or share) distribution within 2 months after the general meeting. The Company shall distribute dividends in the form of cash or Shares.

## CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Company did not declare or pay any dividends as the Board has resolved not to recommend the declaration of a final dividend for the year ended 31 December 2025 which is made in accordance with the Company's dividend policy. The Company currently intends to retain all future earnings to support our operations and business expansion and does not expect to distribute cash dividends in the foreseeable future. Any future declaration and payment of dividends will be at the discretion of the Board and will depend on a number of factors, including profitability, capital requirements, overall financial condition, and contractual obligations. If dividends are paid to Shareholders, the Company would rely in part on distributions from its Chinese subsidiaries. Any dividends distributed to us by our Chinese subsidiaries will be subject to Chinese withholding tax.

### CONTACT INFORMATION

Shareholders may submit the above inquiries or requests through the following contact details:

Address: Building BIGGER, Modern MOMA, No. 1 Xiangheyuan Road, Dongcheng District, Beijing, China  
Email Address: ir@51world.com.cn

For the avoidance of doubt, a written request, notice, statement, or inquiry (as the case may be) from a Shareholder shall be valid only if it is duly signed and delivered to the address set forth above, and includes the Shareholder's full name, contact information, and proof of identity. Shareholder information may be disclosed as required by law.

### CONSTITUTIONAL DOCUMENTS

There were no material changes to the Articles of Association during the Reporting Period. On 13 February 2026, the Company convened its first extraordinary general meeting of 2026, at which the Shareholders reviewed and approved the proposals for the proposed abolishment of the Supervisory Committee and the amendments to the Articles of Association and its attachments. To comply with the newly revised Company Law, the Company has conducted a comprehensive review and revision of its Articles of Association and its attachments (including the Company's "Rules of Procedure for the general meetings" and "Rules of Procedure for Board Meetings"). The amendments include, but are not limited to, the abolishment of the Supervisory Committee and repeal of the Rules of Procedure of the Supervisory Committee in accordance with the relevant provisions of the new Company Law. For further details, please refer to the Company's announcement and circular dated 29 January 2026.

The latest version of the Company's Articles of Association is available on the Company's website and the website of the Stock Exchange.

By order of the Board

**Beijing 51WORLD Digital Twin Technology Co., Ltd.**

**北京五一视界数字孪生科技股份有限公司**

**Mr. Li Yi**

*Chairman of the Board, Executive Director and Chief Executive Officer*

Beijing, China

15 April 2026

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

### PURPOSE

Beijing 51WORLD Digital Twin Technology Co., Ltd. (“**51 WORLD**” or the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**” or “**We**”) is pleased to present our Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) to our stakeholders. This Report aims to disclose and highlight the Group’s management approach, strategies, policies and measures in addressing material sustainability issues, while providing a comprehensive overview of the Group’s performance across relevant sustainability aspects through quantitative disclosures.

### REPORTING PERIOD AND SCOPE

Unless otherwise specified, this Report covers the period from 1 January 2025 to 31 December 2025 (the “**Reporting Period**”) and focuses on the Group’s core businesses in Beijing, Shanghai and Chengdu, the People’s Republic of China (the “**PRC**”), including (i) 51Aes (Digital Twin Platform), (ii) 51Sim (Synthetic Data and Simulation Platform), and (iii) 51Earth (Digital Earth Platform), which collectively accounted for 95% of the Group’s total revenue during the Reporting Period.

The reporting boundary is determined based on the principle of materiality, taking into account the financial and operational significance of each business segment to the Group, as well as their ESG impacts.

### REPORTING STANDARDS AND PRINCIPLES

This Report has been prepared in accordance with the disclosure requirements set out in the Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) in Appendix C2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) published by The Stock Exchange of Hong Kong Limited (the “**HKEX**”). The Report follows the reporting principles prescribed in the ESG Reporting Code as listed below:

Reporting Principle	Description	The Group’s Response
Materiality	ESG issues covered in this Report are sufficiently material to investors and other stakeholders and therefore should be reported.	The Group identifies and prioritises material ESG issues through ongoing stakeholder engagement and a comprehensive materiality assessment. These processes evaluate the relevance of sustainability topics to both the business and its stakeholders. For further details, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment.”

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting Principle	Description	The Group's Response
Quantitative	Key performance indicators disclosed in this Report should be measurable, and targets should be set for reducing particular impacts. This allows for the effectiveness of ESG policies and management systems to be evaluated and verified. Quantitative information should be accompanied by explanatory notes to illustrate its purpose and impact, and should be compared where appropriate.	Where applicable, this Report discloses key environmental and social performance indicators in a quantitative manner.
Balance	This Report should present the Group's positive and negative information in an objective and unbiased manner. It should avoid choices, omissions, or presentation formats that may inappropriately influence the decisions or judgments of readers.	This Report provides a complete, fair, clear, comparable, and objective overview of the Group's ESG policies and performance, offering stakeholders a balanced perspective.
Consistency	The methodologies and reporting scope adopted in the ESG Report should remain consistent from year to year to ensure the comparability of ESG data over time. Any changes should be clearly disclosed with corresponding explanations.	Any changes to the reporting framework or methodology have been clearly stated in this ESG Report to ensure transparency and allow stakeholders to conduct meaningful comparisons.

### ACCESS TO THE REPORT

The ESG Report is published in both Traditional Chinese and English and is available on the HKEX's HKEXnews website. In the event of any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

















### CONTACT US

We value stakeholders' feedback on our ESG management and performance. You are welcome to share your comments and suggestions by email via ESG@51world.com.cn.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## HIGHLIGHTS OF THE YEAR

### KEY PERFORMANCE SUMMARY

<p><b>Digital Empowerment • Shaping the Future</b></p>	 <p><b>260+</b> Software copyrights and valid authorised patents</p>	 <p><b>5</b> National-level key research and development (“R&amp;D”) program</p>	 <p><b>19</b> Business networks covering overseas regions</p>	 <p><b>ISO9001 Certification</b> applies to internet software development, sales operation and maintenance services</p>
<p><b>Green Management • Low-Carbon Operations</b></p>	 <p><b>Climate risks and opportunities assessment</b> Enhanced identification and assessment of climate risks and opportunities</p>	 <p><b>Establishment of “2030 Climate Target”</b> Absolute GHG (Scope 2) emissions reduced by 15%</p>	 <p><b>Scope 3</b> emission first-time calculation</p>	 <p><b>Climate scenario analysis</b> Assessing the Net Zero 2050 scenario and the Current Policies scenario</p>
<p><b>Technology for Good • Giving back to Society</b></p>	 <p><b>2 : 1</b> Male-to-female employee ratio</p>	 <p><b>100%</b> Employees trained</p>	 <p><b>3</b> Internal communication mechanisms for employees</p>	 <p><b>Zero</b> environmental and occupational health and safety accidents</p>
<p><b>Talent Driven • Co-Creating Growth</b></p>	 <p><b>Technology for Education</b> Key focus areas of community investment</p>	 <p>Participation in <b>2</b> community programs</p>	 <p><b>Continuing Investment</b> In supporting community charity and vulnerable groups</p>	 <p><b>Insisting on advancing</b> Employee participation in community Service</p>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## AWARDS AND RECOGNITIONS

**“Environmentally Friendly Pioneer Enterprise Award” 2025 Cailian Press Zhiyuan Award**



**ISO 14001:2015 Environmental Management System Certification**



**“AA rating of corporate social responsibility governance”**

Beijing Software and Information Services Industry Association



**ISO 45001:2018 Occupational Health and Safety Management System Certification**



**Specialised and New “Little Giant” Enterprise at the National Level**

the Ministry of Industry and Information Technology



**“High-Tech Enterprise” Certification**



**ISO 27001:2022 Information Security Management System Certification**



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT US

### GROUP OVERVIEW

Founded in February 2015, as the first physical artificial intelligence (“**physical AI**”) core infrastructure enterprise in the PRC entering the capital market, 51World is dedicated to building a bridge between the digital and physical worlds with a vision to “clone 510 million km<sup>2</sup> of the Earth”. Upholding the philosophy of technological innovation, the Group aims to accelerate technological innovation and practical application in the field of physical AI in the PRC, promote the development of a comprehensive domestic ecosystem, and help shape its unique competitive edge in the global race for artificial intelligence. Headquartered in Beijing, the Group has established R&D, engineering and innovation centres in Shanghai, Chengdu and Shenzhen, respectively. Its business network spans the entire country and extends to 19 countries and regions overseas, serving over a thousand large and medium-sized enterprise clients worldwide.

### Three-Curve

With our profound understanding and interdisciplinary application of the three core technologies of digital twin, namely 3D graphics, simulation, and artificial intelligence (“**AI**”), as well as our engineering and commercialisation capabilities across these three technologies, we launched three main business platforms, which we refer to as “Three-Curve” model.

#### First Curve: 51Aes Digital Twin Platform



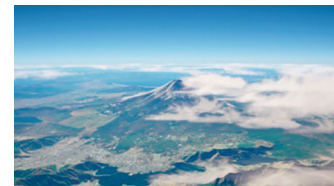
51Aes provides a high-fidelity and fully semantic AES spatial intelligence platform for sectors including cities, industry and water conservation. Combined with the core product, WDP development platform, offering low-code and high-performance capabilities, 51Aes has been widely adopted by over a thousand large and medium-sized enterprise customers worldwide.

#### Second Curve: 51Sim Synthetic Data and Simulation Platform



As the key engine of physical AI, 51Sim provides highly realistic simulation training environment and capabilities to generate vast amounts of synthetic data for fields including autonomous driving, intelligent equipment and robotics, thereby supporting the training and validation of AI systems in virtual environments. It currently serves over a hundred corporate clients in sectors including intelligent driving and embodied AI ranking the first in market share in the industry.

#### Third Curve: 51Earth Digital Earth Platform



Through its proprietary Clonova and Aperdata platforms, 51Earth has established a two-way bridge enabling humans to immerse themselves in the digital world whilst allowing AI to safely enter the physical world.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## KEY ACHIEVEMENTS AND INITIATIVES

The Group is deeply engaged in the top-level design of relevant national industrial sectors, striving for promoting high-quality development within the industry, and has continuously built up core strengths in areas such as standard-setting, major engineering projects, scientific research achievements and intellectual property:

- **5** national-level key R&D programs
- **40+** participation in the formulation of international and various levels of standards
- **100+** national and provincial/ministerial-level major engineering projects
- **30+** international papers and industry research outcomes
- **260+** software copyrights and authorised patents

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR MANAGEMENT APPROACH TO SUSTAINABILITY

### 2030 SUSTAINABLE DEVELOPMENT STRATEGY AND ROADMAP

As a leading technology company in the field of physical AI in China, we have developed core competencies in technology around three major areas: 3D graphics, simulation, and AI, offering our digital twin solutions mainly to enterprises of varying sizes and of various industries. The Group has consistently upheld technological innovation as its core driving force, using digital and intelligent technologies as its engine, and is committed to promoting industrial upgrading and sustainable development. Building on this foundation, we continue to deepen the application of digital twin technology across a wider range of industrial scenarios, particularly in key sectors such as urban governance, energy management, water resource conservation and transport operations. Through high-precision digital twin solutions, we help our clients improve decision-making efficiency, reduce resource consumption and enhance system resilience. In terms of sustainable development, we are committed to promoting the optimised allocation of resources and the transition to a low-carbon economy through digital and intelligent technologies, thereby creating long-term value for society.

During the Reporting Period, we formulated our sustainability strategy to support the global sustainability agenda and address critical challenges such as climate change and resource scarcity. Our strategy translates our long-term corporate priorities into action, aligning with international standards and industry trends to ensure sustainability is embedded throughout our core business, which is built around the following pillars:

- **Vision and Mission:** We are dedicated to building a bridge between the digital and physical worlds with a vision to “Clone the Earth 510 million km<sup>2</sup>”.
- **Alignment with International Standards:** Closely aligned with the United Nations Sustainable Development Goals (“**UNSDGs**”) and leading international ESG frameworks, the strategy is designed to ensure global relevance and forward-looking direction.
- **Stakeholder-Driven Value Creation:** Through systematic ESG materiality assessments, we actively respond to stakeholder expectations.

To accelerate the technology industry’s low-carbon transition, we have embedded 14 of the UNSDGs from “The 2030 Agenda for Sustainable Development” into our corporate strategy. Looking ahead, we will continue to leverage our strengths in physical AI and digital twin technologies. As a technology enabler for sustainable development, we will cooperate with industry partners to drive the economic and social transformation toward digitalization and low-carbon development.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SUSTAINABILITY STRATEGY

### Digital Empowerment • Shaping the Future

- Technological innovation
- Quality-First
- Sustainable Supply Chain
- Responsible Operations



Empowering Sustainable Development

Co-Creating a Low-Carbon Future

**Green Management • Low-Carbon Operations**

- Climate Resilience
- Resource Management

### Talent-Driven • Co-Creating Growth

- Employment Management
- Employee Rights and Well-being
- Diversity, Equality and Inclusion
- Occupational Health and Safety
- Employee Training and Development
  - Care for Employees



Realizing Dreams Together

Fostering Harmonious Communities

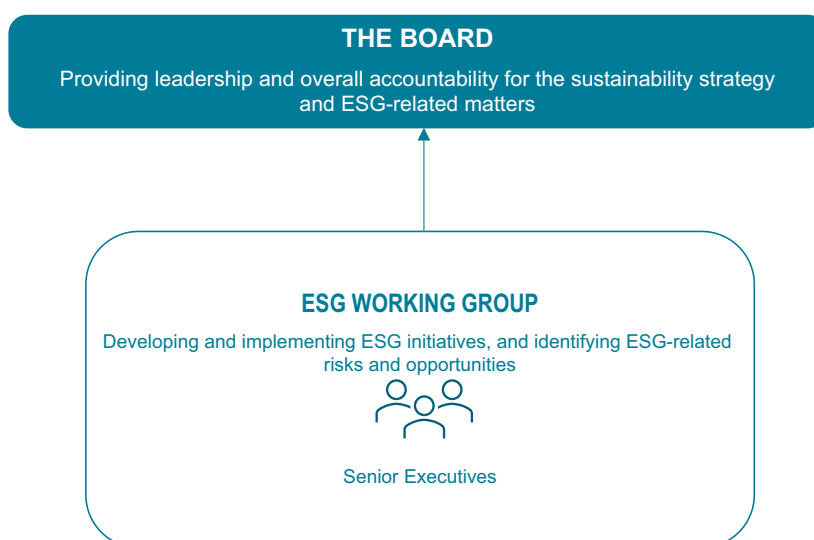
- Technology-for Education

**Technology for good • Giving Back to Society**

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SUSTAINABILITY GOVERNANCE STRUCTURE

We have established a well-structured sustainability governance structure underpinned by clearly defined processes, roles and responsibilities. This structure leverages cross-functional expertise to embed sustainability across our business operations, while ensuring robust oversight from the Board of Directors (the “**Board**”). Below is an overview of the Group’s sustainability governance structure:



### Board Involvement

As the Group’s highest governance body, the Board assumes full responsibility for sustainability-related matters (including climate-related matters, risk and opportunity management), including but not limited to the ESG strategy and management approach, ESG policies, identification and management of ESG-related risks and opportunities, and reviewing progress against relevant goals and targets to manage material ESG risks and opportunities. The Board comprises members with expertise relevant to sustainable development, covering specialities such as finance, law, corporate governance, engineering, and digital twin technologies. This breadth of professional knowledge ensures that the Board can effectively oversee and guide the Group’s sustainability strategy and initiatives.

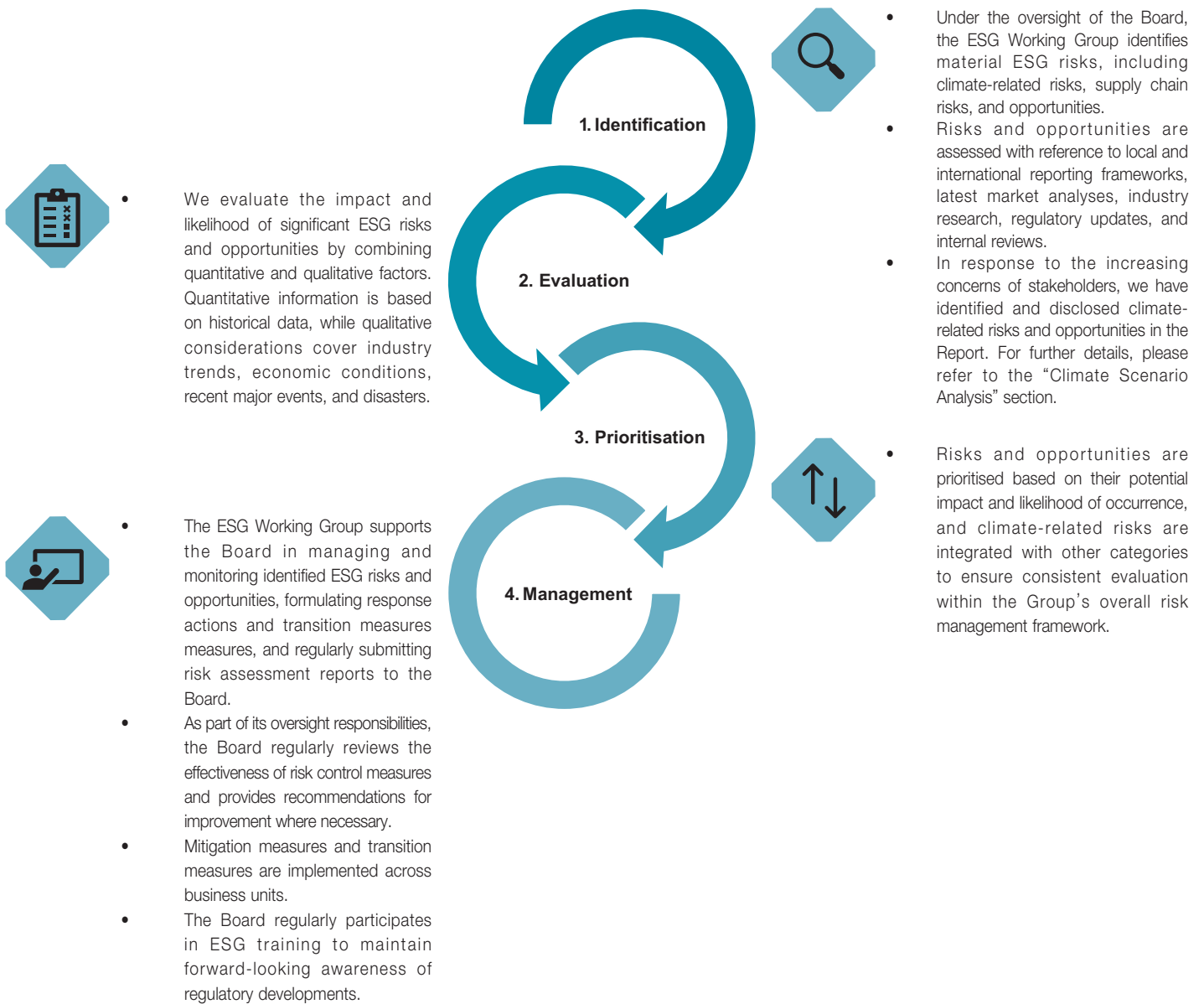
### ESG Working Group

The ESG Working Group, appointed and authorised by the Board, supports the ESG Committee by assisting in the formulation and implementation of ESG plans that align with the Group’s business development and sustainability strategy. It conducts regular assessments of ESG-related risks and the internal control system and proposes response measures to manage material ESG risks. These plans are developed based on the Board’s overall strategic direction and strategic framework, including its insights into sustainability-related risks and opportunities, to ensure the effective integration of ESG objectives into business operations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ESG RISK AND OPPORTUNITY MANAGEMENT

Effectively managing sustainability-related risks and opportunities is critical to the Group’s long-term business resilience and is a cornerstone of sound corporate governance. The ESG Working Group regularly identifies, assesses, prioritises, and manages material sustainability risks and opportunities, including but not limited to the impacts of climate change and environmental and social risks within the supply chain. The Board retains ultimate oversight responsibility for the management of the Group’s sustainability-related risks and opportunities.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder engagement enables us to gain a thorough understanding of diverse perspectives and expectations, supporting the development of both current and future sustainability strategies. We actively engage with stakeholder groups directly connected to our business operations. We also share our ESG Report with all stakeholders through our corporate website. During the Reporting Period, we maintained regular communication with key stakeholder groups (as illustrated below) to share our progress on sustainability-related topics of concern. Insights from stakeholder engagement have played a key role in informing the preparation of this Report.

### Stakeholder Engagement Methods

<p><b>Customers</b></p> <ul style="list-style-type: none"> <li>• Site visits</li> <li>• Customer satisfaction surveys</li> <li>• Social media</li> <li>• Telephone communication</li> <li>• Email</li> </ul>	<p><b>Investor/Potential Investor/Shareholder</b></p> <ul style="list-style-type: none"> <li>• General meetings</li> <li>• Investor meetings</li> <li>• Information disclosure</li> <li>• Email</li> </ul>	<p><b>Suppliers</b></p> <ul style="list-style-type: none"> <li>• Site visits</li> <li>• Supplier/contractors' appraisal system</li> <li>• Communication on supply quality</li> <li>• Meetings</li> </ul>	
<p><b>Employees</b></p> <ul style="list-style-type: none"> <li>• Corporate WeChat public account</li> <li>• Employee training</li> <li>• Meetings</li> <li>• Suggestion boxes</li> </ul>	<p><b>Communities/Non-Governmental Organisations</b></p> <ul style="list-style-type: none"> <li>• Community communication</li> </ul>	<p><b>Governmental Organisations and Regulatory Authority</b></p> <ul style="list-style-type: none"> <li>• Information disclosure</li> </ul>	<p><b>Business Partner/Peers</b></p> <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Site visits</li> <li>• Telephone communication</li> </ul>

### Materiality Assessment

We regularly review and update our materiality issues to respond to evolving stakeholder expectations and global sustainability trends. During the Reporting Period, with the assistance of third-party consultants, the Group analysed industry trends and referred to local and international reporting frameworks, as well as materiality maps published by reputable ESG rating agencies (including the SASB Standards, IFRS S1, IFRS S2 and MSCI's ESG sector materiality maps), ultimately identified 10 priority material topics to ensure that the Group's key focus areas remain aligned with its corporate strategy and operational priorities.

- Product Innovation and Development
- Customer Service and Experience
- Intellectual Property Protection
- Product/Service Quality and Safety
- Privacy and Data Security
- Talent Development and Training
- Technology Ethics
- Climate Resilience
- Anti-Unfair Competition
- Risk Management

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## DIGITAL EMPOWERMENT • SHAPING THE FUTURE

In pursuit of industrial intelligence and sustainable development, the Group leverages ongoing innovation in digital twin technology, 3D simulation and artificial intelligence to help the various industries improve operational efficiency, resource utilisation and environmental performance. We focus on the development and implementation of high-precision digital twin, while continuously enhancing product performance and safety to ensure our services and systems meet high standards of compliance and performance.

### TECHNOLOGICAL INNOVATION

Against the backdrop of rapid development of global digitalisation and intelligence, the Group has consistently regarded technological innovation as its core driving force. Focusing on technical fields such as 3D graphics, simulation and AI, we are continuously enhancing the technical depth and breadth of application of our products and solutions, committed to creating sustainable value for our customers and driving industrial upgrading and low-carbon development.

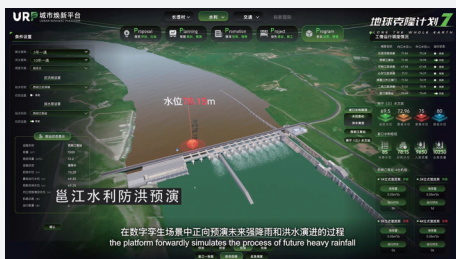
#### AI-Powered Sustainable Development

We applied AI into our digital twin platform, conducting exploration and validation across scenarios such as urban planning and infrastructure development, energy management, water resource conservation and ecological protection, and have gradually developed preliminary solutions. Meanwhile, employ technical means including simulation and data analysis to support decision optimisation, and explore feasible approaches to reducing energy consumption and carbon emissions in selected scenarios, contributing to green and low-carbon development.

#### Case Study: Developing Urban Climate Resilience Through Digital Twin Simulation

In the face of increasingly frequent extreme weather events, 51Aes leverages the spatial computing and scenario simulation capabilities of digital twins to help cities and infrastructure operators anticipate risks in advance, optimise resource allocation and enhance urban climate resilience.

- URP Urban Renewal Platform:** The platform accurately recreates the entire spatial layout of Nanning and integrates data from multiple sources to simulate flood inundation areas under various rainfall scenarios, thereby supporting decision-making on drainage and evacuation, reducing the risk of urban flooding and lowering carbon emissions associated with post-disaster reconstruction.
- Digital Twin Solution for a Reservoir Project:** The platform establishes a comprehensive digital mapping of all elements relating to reservoir safety and water resource allocation, supporting dynamic scheduling simulations under extreme hydrological conditions. This enhances water supply security whilst optimising energy consumption for pumping and improving the climate resilience of water infrastructure.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Case Study: Improving Energy Efficiency Through Refined Management

Energy consumption is one of the primary sources of carbon emissions for businesses and cities. 51Aes focuses on buildings, industrial parks, cities and critical infrastructure, using digital twin technology to integrate the management of energy and carbon flows, thereby making energy usage visualisable, analysable and optimisable. This capability helps transform traditional, relatively unsystematic energy consumption patterns into a more data-driven, refined management model, thereby improving energy efficiency.

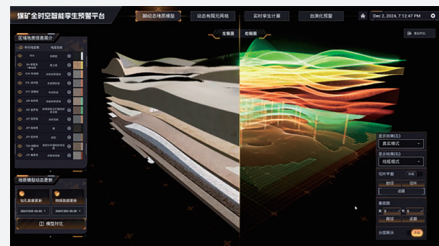
- **DTARK-V2.0 Carbon and Energy Management Platform:** By integrating with campus energy management systems via high-precision 3D environments, the platform enables dynamic tracking of carbon emissions throughout the entire process and provides visualised control over green energy and energy-saving facilities. Combining spatial situation analysis with simulation and scenario planning, it supports enterprises in formulating dual-carbon pathways and optimising energy dispatch, thereby improving management efficiency and reducing energy consumption and carbon intensity per unit of output.
- **Digital Twin Platform of a Provincial Power Grid:** Participating in the construction of a new-generation power system, this initiative utilises digital twin technology to monitor and simulate grid operational status, optimise dispatch strategies, and enhance the grid integration stability of intermittent energy sources such as wind and solar power, thereby supporting the low-carbon transition of the power system.



### Case Study: Enhancing Operational Resilience Through Smart Sensing and Closed-Loop Management

Safety is necessary for sustainable development. By constructing high-fidelity digital twins, 51Aes breaks down the barriers between the physical world and information systems, enabling real-time monitoring, risk prediction and coordinated response for critical infrastructure, thereby enhancing operational safety.

- **51GIM Full-Spatiotemporal Twin Mining System:** By integrating geological models, mining progress and stress monitoring data to establish a digital twin model of the mine, this system identifies disaster risks in advance and supports safety decision-making, thereby reducing unexpected accidents and energy-intensive emergency operations, and promoting sustainable mining practices at green mines.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Case Study: Preserving the Natural Ecosystem Through Non-Intrusive Digital Technology

Guided by the principle of “minimal intervention, maximum perception”, 51Aes combines the Internet of Things (“IoT”) and 3D modelling technologies to construct a digital mirror image of natural ecosystems. Long-term monitoring and precise management can be achieved without disturbing the wild environment, providing digital support for ecological conservation, resource management and carbon sink valuation.

- A 5A-Level Smart Scenic Area Project:** Through comprehensive visualised management and intelligent energy dispatch, the platform coordinates visitor flow, facility operations and the scenic area’s microgrid. It dynamically adjusts lighting and heating strategies based on visitor density, thereby reducing the use of diesel generators whilst ensuring a high-quality visitor experience, and minimising the impact on the fragile high-altitude ecosystem.
- Nature Reserve Digital Twin Platform:** Three-dimensional digital twin model of the reserve is established with integrating satellite remote sensing, infrared sensing and patrol trajectory data, enabling the visual monitoring of vegetation, wildlife habitats and patrol route networks, thereby enhancing conservation efficiency and reducing the disturbance to the ecological environment caused by manual patrols.
- A Marine Ecological Restoration Project in South China:** Constructing a digital intertidal zone model and combining multi-source monitoring technologies, the project dynamically simulates the effects of coastal ecological restoration. This provides a data foundation for blue carbon ecosystems such as mangroves, supporting ecological health assessments and the quantification of carbon sink potential.

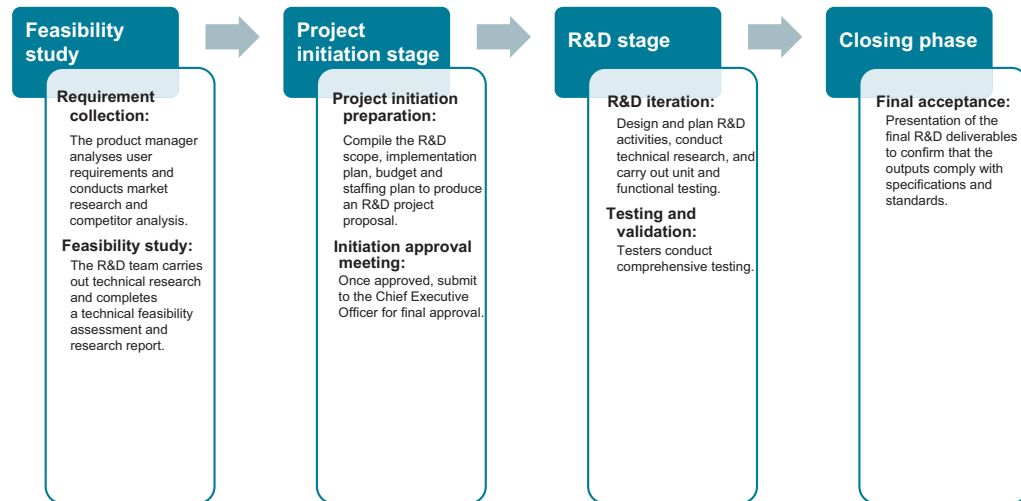


### R&D Management

To maintain our competitive edge in the market, the Group continues to pursue a prudent and forward-looking R&D strategy, constantly developing innovative solutions and products whilst optimising existing products and technical capabilities to address rapidly changing market demands and technological advancements. Our R&D efforts are focused on three core technological areas – 3D graphics, simulation and AI – where we continue to deepen technological integration and engineering applications to consolidate our core competitive advantages.

We conduct independent product R&D in line with technological and market trends. R&D projects adhere to standardised software development processes, with key deliverables produced through internal testing and release cycles. Our R&D process comprises four main stages:

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



The R&D team of the Group comprises professionals with in-depth industry expertise, with each core member possessing rich industry experience and specialisation in their respective fields. During the Reporting Period, our R&D team consisted of 111 members. We continue to increase our investment in R&D resources and talent development, laying a solid foundation for technological innovation and long-term sustainable development. Attracting and retaining top talent represents crucial to our future success and sustainable growth; therefore, we actively recruit and develop professionals with industry-leading experience and expertise, whilst striving to foster a culture of innovation, collaboration and efficiency, refining our organisational structure and empowering leaders and team members.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Intellectual Property Protection

The Group attaches great importance to intellectual property protection and compliance management, viewing them as the cornerstone of its innovation capabilities and long-term value creation. We have established the internal policy “Intellectual Property Management System” and are continuously refining our intellectual property governance framework. The Group has set up an Intellectual Property Working Team responsible for the application, maintenance, operation and risk monitoring of intellectual property. The Group also conducts regular intellectual property risk assessments and compliance evaluations to ensure lawful use and effective protection of R&D outcomes.

To encourage innovation and the accumulation of technological achievements, the Group has established the “Intellectual Property Special Award” to recognise departments and individuals who have made outstanding contributions to intellectual property R&D, operations and management, thereby fostering a corporate culture that respects and protects innovation. At the same time, the Group has clearly defined employees’ responsibilities and obligations regarding intellectual property protection, requiring all staff to respect and protect the intellectual property of both the Group and third parties. Any conduct that violates relevant regulations, causes loss to the Group or involves the risk of infringement will be subject to accountability in accordance with regulations, and legal action will be taken where necessary. Through the establishment of comprehensive systems and risk control mechanisms, the Group continuously enhances its compliance governance standards, laying a solid foundation for sustainable development.

During the Reporting Period, we obtained over 260 software copyrights and valid licensed patents, demonstrating our strength and achievements in R&D innovation.

## QUALITY FIRST

### Quality Control of Digital Twin Deliverables

The Group is committed to providing customers with outstanding intelligent driving simulation system products and services, and ensures product reliability, safety and customer satisfaction through a systematic quality management system. The Group adheres to the principles of continuous improvement, whole employee involvement and customer-oriented quality management, constantly enhancing the quality of its products and services.

Our “Testing and Quality Control Procedures” ensure that all products and solutions undergo rigorous inspection prior to delivery. Throughout the software development lifecycle, we implement systematic code reviews, unit testing, integration testing and system validation, whilst employing structured release management to ensure product stability. We have established a dedicated quality assurance team responsible for identifying and resolving defects prior to release and respond promptly to critical issues through clear defect tracking and escalation processes.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Furthermore, the Group has established a quality management system compliant with the ISO 9001 standard, which we continuously optimise and refine to better align with the evolving needs of the digital twin and intelligent driving simulation industries, thereby driving high-quality and sustainable corporate development.

### Quality Management Organisational Structure

<ul style="list-style-type: none"> <li>Quality Management Committee</li> </ul>	Comprising management of the Group and heads of departments, the committee is responsible for strategic decision-making on quality control, reviewing major quality issues and approving quality objectives, holding quarterly meetings to review the operation of the quality control system and discuss improvement measures.
<ul style="list-style-type: none"> <li>Quality Management Department</li> </ul>	As the central administrative department for the quality management system, the department is responsible for the establishment, operation, supervision and continuous improvement of the system, while employing dedicated quality control staff who possess professional expertise in quality control and industry knowledge.
<ul style="list-style-type: none"> <li>Quality Management Representative</li> </ul>	The Lead of Quality Management System, appointed by senior management, is responsible for ensuring the effective operation of the quality management system, reporting quality performance to senior management, and coordinating cross-departmental quality management activities.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Customer Satisfaction and Services

Insisting on the principle of “Quality First” and guided by customer needs, the Group has been providing customers with high-quality, highly reliable and safety-compliant digital twin technology products and services. In addition to establishing and continuing the refinement of its product and service management systems, the Group has leveraging standardised processes and multi-channel service mechanisms for constantly improving product quality and service efficiency.

### Customer Satisfaction

To keep understanding customer needs and enhancing service quality, the Group has established a customer satisfaction management system and conducts regular customer surveys and assessments. The customer satisfaction target has been set for no less than 85% with quarterly customer satisfaction surveys. By gathering customer feedback, we continuously improve product functionality, service processes and customer support capabilities. At the same time, the Group has maintained a diversified customer support system to provide round-the-clock, multi-channel technical support and service assurance, ensuring that customer issues are addressed promptly and resolved effectively.

Supporting channel	Services
<b>Telephone support</b>	24/7 emergency technical support hotline is built to address P0/P1-level urgent issues
<b>Online support</b>	The ticket system is available to support the upload of issue details including logs, screenshots and videos, with a live chat service with our customer support team during working hours
<b>Email</b>	Customers may submit technical queries via email, which are undertaken by the Group to respond within 24 hours
<b>On-site support</b>	Material customers are entitled to on-site technical support; for P0-level urgent issues, on-site support may be requested (arrival within 48 hours)
<b>Remote assistance</b>	Technical support services are available, including remote desktop assistance, remote log diagnostics and remote configuration guidance

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Complaint Handling

We are committed to assisting our clients in the efficient deployment and application of the Group's solutions. Following product delivery, we provide ongoing technical support services, including remote consultation, troubleshooting, interface diagnostics and updates to relevant data assets, to ensure the stable operation of the system. In accordance with the terms of the agreement, we regularly release version upgrades, covering engine optimisation, API enhancements and cloud rendering upgrades, ensuring that clients continue to benefit from product iterations and technological advancements. During the warranty period, our professional technical team provides operational training, technical consultancy and ongoing guidance, as well as support for functional optimisation tailored to clients' specific business scenarios, helping them to fully utilise the system's capabilities. During the Reporting Period, the Group did not receive any significant complaints relating to its products or services.

### Complaint Handling Procedures

#### 1. Complaint Receive



- Customers may submit complaints through official website complaint forms, phone, email, customer service APP, WeChat or offline channels. The responsible department will confirm whether to initiate the formal complaint handling process
- Preliminary classification is conducted based on the complaint nature before assigning to the relevant responsible department by type and assessing priority according to their severity and urgency

#### 2. Investigation and Corrective Actions



- The receiving department will investigate the complaint, including gathering information from the relevant parties or suppliers to verify the validity of the complaint. It will also assess whether the Group shall be responsible for the problem
- Depending on the investigation findings and the nature of the issue, the department handling the matter will take appropriate actions and corrective measures to ensure effective resolve. Once resolved, a formal notification of the outcome of the complaint will be sent to customers, inviting them to confirm whether they are satisfied with or accept the proposed resolution

#### 3. Monitoring and Continuous Improvement

- Customer complaints will be documented throughout the entire process; routine complaint records must be retained for a period of not less than five years
- Regular statistical analysis of complaint data will be conducted to identify trends and areas for improvement, serving as a critical basis for enhancing product and service quality
- Complaint knowledge base is established to document typical cases and resolutions with organising regular case-sharing and learning sessions

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Product Recall

The Group attaches great importance to product quality and customer safety and has established a product recall and corrective action mechanism. Where a product has serious quality defects that may cause significant loss or pose a safety risk to customers, or fails to comply with relevant laws and regulations, the Group will initiate a product recall procedure. The Product Liability Committee or senior management will assess the situation and make a decision, notify affected customers through official channels and providing appropriate solutions. Depending on the circumstances, the Group will implement measures such as ceasing use, rolling back to a previous version or replacing the product, whilst providing necessary technical support and reasonable remedies. We will also conduct root cause analysis of relevant incidents to continuously improve our product quality management processes.

If a product recall is required, the Group follows these procedures:

- **Issue identification and assessment:** The Product Liability Committee or management will assess the situation and make a decision as to whether the product has a serious quality defect that could cause significant loss or pose a safety risk to customers.
- **Customer communication:** The recall notice will be issued via official channels and affected customers will be proactively contacted to explain the situation and outline the follow-up arrangements.
- **Recalling implementation:** Appropriate measures will be taken based on the actual circumstances, including ceasing use of the relevant products, rolling back to a previous version, or replacing the products.
- **Post-recall review and improvement:** A comprehensive analysis of the reasons for the recall will be conducted to continuously optimise our quality management processes to prevent similar issues from occurring again. Should customers suffer any loss as a result of product defects, the Group undertakes to provide the necessary technical support and to offer reasonable compensation to customers in accordance with the terms of the contract and the actual circumstances.

During the Reporting Period, the Group had no products sold or shipped that were subject to recalls for safety and health reasons.

## SUSTAINABLE SUPPLY CHAIN

### Supply Chain Management and Standard Assessment

The Group places great importance on supply chain management and has established policies and standardised processes to ensure that suppliers and related parties meet our requirements for quality, compliance, and sustainability. We have implemented a qualified supplier evaluation system that covers supplier selection, qualification assessment, performance monitoring, and risk control mechanisms. This system enhances supply chain transparency and stability.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



## Supplier Selection and Evaluation

- During the supplier selection process, we consider the following key factors:
  - Product and service quality
  - Production capacity
  - ESG performance, including but not limited to environmental management, occupational health and safety, compliance, fair labor practices, and business ethics
- Verify the qualifications of potential suppliers, including their ESG-related certifications and compliance status
- Comprehensive background checks are conducted to ensure that potential suppliers' activities do not pose significant environmental or social risks



## Supplier Management and Evaluation

- We have specified our sustainability expectations for suppliers
- For new suppliers, we conduct a comprehensive assessment covering compliance, environmental performance, product and service quality, fair labor practices, and business ethics. On-site inspections are carried out when necessary
- Maintain regular communication with existing suppliers, encouraging them to provide eco-friendly products and services and ensure their operations align with our ethical standards
- Ongoing evaluations of suppliers are conducted regularly, and third-party agencies may be engaged for independent audits when necessary



## Supply Chain Risk Control

- Regular supply chain sustainability risk assessments are performed to monitor identified risks. We implement targeted control measures to minimise potential impacts on daily operations



## Implementation and Monitoring Mechanism

- Conduct regular comprehensive assessments of suppliers across multiple ESG categories, including compliance, environmental performance, product and service quality, fair labor practices, and business ethics
- For suppliers that fail to meet the required standards, the Group will request a corrective action plan. If the corrective actions are not completed within a reasonable timeframe, the Group may consider terminating the business partnership

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Supplier Expectations

The Group has encouraged all suppliers and their subsidiaries to actively uphold the following fundamental expectations for suppliers regarding social, environmental, and ethical compliance, to jointly establish an integrity-driven, compliant, and sustainable supply chain system.

It covers, but is not limited to, the following ESG areas:

- **Environmental Protection:** Identify and manage the environmental impacts of operations, including emissions control and resource efficiency
- **Sustainable Use of Resource:** Encourage the use of environmentally friendly and sustainable materials in business operations
- **Occupational Health and Safety:** Provide a safe and healthy working environment and ensure appropriate training for employees
- **Labor Rights and Human Rights Protection:** Prohibit child labor and forced labor, and uphold equal opportunities and human rights
- **Business Ethics and Integrity:** Strictly prohibit corruption, fraud, and anti-competitive behavior, and ensure compliance with applicable laws and regulations
- **Confidential Information and Privacy Protection:** Prevent data leakage and ensure the responsible use of the Group's resources

## Green Procurement

When selecting suppliers and procuring products, we actively incorporate environmental considerations into our decision-making process alongside price, quality and technical capabilities, thereby putting the principles of green procurement into practice. We prioritise suppliers who are committed to promoting green procurement and implementing environmental initiatives, including the use of reduced-volume or eco-friendly packaging materials, focusing on the resource efficiency of their products, and minimising the use of single-use items. By reducing waste at source, we work together to build a more sustainable supply chain.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## RESPONSIBLE OPERATIONS

### Information and Cybersecurity

The Group places crucial importance on customer data protection and has established a series of policies and measures to ensure that all information collected, processed and stored is subject to strict management. The Group has formulated and implemented the “51AES Privacy Policy”, clearly setting out the principles governing the collection, use, storage and protection of personal information in the course of providing relevant products and services when clearly explaining to users the rules governing information processing and the measures in place to safeguard their rights for higher level of protection afforded to personal information and privacy.

The Group is committed to strict compliance with relevant data privacy laws and regulations. We have appointed dedicated staff to oversee and drive forward work related to cybersecurity and data protection. Furthermore, the Group has obtained ISO 9001 Quality Management System certification and ISO 27001 Information Security Management System certification. We have established an information security management system that complies with relevant international and domestic standards, encompassing comprehensive systems and processes, organisational structures, professional staffing and technical safeguards. This system effectively supports the Group’s internal control and information security management requirements while mitigating the risks of data breaches and other information security incidents.

### AI Ethics

With the widespread application of artificial intelligence technology in product R&D and business scenarios, the Group attaches great importance to the responsible development and compliant application of AI technology. As a leading technology enterprise in the physical AI sector in the PRC, 51Sim, a leading synthetic data and simulation platform in the PRC, is establishing sustainable economies of scale and ecosystem barriers. The Group has established relevant internal management mechanisms for the purpose of necessary compliance and risk management of AI and related applications to ensure that technology complies with laws, regulations, industry standards and ethical requirements throughout the R&D, testing and operational processes. Meanwhile, by the development and operation of relevant management processes, the Group takes appropriate actions to manage the development and application of AI technology, whilst maintaining a constant focus on data security and compliance requirements, so as to mitigate potential risks and enhance the robustness of technological applications.

The Group has set up a Supervisory mechanism involving both business departments and the Legal and Compliance Department, conducting comprehensive regular audits on AI ethics and simulation security, and inviting external experts to participate in the assessments. Furthermore, the Group continuously organises staff training and internal reviews to enhance all employees’ awareness and capabilities regarding AI ethics and data compliance. Employees may consult the Legal and Compliance Department on relevant matters, or report potential risks via the dedicated reporting email address and hotline.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Compliance and Business Ethics

Compliance and business ethics are core values of the Group. We uphold the highest standards of integrity, which is not only a legal obligation but also a commitment to all our stakeholders. Our management and the Board actively engage in compliance matters, ensuring that the Group adheres to ethical principles, legal and regulatory requirements, and corporate governance best practices in all aspects of our operations. The Group is dedicated to fostering a transparent and accountable corporate environment, embedding this philosophy across all levels of our business to maintain strong ethical and compliance standards.

## Anti-Corruption

The Group has established a comprehensive set of anti-corruption policies and systems within its operations. Employees and suppliers are required to adhere to the highest standards of business ethics and are strictly prohibited from engaging in any form of corruption, including but not limited to bribery, extortion, fraud, and money laundering. These measures ensure that employees act in the best interests of the Group, avoiding any conflicts of interest.

To ensure that employees have a thorough understanding of the Group's ethical standards and to strengthen their awareness of anti-corruption practices, our onboarding training includes content on anti-corruption and business ethics, with these principles incorporated into the employee handbook. The internal control and audit functions of the Group are carried out by dedicated departments, with a specialised working group established where necessary. Authorised by the Audit Committee, the working group may report directly to the Chief Executive Officer (CEO). We also provide anti-corruption training to directors and employees to ensure their fully understanding of the high ethical standards required by the Group.

During the Reporting Period, the Group was not aware of any concluded legal cases regarding corruption brought against the Group or its employees.

## Whistleblowing Mechanism

As part of our commitment to responsible business operations, the whistleblowing mechanism serves as a crucial component to ensure corporate compliance and uphold business ethics. The Group has established transparent and secure whistleblowing channels that encourage employees and business partners to report any suspected misconduct or violations promptly. These channels include hotline, email, WeChat and others. The Board oversees the implementation of preventive measures and the whistleblowing procedures, while senior management is responsible for the execution and monitoring of their effectiveness.

Furthermore, the Group handles all reports with strict confidentiality and guarantees that no retaliatory action will be taken against whistleblowers in any form. Independent teams are responsible for handling whistleblowing cases to ensure investigations are conducted fairly and objectively. Through these measures, the Group has not only enhanced its internal oversight mechanisms but also laid a solid foundation for establishing a trustworthy and efficient working environment, supporting its long-term sustainable development.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Responsible Marketing*

The Group focuses on compliance and transparency in marketing and brand communication and continues to ensure that all marketing communications are truthful, accurate and in compliance with relevant laws and regulations. In this regard, we have established an advertising and marketing content review mechanism, implementing a multi-tiered review system for all promotional materials released to the public. Accordingly, the information provided aligns with the actual capabilities of our products, prevents misleading advertising, and effectively mitigates legal and compliance risks.









Prior to the release of promotional materials, the relevant content must be reviewed by the Product and Legal departments, including proofreading, fact-checking and compliance investigation, and may only be released externally once the information has been confirmed as accurate and compliant with regulatory requirements. In addition, the advertising and marketing compliance training mechanism has been implemented to enhance employees' compliance awareness. New employees shall undergo at least two hours of advertising compliance training and pass an assessment upon joining, whilst relevant departments, including marketing, sales and related functions, shall participate in regular training at least once a year.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## GREEN MANAGEMENT • LOW-CARBON OPERATIONS

The Group is committed to strengthening its environmental management across multiple areas. We have obtained the ISO 14001:2015 Environmental Management System Certification and have established a comprehensive environmental and climate policy with specific targets, and we regularly monitor our performance to continuously optimise operational processes, reduce our environmental impact, improve resource efficiency, and respond to stakeholders' expectations for sustainable development. In addition to strictly complying with relevant environmental laws and regulations, the Group also continuously and actively improves the environmental performance of our operations.

To continue to promote green operations and climate action, we have established the following green targets:

Category	Green Targets	Progress
Emissions	 Reduce absolute GHG (Scope 2) emissions by 15% by 2030, using 2022 as the baseline year	In progress 
Waste	 Reduce total hazardous and non-hazardous waste intensity by strengthening waste management	In progress 
Energy	 Actively improve energy efficiency and reduce total energy consumption intensity from our operations by implementing green operation measures	In progress 
Water	 Reduce total water consumption intensity of our offices by implementing various water-saving measures	In progress 

## CLIMATE RESILIENCE

The Group recognises the profound impact of climate change on society and business operations. We are committed to working with various stakeholders to promote climate change response actions and continue to transition to a low-carbon economy. During the Reporting Period, we continued to identify and manage climate-related issues in our business and took effective response actions to proactively reduce GHG emissions from our operations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## GOVERNANCE

### Board's Role and Oversight

The Board has ultimate responsibility for overseeing climate-related risks and opportunities, and with the assistance of the ESG Working Group, oversees the Group's climate-related matters, including climate change policy, climate-related risk and opportunity management, and the progress of the "2030 Climate Target". The ESG Working Group reports to the Board on relevant sustainability matters at least once a year in the form of meetings, with the reporting scope covering climate-related matters, climate-related risks and opportunities. The Board considers trade-offs between climate factors in strategy formulation, major transaction decisions and risk management processes, balancing them comprehensively with other business, financial and operational priorities, as well as the progress of the implementation of climate targets to ensure that climate considerations are incorporated into the Board's overall decision-making.

Members of the Board and the ESG Working Group possess sufficient knowledge of climate-related matters and a understand their impacts on the Group's business and operations. The Group regularly provides training and educational materials on climate-related topics to ensure that the Board and the ESG Working Group are clearly informed and are kept up to date.

### The Management's Role

Under the Board's oversight, the ESG Working Group composed of the management is responsible for assessing and managing climate-related risks and opportunities, planning and implementing climate-related measures, and reviewing climate-related policies. The ESG Working Group implements the strategic direction established by the Board by integrating climate-related considerations into its daily operations.

For details, please refer to "Sustainability Governance Structure".

## STRATEGY

In the face of the long-term challenges posed by climate change, we continue to strengthen our ability to identify and manage climate-related risks and opportunities, and have incorporated these into our sustainability risk and opportunity management mechanism. The Group fully understands the potential risks and long-term impacts that climate change may pose to business operations, supply chains and asset management, and has incorporated climate-related factors into the Group's risk management and strategic planning to enhance operational stability and strengthen our resilience to climate change. With the existing ESG Working Group, the Group maintains sufficient resources to support relevant transition measures. During the Reporting Period, we assessed the financial and non-financial impacts of climate change on the Group across various dimensions, including business operations, the supply chain, and the market environment, to further enhance our climate resilience.

The table below summarises the material climate-related risks and opportunities we have identified, and their potential impact on our business model and value chain, as well as our response actions and transition measures over three distinct time horizons. We continue to apply time horizons that are aligned with our strategic decision-making and planning, and global and/or national best practices. However, since data availability and quantification methods continue to develop or evolve, we will continue to monitor the situation and, where feasible, disclose the concentration of climate-related risks and opportunities within our business model and value chain.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Material Climate-Related Risks and Their Potential Business and Financial Impacts

Climate-related Risks	Financial Impacts	Non-financial Impacts	Response Actions and Transition Measures
<b>Physical risk</b>			
<p><b>• Acute Risks</b>            (S)(M)(L)            Increasing frequency and intensity of extreme weather events (such as typhoons, flooding caused by heavy rainfall, and extreme high temperatures) pose direct physical impacts on the Group's global operational network</p>	<p><b>Current Financial Impact</b></p> <ul style="list-style-type: none"> <li>➢ Increase equipment repair and maintenance costs due to extreme weather events</li> <li>➢ Result in disruptions to the Group's daily operations in coastal business areas due to the high frequency of extreme weather events</li> </ul> <p><b>Anticipated Financial Impact</b></p> <ul style="list-style-type: none"> <li>➢ Increase costs for preventive measures due to extreme weather events in the short to medium term</li> <li>➢ Rise property insurance premiums in the short to medium term</li> </ul>	<ul style="list-style-type: none"> <li>➢ Disruption in project sites by extreme weather, leads to delays in project delivery and affecting customer satisfaction</li> <li>➢ The Group's own physical assets face a risk of direct damage, leading to operational disruptions and loss of production capacity</li> <li>➢ Extreme weather poses a threat to the safety of employees</li> </ul>	<ul style="list-style-type: none"> <li>➢ Invest in distributed computing and edge computing technologies to reduce reliance on centralised data centers, and equip the infrastructure with uninterruptible power supplies ("UPS")</li> <li>➢ Contingency plans have been established to ensure the rapid resumption of business operations in the event of a disaster</li> <li>➢ Strengthen training and education to remind staff to prioritise travel safety and enhance their awareness of emergency procedures</li> </ul>
<p><b>• Chronic Risks</b>            (M)(L)            Long-term changes in climate patterns (such as sea level rises and persistent high temperatures) have led to deteriorating operating conditions in many regions globally</p>	<p><b>Current Financial Impact</b></p> <ul style="list-style-type: none"> <li>➢ Increase in office cooling and heating loads and electricity demand, leading to rising energy costs</li> </ul> <p><b>Anticipated Financial Impact</b></p> <ul style="list-style-type: none"> <li>➢ Rise maintenance costs for refrigeration equipment in the medium and long term, due to wear and tear caused by high temperatures</li> <li>➢ Result in additional capital expenditure in the medium and long term, as investment in more energy-efficient cooling systems will be required</li> </ul>	<ul style="list-style-type: none"> <li>➢ The Group's long-term commitment to more energy-efficient cooling systems may affect the pace of asset renewal</li> <li>➢ Operating in high-temperature environments increases the risk of occupational illnesses, affecting business stability</li> </ul>	<ul style="list-style-type: none"> <li>➢ Optimise the operational efficiency of heating, ventilation and air conditioning ("HVAC") systems to reduce electricity consumption</li> <li>➢ Actively draw on the low-carbon practices of leading peers in the region to promote the implementation of suitable technologies</li> <li>➢ Strengthen employee health and safety management to enhance safety awareness and self-protection capabilities</li> </ul>

Ⓢ Short term (2030)
Ⓜ Medium term (2040)
Ⓛ Long term (2050)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Risks	Financial Impacts	Non-financial Impacts	Response Actions and Transition Measures
<b>Transition risks</b>			
<p><b>• Policy and Legal Risks:</b>            (M)(L)            Global and regional regulators are accelerating the implementation of emission reduction requirements, including China's 'Dual Carbon' strategy, carbon pricing and the expansion of carbon markets. Meanwhile, HKEX mandates climate-related disclosures, requiring enterprises to set targets, conduct scenario analysis and calculate Scope 3 emissions</p>	<p><b>Current Financial Impact</b>            ➤ Additional compliance costs arising from new climate disclosure requirements</p> <p><b>Anticipated Financial Impact</b>            ➤ One-off investments for equipment upgrades or energy source replacements arising to align with policy trends            ➤ Increase compliance costs in the medium and long term resulting from adherence to new policies or the establishment of new processes</p>	<p>➤ Failure to meet mandatory climate disclosure requirements will trigger regulatory inquiries, penalties or litigation, severely damaging brand reputation and stakeholder trust            ➤ Failure to adapt to the transition to a low-carbon economy will weaken market competitiveness            ➤ Failure to meet regulatory requirements will damage the Group's reputation in the capital markets</p>	<p>➤ The ESG Working Group will closely monitor changes in policies and regulations to ensure compliance            ➤ Explore the feasibility of implementing the new climate-related disclosure requirements proposed by the Stock Exchange, and progressively implement work plans, progress and timelines            ➤ Provide regular training to enhance employees' and suppliers' understanding of climate-related issues</p>
<p><b>• Technology Risks</b>            (M)(L)            With the rapid development of low-carbon technologies and other emerging technologies, failure to identify and apply emerging technologies in a timely manner may expose our operations to greater climate-related risks</p>	<p><b>Current Financial Impact</b>            ➤ No significant direct financial impact</p> <p><b>Anticipated Financial Impact</b>            ➤ Revenue loss in the medium and long term due to reputational damage and/or loss of social licence            ➤ R&amp;D expenditure in the medium and long term, due to development of low-carbon products or services</p>	<p>➤ Decline in brand value due to perception of the company as lagging behind in the low-carbon transition            ➤ Long-term damage to brand reputation and customer relationships due to product and technology roadmaps out of step with green consumption trends</p>	<p>➤ Keep abreast of developments in low-carbon technologies and other ESG-related technologies, and consider adopting ESG-related technologies            ➤ The Group has implemented a series of energy-saving measures to reduce energy consumption in its day-to-day operations</p>

Ⓢ Short term (2030)
Ⓜ Medium term (2040)
Ⓛ Long term (2050)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Material Climate-related Opportunities and Their Potential Business and Financial Impacts

Climate-related Opportunities	Financial Impacts	Non-financial Impacts	Response Actions and Transition Measures
<p><b>Market: Demand for Low-Carbon, Environmentally Friendly and Smart Products Driven by Climate Change</b></p> <p>ⓈⓂⓁ</p> <p>Customers' growing concern about climate change is driving demand for digital and smart solutions, which may lead to increased demand for low-carbon products and services; the Group may benefit from this revenue growth</p>	<p><b>Current Financial Impact</b></p> <ul style="list-style-type: none"> <li>➢ Revenue increase from low-carbon, eco-friendly and smart products due to market demand</li> </ul> <p><b>Anticipated Financial Impact</b></p> <ul style="list-style-type: none"> <li>➢ Increase customer base and revenue by expanding into new markets due to introduce relevant innovative solutions</li> <li>➢ Strengthen the Group's position and help to enhance its appeal to investors focused on ESG factors</li> </ul>	<ul style="list-style-type: none"> <li>➢ It is necessary to continuously optimise product positioning and functionality to respond to changing market demand for low-carbon and sustainable solutions</li> <li>➢ Shifts in demand will place greater requirements on the Group's technical capabilities in the medium to long term</li> </ul>	<ul style="list-style-type: none"> <li>➢ The R&amp;D team continues to drive sustainable innovation in products</li> <li>➢ 51Sim's algorithms in virtual environments can accelerate development cycles and reduce carbon emissions, fuel consumption and environmental impact associated with traditional automotive testing methods</li> <li>➢ Digital twin technology enables enterprises to optimise their operations, improve resource utilisation efficiency and reduce waste</li> </ul>
<p><b>Resource Efficiency</b></p> <p>ⓂⓁ</p> <p>Amid the global trend towards carbon reduction, the economic viability and availability of renewable energy are steadily improving, presenting strategic opportunities for the Group to optimise its energy mix and achieve low-carbon operations</p>	<p><b>Current Financial Impact</b></p> <ul style="list-style-type: none"> <li>➢ Reduce operating costs by reducing expenditure on energy consumption (such as electricity and fuel) due to the adoption of more energy-efficient equipment and improved operational management</li> </ul> <p><b>Anticipated Financial Impact</b></p> <ul style="list-style-type: none"> <li>➢ Reduce energy consumption directly lowers carbon emissions, which may lead to a reduction in regulatory costs (such as carbon taxes and the purchase of carbon allowances) in the medium term</li> </ul>	<ul style="list-style-type: none"> <li>➢ Reduce carbon emissions generated during operations will help the Group meet current and future increasingly stringent carbon emission regulations and disclosure requirements</li> <li>➢ Demonstrate the Group's concrete actions on climate change, thereby enhancing brand reputation and market competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>➢ Carry out energy-saving retrofits to building facilities and utilise smart systems and technologies to improve energy efficiency</li> <li>➢ Provide regular training on resource efficiency to effectively raise staff awareness</li> </ul>

Ⓢ Short term (2030)   Ⓜ Medium term (2040)   Ⓛ Long term (2050)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

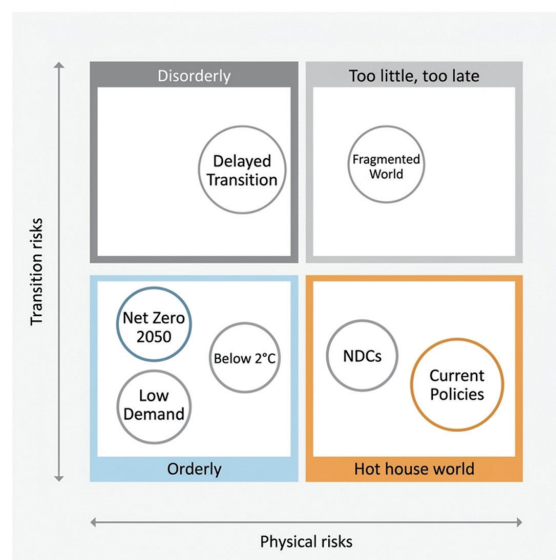
## Climate Scenario Analysis

During the Reporting Period, the Group initiated its first climate scenario analysis to assess the resilience of its strategy and business model to a range of potential climate outcomes. The analysis covers the Group's core operations in Chinese Mainland and aims to provide a basis for strategic planning and risk management. The results have informed our strategic planning, risk management and resource allocation across different time horizons.

## Scenarios and Model Application

As the Network for Greening the Financial System (“**NGFS**”)<sup>1</sup> is an internationally recognised, publicly available source of scenario data that is directly relevant to the Group, we have adopted its database as the primary data source, and selected a low-carbon scenario (namely, the “**Net Zero 2050 scenario**”) and a high-carbon scenario (namely, the “**Current Policies scenario**”). These scenarios are adopted as they are widely recognized internationally, publicly available, and directly relevant to the Group's business operations. The scenarios analysis is not intended to predict the future, but to stress test the Group's business through several plausible future scenarios. This analysis is subject to uncertainties, including the current limitations in available literature and data in quantifying the influence of climate with a high degree of certainty. Our current scenario analysis is based on a static assessment of the current situation, assuming that main businesses, operational locations, and carbon reduction measures remain unchanged, and that there are no interdependencies among different climate risk variables. In the future, we will continue to refine our approach to climate scenario analysis as more reliable new data and methodologies become available.

For the assessment, we have integrated global climate models, regional climate data and industry forecasts to assess physical and transition risks highly relevant to the Group's operations. The analysis considered physical risk indicators such as cyclones, floods, and heatwaves, as well as transition risk factors impacting operating costs and transition pressures, including carbon pricing. The results indicate that, across all assessed scenarios, identified risks remain low. Please refer to the table below for an overview of the selected time frames, climate scenarios and analysis results.



<sup>1</sup> The NGFS is a group of central banks and regulatory authorities. They share best practices and assist the financial sector in developing climate and environmental risk management

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Time Horizons and Climate Scenarios Selection

Risk Indicators/ Variables	Time Horizons	NGFS Scenario Selection
<b>Physical Risks</b> <b>Acute Risks:</b> <ul style="list-style-type: none"> <li>Extreme Rainfall and Flooding</li> <li>Tropical Cyclones</li> </ul> <b>Chronic risks:</b> <ul style="list-style-type: none"> <li>Heatwaves</li> </ul>	2030 (short term)	<b>Net Zero 2050 scenario (Orderly Pathway):</b> <ul style="list-style-type: none"> <li>Assumes rapid climate policies and technological transition, achieving net-zero CO<sub>2</sub> emissions around 2050, limiting warming to 1.5°C<sup>2</sup> with minimal overshoot, physical risks is limited, while transition risk is high.</li> </ul>
	2040 (medium term)	
	2050 (long-term)	
<b>Transition Risks</b> <b>Policy and Legal Risks:</b> <ul style="list-style-type: none"> <li>Carbon Pricing</li> </ul>		<b>Current Policies scenario (Hot House World):</b> <ul style="list-style-type: none"> <li>Assumes only existing policies are maintained, leading to emissions growth until 2080 and warming of approximately 3°C, triggering multiple severe physical risks, including irreversible impacts such as sea level rise.</li> </ul>

## Scenario Analysis Results

Risk level: ● High risk ● Moderate risk ● Low risk

Risk Categories		Impact Level						
		Chinese Mainland	Net Zero 2050 Scenario			Current Policies Scenario		
			2030	2040	2050	2030	2040	2050
<b>Physical Risk</b>	Extreme Rainfall and Floods	✓	●	●	●	●	●	●
	Cyclones	✓	●	●	●	●	●	●
	Heatwave	✓	●	●	●	●	●	●
<b>Transition Risk</b>	Carbon Pricing	✓	●	●	●	●	●	●

<sup>2</sup> It aligns with the Paris Agreement’s requirement to limit the rise in global temperatures to 1.5°C this century.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ***Climate Resilience and Adaptive Capacity***

The results of climate-related scenario analysis assist the Group in assessing the resilience of its strategies and business models across different scenarios and time horizons. This analysis deepens our understanding of the potential impacts of climate change on the Group's operations and strategic positioning, and provides a basis for identifying key areas where risk management, strategic adjustments or resource allocation need to be strengthened.

Through existing risk management and strategic planning processes, the Group maintains the ability to adapt its strategies and business models in the short, medium and long term. The results of the scenario analysis have been incorporated into these processes, assisting the Group in making timely and prudent decisions to effectively address evolving climate-related risks and opportunities, thereby strengthening long-term operational resilience and driving sustainable value creation.

## **RISK MANAGEMENT**

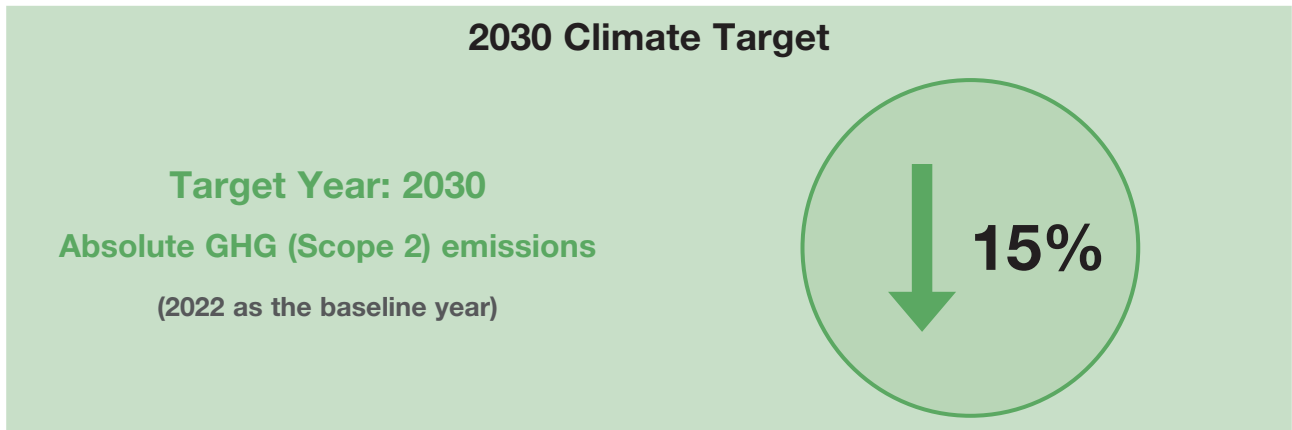
The Board bears ultimate responsibility for establishing and implementing risk and opportunity management mechanisms. Under the Board's oversight, we conduct assessments of sustainability risks and opportunities, including climate-related risks and opportunities. We identify, assess and manage the potential impacts and likelihood of climate-related risks and opportunities, and prioritise them accordingly. Based on the assessment results, the Group develops appropriate mitigation measures to enhance our ability to respond to risks and opportunities.

Please refer to "ESG Risk and Opportunity Management" for further details.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## METRICS AND TARGETS

We are committed to addressing climate change and actively reducing GHG emissions within our operations. In support of China’s “3060 Dual Carbon Target”, namely peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, and taking into account the Paris Agreement, an international climate agreement aimed at limiting global warming to 1.5°C above pre-industrial levels, the Group has formulated a clear carbon reduction pathway based on its business characteristics and is steadily advancing its low-carbon transition. Within this framework, we disclosed key climate-related metrics in our annual ESG Report, including Scopes 2 and 3 GHG emissions and energy consumption, etc., and have established our “2030 Climate Target”<sup>3</sup>. We report annually to the Board on the achievement of these metrics and targets to continuously monitor and improve our environmental performance.



The “Key Performance Indicator Overview” of this report discloses the Group’s direct and indirect energy consumption, as well as the associated GHG emissions. Although the Group’s impact on certain Scope 3 categories is relatively limited, we will continue to monitor these areas and are committed to further refining our disclosures in the near future to reduce carbon emissions across the entire value chain.

### Awarded the “2025 Cailian Press Zhiyuan Award – Environmentally Friendly Pioneer Enterprise”



During the Reporting Period, the Group was honored with the Cailian Press “Zhiyuan Award” for Environmentally Friendly (E) Pioneer Enterprise, establishing itself as a benchmark for sustainable development in the digital twin sector. We consistently integrate environmentally friendly principles into our products, providing technical support for the green and low-carbon transition across various industries, and effectively helping our clients achieve sustainable development. For example, in industrial parks, leveraging the spatial interaction capabilities of 3D digital twin models, park operators can assess their carbon footprint and gain an intuitive understanding of carbon emissions dynamics across the entire site.

Looking ahead, we will conduct in-depth exploration of various application scenarios for digital twin technology in the green and low-carbon sector, enabling digital twins to serve as a “green engine” driving the coordinated development of ecological conservation and industrial upgrading.

<sup>3</sup> Our climate target applies to the Group’s core businesses and covers three greenhouse gases as defined under the Kyoto Protocol: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O), details of the scope are set out in the section headed “Reporting Period and Scope”. We will consider the potential use of quality premium carbon credits and renewable energy certificates (“RECs”) as part of our decarbonisation pathway and continue to monitor relevant guidance and market developments relating to carbon credits and offsets, including HKEX guidance on the use of carbon credits to offset greenhouse gas emissions in achieving climate target.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## RESOURCE MANAGEMENT

### Energy Management

The Group is committed to enhancing energy efficiency through effective management and sustainable operational strategies, thereby fulfilling its commitment to low-carbon operations. Electricity consumption is one of the primary components of the Group's environmental footprint and a key focus of our resource management strategy. To further improve energy efficiency and reduce unnecessary consumption, we continuously optimise facility operations and strengthen internal energy management mechanisms to support operational stability and sustainable development.

At the operational level, the Group has formulated and implemented a number of energy-saving measures to conserve energy and improve energy efficiency. These include:

- Adopting high-efficiency, energy-saving lighting equipment (such as LEDs) to replace traditional light sources, thereby reducing energy consumption for general lighting
- Effectively using natural light to reduce reliance on artificial lighting during the day
- Establishing air-conditioning temperature guidelines (maintaining 24°C-26°C in summer and activating heating in winter depending on the temperature) to improve energy-saving benefits
- Monitoring monthly electricity consumption statistics
- Promoting energy-saving measures to reduce electricity consumption
- Encouraging staff to switch off idle electrical appliances to save energy

### Water Resource Management

Water resource management is crucial to the Group's sustainable development, and a series of policies and measures have been established to effectively manage and protect water resources. These include:

- Encouraging employees to turn off taps tightly to prevent leaks
- Displaying water-saving reminders to raise awareness
- Implementing water-saving measures across the entire organisation

During the Reporting Period, the Group did not encounter any issues in accessing suitable water sources.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Waste Management

The Group is fully aware of the importance of effective waste management for environmental protection and is committed to implementing a range of measures to reduce waste generation. The Group adheres to the principles of reduce, reuse, recycle and replace (the **“4R principles”**), reflecting our commitment to resource conservation and the promotion of recycling in our daily operations.

The Group’s non-hazardous waste primarily originates from domestic waste and paper usage. To manage non-hazardous waste effectively, the Group places emphasis on paper usage, promotes the goal of a paperless office, reduces the demand for paper, and minimises paper consumption. This includes:

- Switching to electronic communication systems
- Encouraging staff to select double-sided printing when printing documents
- Re-using paper that has already been used

Furthermore, the Group actively works to reduce the use of single-use plastic products, which not only helps to minimise the generation of plastic waste but also responds to the global trend for sustainable development.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## TALENT-DRIVEN CO-CREATING GROWTH

We fully recognise the vital importance of talent to the Group's development. The Group aims to foster a friendly, fair, diverse and mutually respectful working environment for our employees, placing great importance on diversity and the welfare of our staff.

### EMPLOYMENT MANAGEMENT

The Group has established a comprehensive and detailed set of employment policies and management systems. We fully implement regulations prohibiting child labour and forced labour across all areas, including remuneration and termination, recruitment and promotion, working hours, leave and benefits, health and safety, development and training, and labour standards. We fully implement regulations prohibiting child labour and forced labour, and take a firm stance against illegal activities such as the trafficking of child labour and forced labour, to ensure the fairness and legality of the entire process.

These internal policies not only standardise key processes but also include specific approval procedures and recruitment workflows, designed to provide employees with a transparent and fair working environment. Throughout the recruitment process, the Group consistently adheres to the principles of equality and diversity, and conducts recruitment activities through multiple channels to effectively expand its domestic and international talent pool, attract more outstanding talent, and thereby promote the Group's long-term development and innovation capabilities.

### DIVERSITY, EQUALITY AND INCLUSION

The Group provides equal development opportunities for all employees and job applicants and is committed to fostering a working environment that respects differences and promotes fair competition. We do not make biased decisions based on factors unrelated to an individual's ability, qualifications or experience, such as race, gender, age or religion, in order to build an inclusive and equitable working environment. We uphold a competency-based recruitment philosophy and resolutely reject any form of discrimination or prejudice. At the same time, we recognise the importance of diversity, including but not limited to gender diversity. By fostering an inclusive workplace culture and supporting equitable career development opportunities, we regularly review our recruitment channels to ensure that our advertising and interview processes continue to enhance gender diversity within the workforce. For example, the vast majority of our job advertisements are gender-neutral.

These measures not only help to attract and retain diverse talents, but also foster a working environment where every employee can fully realise their potential and contribute to the organisation. The Group believes that a diverse team not only brings a broader range of perspectives, but also sparks innovative solutions that drive the business's sustained growth.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## EMPLOYEE TRAINING AND DEVELOPMENT

We place great emphasis on talent development and growth. To enable employees to grow alongside the Group and make the most of their strengths, we provide comprehensive professional training support to help them unlock their potential and achieve career progression. We offer induction training for new recruits and regularly provide bespoke internal training courses for employees, whilst also arranging for staff to participate in training courses delivered by third parties.

During the Reporting Period, the Group launched a range of professional internal and external training programmes and exchange schemes covering multiple fields, providing employees with learning opportunities to enhance their technical knowledge, professional skills, and competitiveness in the workplace.

### Training and Development

---

- **Professional Competence Development:** Courses are designed according to different specialisations, such as AI training series and digital twin hydrology, to help staff broaden their professional horizons and deepen their expertise.
  - **Product and Technology Academy:** Training is provided on the Group's products and technical expertise to help staff familiarise themselves with relevant products and technologies, thereby realising their professional value.
  - **New Employee Orientation Programme:** During the Reporting Period, the Group launched the "New Employee Orientation Programme", providing foundational training on corporate culture, HR policies and other topics to help new recruits quickly familiarise themselves with the company and integrate more effectively into the team.
- 

## EMPLOYEE RIGHTS AND WELL-BEING

The Group values every employee and is committed to enhancing their well-being. We offer competitive salaries and comprehensive insurance benefits and provide performance-linked incentive schemes based on individual performance to reward and encourage staff. In accordance with the guidelines set out in the Employee Handbook, we provide various types of leave, benefits and facilities to meet the needs of our employees. These include: personal leave, sick leave, annual leave, marriage leave, maternity leave, antenatal leave, paternity leave, breastfeeding leave, bereavement leave and parental leave.

### Employee Communication and Engagement

The Group is committed to providing employees with diverse communication channels to foster effective exchange and interaction. To ensure new employees adapt to the working environment as quickly as possible and integrate smoothly into the organisation, we have established a probationary period consultation mechanism for new recruits. At the same time, we regularly organise communication and exchange activities for managers to ensure that organisational strategies are effectively communicated and that employee concerns are addressed in a timely manner.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group fully recognises that responding promptly to employees' legitimate concerns is central to building a relationship of mutual trust. To this end, we regularly review and follow up on employee feedback to ensure that every employee's voice is heard and valued. This communication mechanism not only strengthens the bond of trust between the company and its employees but also fosters a harmonious and inclusive working atmosphere. We firmly believe that only in an open and transparent environment can employees fully unleash their potential and inject inexhaustible momentum into the Group's high-quality development.

### OCCUPATIONAL HEALTH AND SAFETY

The health, safety and well-being of our employees have always been our top priority. To ensure the effectiveness of our occupational safety management, we have obtained ISO 45001:2018 certification for our Occupational Health and Safety Management System and have established a comprehensive occupational health and safety policy. To create a comfortable working environment for our employees, we encourage them to participate in physical exercise. We have established various clubs, including football, basketball and badminton, and organise regular sporting events. We have recorded no work-related fatalities in each of the past three years (including the Reporting Period).

### EMPLOYEE CARE

The Group fully recognises that employees' job satisfaction directly impacts overall work efficiency and team morale. We regularly organise a variety of staff activities, including festive celebrations and anniversary dinners, to help employees achieve a work-life balance and enhance their sense of belonging to the Group.



#### Diverse Welfare Activities

To demonstrate corporate care and strengthen employees' sense of belonging and team cohesion, the Group organises a rich variety of group activities from time to time, including:

- **Themed Photo Campaigns:** We have launched numerous themed photo campaigns, which have become an integral part of our corporate culture promotion;
- **Refreshment Breaks and Annual Gatherings:** We provide regular refreshments and hold annual gatherings to thank staff for their hard work;
- **Best Workspace Competition:** To promote the corporate culture of 'Ultimate Beauty', we organise a competition to select the best workspaces, thereby enhancing employees' sense of belonging.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



### Focus on Employee Well-being

We prioritise the physical and mental well-being of every employee and continuously roll out a range of health support programmes and activities:

- **Regular health check-ups:** To effectively safeguard our employees' physical well-being and raise awareness of health management, we arrange professional medical examinations to help employees identify and prevent potential health risks at an early stage;
- **Regular Sports Activities:** To encourage staff to actively participate in sports and fitness activities, we have established various clubs, including football, basketball and badminton, and organise regular sporting events to encourage the development of exercise habits;



We believe that ongoing care and positive interaction can enhance employees' overall well-being, thereby fostering a more positive and trusting working environment.



### Empowering Women

We are committed to fostering a diverse and inclusive workplace culture, with a particular focus on the growth and development of women in the workplace. During International Women's Day, we organised the following activities to promote gender equality:

- Providing thoughtful benefits for female employees to help them shine in the workplace;
- Launching internal awareness campaigns to raise all staff's awareness of and support for women's empowerment issues.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### TECHNOLOGY FOR GOOD • GIVING BACK TO SOCIETY

Fulfilling our social responsibilities is a core component of the Group's sustainable development strategy. We are committed to actively responding to community needs and strive to be a trusted corporate partner. Through systematic community engagement, we listen closely to and address the development needs of the areas where we operate, fostering mutual prosperity between the enterprise and the community. We encourage our employees to actively participate in community charitable activities, contributing to social harmony through concrete actions. Our community investment focuses on the "Technology for Education" sector.

#### TECHNOLOGY FOR EDUCATION

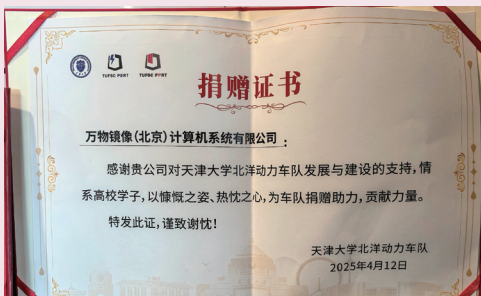
In response to the current situation where educational resources in mountainous schools are relatively scarce and conditions for IT and technology education require improvement, we leverage our strengths in digital twin and information technology to support the development of basic education in rural areas.

##### Lighting up the future with AI technology



During the Reporting Period, we organised a charitable donation event at Huodoushan Town Central School in Luanping County, presenting the children with AI science exploration kits to support the school's technology-based early education and practical teaching. These kits are designed to address the school's shortage of science and technology teaching tools. By combining fun with hands-on learning, they help children engage with cutting-edge scientific concepts and spark their interest in scientific exploration, thereby transforming our professional expertise into tangible support for the future of rural education.

##### Technology empowers innovation in a university racing team



During the Reporting Period, we donated the usage rights of the independently developed 51Sim-One educational edition software to the Peiyang Power FSAE Racing Team. 51Sim-One is integrated autonomous driving simulation and testing platform. Based on mechanism modeling with physical characteristics, it features high-precision and real-time simulation. This enables the R&D of both new fuel-powered formula cars and driverless formula cars for the team. With professional simulation technology, we build a practical platform for students and contribute to the cultivation of innovative talents in the automotive engineering field.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX 1: KEY PERFORMANCE INDICATOR OVERVIEW<sup>4, 5</sup>

### ENVIRONMENTAL ASPECT

Indicator	Unit	2025
<b>GHG emissions<sup>6, 7, 8</sup></b>		
Total GHG emissions (Scopes 2 and 3)	tCO <sub>2</sub> e	1,082.59
Energy indirect emissions (Scope 2) - location-based	tCO <sub>2</sub> e	449.99
Other indirect emissions (Scope 3) <sup>9</sup>	tCO <sub>2</sub> e	632.60
Total GHG emission intensity (Scope 2)	tCO <sub>2</sub> e/million RMB revenue	1.37
Total GHG emission intensity (Scope 2 and 3)	tCO <sub>2</sub> e/million RMB revenue	3.29
<b>Energy consumption</b>		
Total energy consumption	MWh	778.93
Purchased electricity	MWh	778.93
Total energy consumption intensity	MWh/million RMB revenue	2.37
<b>Water consumption</b>		
Total water consumption	m <sup>3</sup>	59,094.00
Total water consumption intensity	m <sup>3</sup> /million RMB revenue	179.44
<b>Waste generation</b>		
Non-hazardous waste		
Total non-hazardous waste generated	tonnes	40.92
Total non-hazardous waste intensity	tonnes/million RMB revenue	0.12

<sup>4</sup> The scope of environmental performance data covers the Group's principal business operations.

<sup>5</sup> Totals may not be the exact sum of numbers shown here due to rounding.

<sup>6</sup> According to the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) issued by World Business Council for Sustainable Development and World Resources Institute, scope 1 direct emissions cover GHG emissions directly produced by businesses owned or controlled by the Group, while scope 2 energy indirect emissions cover GHG emissions of indirect energy resulted from electricity (purchased or acquired), thermal energy, refrigeration and steam internally consumed by the Group and scope 3 other indirect emissions generate within the Group's value chain.

<sup>7</sup> Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) are already included in greenhouse gas calculations.

<sup>8</sup> The Group's principal business operations do not generate any Scope 1 direct emissions.

<sup>9</sup> Scope 3 emissions include available data arising from Category 6: Business travel and Category 7: Employee commuting.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## SOCIAL ASPECT<sup>10</sup>

Indicator	Unit	2025
<b>Employee information</b>		
Total workforce	Number of people	350
<b>By gender</b>		
Male	Number of people	243
Female		107
<b>By employment contract</b>		
Full-time	Number of people	350
Part-time		0
<b>By employee category</b>		
General and technical staff	Number of people	305
Middle management		39
Senior management		6
<b>By age group</b>		
Aged 30 or under	Number of people	99
31 to 50 years old		250
51 years or older		1
<b>By region</b>		
Chinese Mainland	Number of people	344
Other regions		6
<b>Turnover rate<sup>11</sup></b>		
<b>By gender</b>		
Male	%	20.2
Female		9.3
<b>By age group</b>		
Aged 30 or under	%	24.2
31 to 50 years old		14.0
51 years or older		0.0

<sup>10</sup> The scope of social key performance indicators covers the entire Group.

<sup>11</sup> Calculation method: Employee turnover rate = Number of employees who left ÷ Total number of employees at the end of the year × 100% (excluding part-time employees/interns and employees who left during their probationary period).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicator	Unit	2025
<b>By region</b>		
Chinese Mainland	%	16.9
Other regions		16.7
<b>Health and safety</b>		
Number of injuries	Number of cases	0
Lost days due to injury	days	0
Number and rate of work-related fatalities	Number of cases/%	0
<b>Development and training</b>		
<b>Percentage of employees trained</b>		
<b>By gender</b>		
Male	%	69
Female		31
<b>By employee category</b>		
General and technical staff	%	87
Middle management		11
Senior management		2
<b>Average training hours<sup>12</sup></b>		
<b>By gender</b>		
Male	Hours	6.23
Female		7.46
<b>By employee category</b>		
General and technical staff	Hours	6.16
Middle management		9.20
Senior management		13.95
<b>Supply chain management</b>		
<b>By region</b>		
Chinese Mainland	Number of suppliers	518
Hong Kong		19
Other regions		6

<sup>12</sup> The staff training figures are calculated based on our total headcount during the reporting period and include training data for employees who have left the company, in order to accurately reflect the training resource investment made by the Group.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### APPENDIX 2: LIST OF APPLICABLE LAWS AND REGULATIONS FOR THE GROUP

Key Areas and Aspects	Significant Laws and Regulations	Relevant Compliance Status
<b>A. Environmental</b>	<ul style="list-style-type: none"> <li>• Environmental Protection Law of the People's Republic of China 《中華人民共和國環境保護法》</li> <li>• Energy Conservation Law of the People's Republic of China 《中華人民共和國節約能源法》</li> <li>• Water Law of the People's Republic of China 《中華人民共和國水法》</li> <li>• Water Pollution Prevention and Control Law of the People's Republic of China 《中華人民共和國水污染防治法》</li> <li>• Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution 《中華人民共和國大氣污染防治法》</li> <li>• Law of the People's Republic of China on Prevention and Control of Soil Contamination 《中華人民共和國土壤污染防治法》</li> <li>• Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste 《中華人民共和國固體廢物污染環境防治法》</li> </ul>	During the Reporting Period, the Group was not aware of any material breaches of relevant environmental laws and regulations.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Key Areas and Aspects	Significant Laws and Regulations	Relevant Compliance Status
<b>B1: Employment</b> <b>B4: Labour Standards</b>	<ul style="list-style-type: none"> <li>• Labor Law of the People's Republic of China 《中華人民共和國勞動法》</li> <li>• Labour Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》</li> <li>• Provisions on Employment Services and Employment Management 《就業服務與就業管理規定》</li> <li>• Labour Law of the People's Republic of China 《中華人民共和國勞動法》</li> <li>• State Council Regulations on Working Hours of Employees 《國務院關於職工工作時間的規定》</li> <li>• Regulation on Public Holidays for National Annual Festivals and Memorial Days 《全國年節及紀念日放假辦法》</li> <li>• Law of the People's Republic of China on the Protection of Women's Rights and Interests 《中華人民共和國婦女權益保障法》</li> <li>• Regulation on the Employment of the Disabled 《殘疾人就業條例》</li> <li>• Employment Promotion Law of the People's Republic of China 《中華人民共和國就業促進法》</li> <li>• Employees' Compensation Ordinance 《僱員補償條例》</li> <li>• Personal Data (Privacy) Ordinance 《個人資料(私隱)條例》</li> <li>• Provisions on the Prohibition of Child Labor 《禁止使用童工規定》</li> </ul>	<p>During the Reporting Period, the Group was not aware of any material breaches of relevant laws and regulations governing labour and employment standards.</p>
<b>B2: Health and Safety</b>	<ul style="list-style-type: none"> <li>• Law of the People's Republic of China on the Prevention and Control of Occupational Diseases 《中華人民共和國職業病防治法》</li> </ul>	<p>During the Reporting Period, the Group was not aware of any material breaches of relevant health and safety laws and regulations.</p>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Key Areas and Aspects	Significant Laws and Regulations	Relevant Compliance Status
<b>B6: Product Responsibility</b>	<ul style="list-style-type: none"> <li>Interim Measures for the Management of Generative AI Services 《生成式人工智慧服務管理暫行辦法》</li> <li>Regulations on the Security Protection of Critical Information Infrastructure 《關鍵信息基礎設施安全保護條例》</li> <li>Product Quality Law of the People's Republic of China 《中華人民共和國產品質量法》</li> <li>Law of the People's Republic of China on the Protection of Consumer Rights and Interests 《中華人民共和國消費者權益保護法》</li> <li>Cybersecurity Law of the People's Republic of China 《中華人民共和國網絡安全法》</li> <li>Data Security Law of the People's Republic of China 《中華人民共和國數據安全法》</li> <li>Advertising Law of the People's Republic of China 《中華人民共和國廣告法》</li> <li>Measures for the Labelling of AI-Generated Synthetic Content 《人工智慧生成合成內容標識辦法》</li> <li>Software Product Management Measures 《軟件產品管理辦法》</li> <li>Personal Information Protection Law of the People's Republic of China 《中華人民共和國個人信息保護法》</li> </ul>	During the Reporting Period, the Group was not aware of any material breaches of relevant product liability laws and regulations.
<b>B7: Anti-corruption</b>	<ul style="list-style-type: none"> <li>Anti-Commercial Bribery Policy and Guidelines 《反商業賄賂政策與指引》</li> <li>Measures for Handling Complaints and Reports in Market Supervision and Management 《市場監督管理投訴舉報處理辦法》</li> <li>Anti-Telecommunications and Online Fraud Law of the People's Republic of China 《中華人民共和國反電信網路詐騙法》</li> <li>Anti-Money Laundering Law of the People's Republic of China 《中華人民共和國反洗錢法》</li> </ul>	During the Reporting Period, the Group was not aware of any material breaches of relevant anti-corruption laws and regulations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## APPENDIX 3: HKEX ESG REPORTING CODE CONTEXT INDEX

General Disclosures		Chapter/Explanation
A1. Emissions		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Management • Low-Carbon Operations Appendix 2: List of Applicable Laws and Regulations for the Group
A1.1	The types of emissions and respective emissions data	Appendix 1 Key Performance Indicator Overview Due to the nature of its business, the Group does not generate Scope 1 GHG emissions
A1.2	Repealed 1 January 2025	Not applicable
A1.3	Total hazardous waste produced and intensity.	Due to the nature of its business, the Group does not generate significant hazardous waste
A1.4	Total non-hazardous waste produced and intensity.	Green Management • Low-Carbon Operations
A1.5	Description of emission target(s) set and steps taken to achieve them.	
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosures		Chapter/Explanation
A2. Use of Resources		
General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Management • Low-Carbon Operations
A2.1	Direct and/or indirect energy consumption by type n total and intensity.	Appendix 1 Key Performance Indicator Overview
A2.2	Water consumption in total and intensity.	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Management • Low-Carbon Operations
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	
A2.5	Total packaging material used for finished products and with reference to per unit produced.	Due to the nature of its business, the Group does not use packaging materials
A3. Environment and Natural Resources		
General Disclosures	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Due to the nature of its business, the Group not have significant impact on the environment and natural resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
B1. Employment		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Talent Driven • Co-Creating Growth Appendix 2: List of Applicable Laws and Regulations for the Group
B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix 1 Key Performance Indicator Overview
B1.2	Employee turnover rate by gender, age group and geographical region.	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosures		Chapter/Explanation
B2. Health and Safety		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Talent Driven • Co-Creating Growth Appendix 2: List of Applicable Laws and Regulations for the Group
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix 1 Key Performance Indicator Overview
B2.2	Lost days due to work injury.	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	
B3. Development and Training		
General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Driven • Co-Creating Growth
B3.1	The percentage of employees trained by gender and employee category.	Appendix 1 Key Performance Indicator Overview
B3.2	The average training hours completed per employee by gender and employee category.	
B4. Labour Standards		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Talent Driven • Co-Creating Growth Appendix 2: List of Applicable Laws and Regulations for the Group
B4.1	Description of measures to review employment practices to avoid child and forced labour.	
B4.2	Description of steps taken to eliminate such practices when discovered.	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosures		Chapter/Explanation
B5. Supply Chain Management		
General Disclosures	Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain
B5.1	Number of suppliers by geographical region.	Appendix 1 Key Performance Indicator Overview
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Supply Chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
B6. Product Responsibility		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality First Appendix 2: List of Applicable Laws and Regulations for the Group
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
B6.2	Number of products and service related complaints received and how they are dealt with.	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	
B6.4	Description of quality assurance process and recall procedures.	
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosures	Chapter/Explanation	
B7. Anti-corruption		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Compliance and Business Ethics – Anti-Corruption Appendix 2: List of Applicable Laws and Regulations for the Group
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
B7.3	Description of anti-corruption training provided to directors and staff.	
B8. Community Investment		
General Disclosures	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Technology for good • Giving back to Society
B8.1	Focus areas of contribution.	
B8.2	Resources contributed to the focus area.	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures	Chapter/Explanation
<b>I. Governance</b>	
<p>19. An issuer shall disclose information about:</p> <p>(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <p>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</p> <p>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p> <p>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;</p> <p>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and</p> <p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	<p>Sustainability Governance Structure Climate Resilience - Governance</p> <p>The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of refining our remuneration policy.</p>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Climate-related Disclosures

## Chapter/Explanation

### II. Strategy

Climate-related risks and opportunities

20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:

- (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;
- (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;
- (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and
- (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.

Climate Resilience - Strategy

Business model and value chain

21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:

- (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and
- (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).

Climate Resilience - Governance

Since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures	Chapter/Explanation
Strategy and decision-making	
22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	Climate Resilience - Strategy
(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	
(iv) how the issuer plans to achieve any climate-related targets (including any GHG emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Not applicable

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures	Chapter/Explanation
Financial position, financial performance and cash flows	
Current financial effect	
24. An issuer shall disclose qualitative and quantitative information about:	
(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	<p>Climate Resilience - Strategy</p> <p>We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. In the future, we will continue to review the feasibility of disclosing such data as our business operations evolve.</p>
(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	<p>No significant risk of a material adjustment within the next annual reporting period.</p>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures	Chapter/Explanation
Anticipated financial effect	
<p>25. The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) its planned sources of funding to implement its strategy; and</p> <p>(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	<p>Climate Resilience - Strategy</p> <p>We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. In the future, we will continue to review the feasibility of disclosing such data as our business operations evolve.</p>
Climate resilience	
<p>26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <p>(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <p>(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;</p> <p>(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and</p> <p>(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; and</p>	Climate Resilience - Strategy

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Climate-related Disclosures Chapter/Explanation

---

- (b) how and when the climate-related scenario analysis was carried out, including:
  - (i) information about the inputs used, including:
    - (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;
    - (2) whether the analysis included a diverse range of climate-related scenarios;
    - (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;
    - (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;
    - (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;
    - (6) time horizons the issuer used in the analysis; and
    - (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);
  - (ii) the key assumptions the issuer made in the analysis; and
  - (iii) the reporting period in which the climate-related scenario analysis was carried out.

### III. Risk Management

27. An issuer shall disclose information about:
- (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:
    - (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);
    - (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;
    - (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);
    - (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;
    - (v) how the issuer monitors climate-related risks; and
    - (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;
- ESG Risk and  
Opportunity Management  
Climate Resilience - Risk  
Management

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Climate-related Disclosures

## Chapter/Explanation

- (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and
- (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.

## IV. Metrics and Targets

### Greenhouse gas emissions

28. An issuer shall disclose its absolute gross GHG emissions generated during the reporting period, expressed as metric tons of CO<sub>2</sub> equivalent, classified as:
- (a) Scope 1 GHG emissions; Appendix 1 Key Performance Indicator – Environmental
  - (b) Scope 2 GHG emissions; and
  - (c) Scope 3 GHG emissions;
29. An issuer shall:
- (a) measure its GHG emissions in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring GHG emissions; Appendix 1 Key Performance Indicator – Environmental  
We will discuss the feasibility of purchasing high-quality RECs and carbon credits to offset greenhouse gas emissions from our operations.
  - (b) disclose the approach it uses to measure its GHG emissions including:
    - (i) the measurement approach, inputs and assumptions the issuer uses to measure its GHG emissions;
    - (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its GHG emissions; and
    - (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;
  - (c) for Scope 2 GHG emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 GHG emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and
  - (d) for Scope 3 GHG emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 GHG emissions, in accordance with the Scope 3 categories described in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures	Chapter/Explanation
Climate-related transition risks	
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Climate-related physical risks	
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Climate-related opportunities	
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Capital Deployment	
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Internal carbon prices	
34. An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of GHG emissions the issuer uses to assess the costs of its GHG emissions.	We have not yet incorporated internal carbon prices into our decision-making processes. We will explore the use of internal carbon prices in the future.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures	Chapter/Explanation
Remuneration	
35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of refining our remuneration policy.
Industry-based metrics	
36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Not applicable
Climate-related targets	
37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any GHG emissions targets. For each target, the issuer shall disclose:	Climate Resilience – Metrics and Targets
(a) the metric used to set the target;	
(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
(d) the period over which the target applies;	
(e) the base period from which progress is measured;	
(f) milestones or interim targets (if any);	
(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	
(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosures	Chapter/Explanation
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	Climate Resilience – Metrics and Targets
(a) whether the target and the methodology for setting the target has been validated by a third party;	We will explore the feasibility of entrusting the Group's targets to a third party for verification.
(b) the issuer's processes for reviewing the target;	
(c) the metrics used to monitor progress towards reaching the target; and	
(d) any revisions to the target and an explanation for those revisions.	No revisions were made during the Reporting Period.
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Climate Resilience – Metrics and Targets
40. For each GHG emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	Climate Resilience – Metrics and Targets
(a) which GHGs are covered by the target;	
(b) whether Scope 1, Scope 2 or Scope 3 GHG emissions are covered by the target;	
(c) whether the target is a gross GHG emissions target or a net GHG emissions target. If the issuer discloses a net GHG emissions target, the issuer is also required to separately disclose its associated gross GHG emissions target;	
(d) whether the target was derived using a sectoral decarbonisation approach; and	Currently, such targets have not been derived using a sectoral decarbonisation approach.
(e) the issuer's planned use of carbon credits to offset GHG emissions to achieve any net GHG emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	We will explore the feasibility of purchasing carbon credits to offset GHG emissions generated from operations.
(i) the extent to which, and how, achieving any net GHG emissions target relies on the use of carbon credits;	
(ii) which third-party scheme(s) will verify or certify the carbon credits;	
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Climate-related Disclosures

## Chapter/Explanation

Applicability of cross-industry metrics and industry-based metrics

41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).
- Appendix 1 Key Performance Indicator – Environmental

# INDEPENDENT AUDITOR'S REPORT



## Independent auditor's report to the shareholders of Beijing 51WORLD Digital Twin Technology Co., Ltd.

*(established in the People's Republic of China with limited liability)*

## OPINION

We have audited the consolidated financial statements of Beijing 51WORLD Digital Twin Technology Co., Ltd. ("**the Company**") and its subsidiaries ("**the Group**") set out on pages 130 to 189, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") 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 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.

## KEY AUDIT MATTER

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

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTER (CONTINUED)

<b>Revenue recognition</b>	
Refer to note 3 to the consolidated financial statements and the accounting policies on note 1(t).	
<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>Majority of the Group's revenue is derived from sales of digital twin related software platform. Revenue is recognized at point in time when the software (and hardware, if applicable) is delivered to and accepted by the customer.</p> <p>We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group which gives rise to an inherent risk of manipulation to meet targets or expectations and because errors in the recognition of revenue could have a material impact on the Group's result for the year.</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls over the revenue recognition;</li> <li>challenging the revenue recognition policies adopted by the Group by making enquiries of management, inspecting a sample of sales contracts to assess the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards;</li> <li>testing the revenue transactions, on a sample basis, by agreeing the recorded revenue to the relevant underlying documents including sales contracts and customers' acceptance;</li> <li>on a sample basis, comparing revenue transactions recorded around the year end with the customer's acceptance to assess if the related revenue had been recognized in the appropriate accounting period; and</li> <li>circulating confirmations, on a sample basis, to customers to confirm the revenue transactions for the year and respective trade receivable balances at the end of the reporting period. For unreturned confirmations, performing alternative procedures by comparing details of the transactions with relevant underlying documents.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

## INDEPENDENT AUDITOR'S REPORT

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

## INDEPENDENT AUDITOR'S REPORT

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

The engagement partner on the audit resulting in this independent auditor's report is Yu Wai Sum (practising certificate number: P05307).

#### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong  
25 March 2026

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Renminbi ("RMB"))

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
<b>Revenue</b>	3	<b>347,761</b>	287,362
Cost of sales		<b>(243,591)</b>	(140,478)
<b>Gross profit</b>		<b>104,170</b>	146,884
Other net income	4	<b>10,201</b>	10,353
Selling expenses		<b>(64,452)</b>	(58,195)
General and administrative expenses		<b>(105,547)</b>	(89,597)
Research and development expenses		<b>(82,304)</b>	(58,312)
Impairment losses on trade and other receivables and contract assets		<b>(41,317)</b>	(22,155)
<b>Loss from operations</b>		<b>(179,249)</b>	(71,022)
Finance costs	5(a)	<b>(6,307)</b>	(5,603)
Share of results of associates		<b>(398)</b>	(875)
<b>Loss before tax</b>	5	<b>(185,954)</b>	(77,500)
Income tax	6	<b>(61)</b>	(1,472)
<b>Loss for the year</b>		<b>(186,015)</b>	(78,972)
<b>Other comprehensive income for the year (after tax)</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation into presentation currency		<b>(621)</b>	(61)
<b>Total comprehensive income for the year</b>		<b>(186,636)</b>	(79,033)
<b>Loss for the year attributable to:</b>			
– Equity shareholders of the Company		<b>(181,845)</b>	(79,127)
– Non-controlling interests		<b>(4,170)</b>	155
		<b>(186,015)</b>	(78,972)
<b>Total comprehensive income for the year attributable to:</b>			
– Equity shareholders of the Company		<b>(182,466)</b>	(79,188)
– Non-controlling interests		<b>(4,170)</b>	155
		<b>(186,636)</b>	(79,033)
<b>Loss per share</b>	9		
Basic and diluted (RMB)		<b>(0.48)</b>	(0.21)

The notes on pages 135 to 189 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the results of the year are set out in note 23(e).

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in RMB)

	Note	At 31 December	
		2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Property and equipment	10	1,922	3,852
Right-of-use assets	11	8,011	19,420
Intangible assets	12	2,587	1,784
Interest in associates		1,471	1,869
Other financial assets	14	69,390	40,000
Prepayments	16(b)	50,443	42,680
		<b>133,824</b>	109,605
<b>Current assets</b>			
Inventories	15	23,765	22,819
Contract assets	3(b)	9,712	11,538
Trade and other receivables	16(a)	261,540	194,898
Prepayments	16(b)	56,654	60,060
Other financial assets	14	30,905	77,565
Restricted cash		8,401	23,270
Cash and cash equivalents	17	796,913	134,462
		<b>1,187,890</b>	524,612
<b>Current liabilities</b>			
Trade and other payables	18	263,997	182,114
Contract liabilities	3(b)	29,200	25,537
Bank loans	19	286,331	149,043
Lease liabilities	20	9,142	12,595
Income tax payable		1,528	1,508
		<b>590,198</b>	370,797
<b>Net current assets</b>		<b>597,692</b>	153,815
<b>Non-current liabilities</b>			
Lease liabilities	20	—	8,512
<b>Net assets</b>		<b>731,516</b>	254,908

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in RMB)

	Note	At 31 December	
		2025 RMB'000	2024 RMB'000
<b>Equity</b>			
Share capital	23	406,356	382,381
Reserves	23	318,172	(138,489)
<b>Total equity attributable to equity shareholders of the Company</b>		<b>724,528</b>	243,892
<b>Non-controlling interests</b>		<b>6,988</b>	11,016
<b>Total equity</b>		<b>731,516</b>	254,908

Approved and authorised for issue by the board of directors on 25 March 2026 and signed on its behalf by:

Li Yi  
Director

Zhang Jing  
Director of finance

The notes on pages 135 to 189 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in RMB)

	Attributable to equity shareholders of the Company							Non-controlling interests	Total equity
		Share capital	Capital reserve	Other reserve	Exchange reserve	Accumulated losses	Subtotal		
	Note	RMB'000 (Note 23(a))	RMB'000 (Note 23(b)(i))	RMB'000 (Note 23(b)(ii))	RMB'000 (Note 23(b)(iii))	RMB'000	RMB'000		
<b>Balance at 1 January 2024</b>		365,000	355,867	173,864	192	(796,192)	98,731	4,348	103,079
Loss for the year		—	—	—	—	(79,127)	(79,127)	155	(78,972)
Other comprehensive income		—	—	—	(61)	—	(61)	—	(61)
<b>Total comprehensive income</b>		—	—	—	(61)	(79,127)	(79,188)	155	(79,033)
Issuance of shares	23(a)	17,381	182,619	—	—	—	200,000	—	200,000
Equity settled share-based transactions		—	21,870	—	—	—	21,870	92	21,962
Disposal of non-controlling interests ("NCI")		—	7,895	—	—	—	7,895	(3,895)	4,000
Capital contribution from NCI		—	—	—	—	—	—	4,900	4,900
Capital contribution to subsidiaries		—	(5,416)	—	—	—	(5,416)	5,416	—
<b>Balance at 31 December 2024 and 1 January 2025</b>		<b>382,381</b>	<b>562,835</b>	<b>173,864</b>	<b>131</b>	<b>(875,319)</b>	<b>243,892</b>	<b>11,016</b>	<b>254,908</b>
Loss for the year		—	—	—	—	(181,845)	(181,845)	(4,170)	(186,015)
Other comprehensive income		—	—	—	(621)	—	(621)	—	(621)
<b>Total comprehensive income</b>		—	—	—	(621)	(181,845)	(182,466)	(4,170)	(186,636)
Issuance of shares	23(a)	23,975	600,155	—	—	—	624,130	—	624,130
Equity settled share-based transactions		—	38,972	—	—	—	38,972	102	39,074
Capital contribution from NCI		—	—	—	—	—	—	40	40
<b>Balance at 31 December 2025</b>		<b>406,356</b>	<b>1,201,962</b>	<b>173,864</b>	<b>(490)</b>	<b>(1,057,164)</b>	<b>724,528</b>	<b>6,988</b>	<b>731,516</b>

The notes on pages 135 to 189 form part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

(Expressed in RMB)

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
<b>Cash flows from operating activities</b>			
Net cash used in operations	17(a)	(91,709)	(114,259)
Income tax paid		(41)	(14)
<b>Net cash used in operating activities</b>		<b>(91,750)</b>	<b>(114,273)</b>
<b>Cash flows from investing activities</b>			
Payment for the purchase of property and equipment, and intangible assets		(1,898)	(38,569)
Payment for purchase of other financial assets		(343,653)	(346,439)
Payment for acquisition of associates		—	(250)
Payment for purchase of other investment		(23,000)	(5,000)
Proceeds from disposal of other financial assets		374,158	373,996
Proceeds from disposal of property and equipment		35	8
Interest income received from other financial assets		4,959	7,261
<b>Net cash generated from/(used in) investing activities</b>		<b>10,601</b>	<b>(8,993)</b>
<b>Cash flows from financing activities</b>			
Proceeds from bank and other loans	17(b)	335,901	184,643
Repayment of bank and other loans	17(b)	(198,613)	(154,262)
Capital element of lease rentals paid	17(b)	(12,743)	(11,142)
Interest element of lease rentals paid	17(b)	(686)	(1,230)
Other borrowing costs paid	17(b)	(5,621)	(4,323)
Proceeds from shares issued	23(a)	660,459	200,000
Listing expenses paid		(35,134)	(1,195)
Capital contribution from NCI		40	4,900
<b>Net cash generated from financing activities</b>		<b>743,603</b>	<b>217,391</b>
<b>Net increase in cash and cash equivalents</b>		<b>662,454</b>	<b>94,125</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>134,462</b>	<b>40,326</b>
<b>Effect of foreign exchange rate changes</b>		<b>(3)</b>	<b>11</b>
<b>Cash and cash equivalents at the end of the year</b>	17	<b>796,913</b>	<b>134,462</b>

The notes on pages 135 to 189 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

Beijing 51WORLD Digital Twin Technology Co., Ltd. is established in the People's Republic of China (the "PRC"). These consolidated financial statements comprise the Company and its subsidiaries (together, the "Group"). The Group is primarily involved in the sale of digital twin-related software platforms and related services. The Group's three core businesses are 51Aes (digital twin platform), 51Sim (synthetic data and simulation platform), and 51Earth (digital earth platform).

## 1 MATERIAL ACCOUNTING POLICIES

### (a) STATEMENT OF COMPLIANCE

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

### (b) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- bank structured deposits; and
- unlisted equity interests measured at fair value through profit or loss ("FVPL") (see note 1(f));

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) CHANGES IN ACCOUNTING POLICIES

The Group has early adopted all applicable new and revised IFRS Accounting Standards in prior year, except for any new or revised accounting standards issued but not yet effective for the current accounting period, the details of which are set out in note 28.

### (d) SUBSIDIARIES AND NON-CONTROLLING INTERESTS

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any NCI either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(o) or (p), depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (d) SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONTINUED)

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(j)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

### (e) ASSOCIATES

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognized at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("**OCI**") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the expected credit loss ("**ECL**") model to such other long-term interests where applicable (see note 1(j)).

Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate is stated at cost less impairment losses (see note 1(j)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (f) OTHER INVESTMENTS IN SECURITIES

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 24(e). These investments are subsequently accounted for as follows, depending on their classification.

Non-equity investments are classified into one of the following measurement categories:

- amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in OCI. When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (g) PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 1(j)).

Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives are as follows:

• Furniture and equipment	3 – 5 years
• Vehicles	4 years
• Leasehold improvements	Shorter of useful life or lease term
• Right-of-use assets	Shorter of useful life or lease term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### (h) INTANGIBLE ASSETS

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognized in profit or loss as incurred. Capitalized development expenditure is subsequently measured at cost less accumulated amortization and any accumulated impairment losses (see note 1(j)).

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment loss (see note 1(j)).

Amortization is calculated to write off the cost of acquired software less their estimated residual values using the straight-line method over their estimated useful lives of 5 years.

Amortization methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) LEASED ASSETS

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalize the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(g) and 1(j)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) LEASED ASSETS (CONTINUED)

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

### (j) CREDIT LOSS AND IMPAIRMENT OF ASSETS

#### (i) Credit loss from financial instruments and contract assets

The Group recognizes a loss allowance for ECLs on:

- financial assets measured at amortized cost (including cash and cash equivalents, trade receivables and other receivables); and
- contract assets (see note 1(l)).

#### *Measurement of ECLs*

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) CREDIT LOSS AND IMPAIRMENT OF ASSETS (CONTINUED)

#### (i) Credit loss from financial instruments and contract assets (Continued)

##### *Measurement of ECLs (Continued)*

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

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

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

##### *Significant increases in credit risk*

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) CREDIT LOSS AND IMPAIRMENT OF ASSETS (CONTINUED)

#### (i) Credit loss from financial instruments and contract assets (Continued)

##### *Significant increases in credit risk (Continued)*

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

##### *Credit-impaired financial assets*

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

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

## NOTES TO THE FINANCIAL STATEMENTS

### 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (j) CREDIT LOSS AND IMPAIRMENT OF ASSETS (CONTINUED)

##### (i) Credit loss from financial instruments and contract assets (Continued)

###### *Write-off policy*

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

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

##### (ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGUs**").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss and are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis. An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (k) INVENTORIES AND OTHER CONTRACT COSTS

#### (i) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the specific cost method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the cost to fulfill a contract with a customer which are not capitalized as inventory, property and equipment or intangible assets.

The Group takes advantage of practical expedient in paragraph 94 of the IFRS 15 and recognizes the incremental costs of obtaining a contract as an expense if the amortization of the asset that the Group otherwise would have recognized is one year or less.

Costs to fulfill a contract are capitalized if the costs related directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalized as inventory, property and equipment or intangible assets, are expensed as incurred.

### (l) CONTRACT ASSETS AND CONTRACT LIABILITIES

A contract asset is recognized when the Group recognizes revenue (see note 1(t)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Some of the Group's customers may request retention as a security against the quality of the products during the warranty period. According to the contract, the retention portion is payable by the customer after the Group has fulfilled its warranty obligation. The retention portion is recognized as contract assets until the warranty period expires and the right to consideration becomes unconditional. Contract assets are assessed for ECLs (see note 1(j)) and are reclassified to receivables when the right to the consideration becomes unconditional (see note 1(m)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see note 1(t)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized (see note 1(m)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

## NOTES TO THE FINANCIAL STATEMENTS

### 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (m) TRADE AND OTHER RECEIVABLES

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see note 1(j)).

#### (n) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see note 1(j)).

#### (o) TRADE AND OTHER PAYABLES

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

#### (p) INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with note 1(v).

#### (q) EMPLOYEE BENEFITS

##### (i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (q) EMPLOYEE BENEFITS (CONTINUED)

#### (ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

#### (iii) Share-based payments

The equity-settled share-based payments granted to employees is measured at grant date fair value. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

### (r) INCOME TAX

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

## NOTES TO THE FINANCIAL STATEMENTS

### 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (s) PROVISIONS AND CONTINGENT LIABILITIES

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

#### (t) REVENUE AND OTHER INCOME

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group's business.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (t) REVENUE AND OTHER INCOME (CONTINUED)

Further details of the Group's revenue and other income recognition policies are as follows:

#### (i) Revenue from contracts with customers

##### (a) *Sales of software platform, hardware and related services*

Revenue arising from the sale of software platform and also from the sale of software platform together with software-embedded hardware as an integrated solution is accounted for as a single performance obligation. Revenue is recognized at a point in time when the software and the hardware (if applicable) are delivered to the customer's designated place, inspected and accepted by the customer. In other circumstance, the software platform is delivered to end users for usage with a subscription period, the revenue is recognized over the subscription period.

The maintenance and upgrade services after sale are provided to maintain and improve the effectiveness of the software and therefore are accounted for as a separate performance obligation, and are recognized over the service period.

The Group takes advantage of the practical expedient in paragraph 121 of IFRS 15 and does not disclose the transaction price allocated to the remaining performance obligation at the end of each reporting period as the Group's sale contracts have an original expected duration of less than 1 year.

#### (ii) Revenue from other sources and other income

##### (a) *Dividends*

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

##### (b) *Interest income*

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

##### (c) *Government grants*

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognized as deferred income in the statement of financial position and are subsequently recognized in profit or loss over the useful life of the asset.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (u) TRANSLATION OF FOREIGN CURRENCIES

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations are translated into Renminbi at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Renminbi at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

### (v) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the year in which they are incurred.

### (w) RELATED PARTIES

- (i) A person, or a close member of that person's family, is related to the Group if that person:
- a. has control or joint control over the Group;
  - b. has significant influence over the Group; or
  - c. is a member of the key management personnel of Group or the Group's parent.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (w) RELATED PARTIES (CONTINUED)

- (ii) An entity is related to the Group if any of the following conditions applies:
- a. The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - c. Both entities are joint ventures of the same third party.
  - d. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - e. The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - f. The entity is controlled or jointly controlled by a person identified in note 1(w)(i).
  - g. A person identified in note 1(w)(i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - h. The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### (x) SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group determined that it only has one operating segment. The Group's operations are mainly located in the PRC with all of the Group's non-current assets located in the PRC.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 ACCOUNTING JUDGMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has made the following significant accounting estimates:

#### (i) ALLOWANCE FOR CREDIT LOSSES

Management estimates credit loss allowance using a provision matrix based on the Group's historical credit loss experience, included customer credit-worthiness, and historical write-off experience, and adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date. If the financial conditions of the customers were to deteriorate, additional allowance may be required.

#### (ii) RECOGNITION OF DEFERRED TAX ASSETS

Deferred tax assets related to deductible temporary differences, tax credits and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the deductible temporary differences, tax credits and tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax expenses in the period in which such estimate is changed.

## NOTES TO THE FINANCIAL STATEMENTS

### 3 REVENUE

#### (a) REVENUE FROM CONTRACTS WITH CUSTOMERS

The principal activities of the Group are the sale of digital twin related software platform and related services. Disaggregation of revenue from contracts with customers within scope of IFRS 15 is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Disaggregated by major products or service lines</b>		
51Aes	274,411	236,166
51Sim	55,622	47,595
51Earth	17,728	3,601
	<b>347,761</b>	<b>287,362</b>
<b>Disaggregated by timing of revenue recognition</b>		
Point in time	342,962	281,899
Over time	4,799	5,463
	<b>347,761</b>	<b>287,362</b>
<b>Disaggregated by location of customers</b>		
Chinese Mainland	342,258	269,143
Others	5,503	18,219
	<b>347,761</b>	<b>287,362</b>

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the year is set out below:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Customer A	*	42,566
Customer B	*	35,549
Customer C	—	30,566

\* Less than 10% of the Group's revenue in the respective year.

## NOTES TO THE FINANCIAL STATEMENTS

### 3 REVENUE (CONTINUED)

#### (b) CONTRACT ASSETS AND CONTRACT LIABILITIES

A contract asset is recognized when the Group recognizes revenue before being unconditionally entitled to the consideration under the terms in the contract. The amount of contract assets expected to be recovered after more than one year is RMB4,461,000 as at 31 December 2025 (2024: RMB4,269,000), all of which relate to retentions. All of the other contract assets are expected to be recovered within one year.

The contract liabilities primarily relate to the advance consideration received from customers before revenue recognition. These will be recognized as revenue when the Group's software and the hardware (if applicable) are delivered, inspected and accepted by customers, which is expected to occur over the following year. The amount of RMB16,033,000 included in contract liabilities as at 1 January 2025 has been recognized as revenue during the year ended 31 December 2025 (2024: RMB24,913,000).

### 4 OTHER NET INCOME

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Government grants	3,258	2,870
Interest income	5,664	6,685
Net gain/(loss) on disposals of property and equipment and lease termination	510	(35)
Others	769	833
	<b>10,201</b>	10,353

## NOTES TO THE FINANCIAL STATEMENTS

### 5 LOSS BEFORE TAX

Loss before tax is arrived at after charging:

#### (a) FINANCE COSTS

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Interest on bank and other loans	5,621	4,323
Interest on lease liabilities	686	1,230
Other interest expense	–	50
	<b>6,307</b>	5,603

#### (b) STAFF COSTS

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits and discretionary bonuses	145,358	134,264
Contributions to defined contribution retirement schemes	14,673	15,923
Share-based payment	39,074	21,962
	<b>199,105</b>	172,149

Employees of the Group in the PRC are required to participate in defined contribution retirement schemes administered and operated by the local municipal government. The Group contributes funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the schemes to fund the retirement benefits of the employees. Contributions to the schemes vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

## NOTES TO THE FINANCIAL STATEMENTS

### 5 LOSS BEFORE TAX (CONTINUED)

#### (c) OTHER ITEMS

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Amortization	12	952	832
Depreciation of property and equipment	10	2,275	3,594
Depreciation of right-of-use assets	11	12,157	12,084
Research and development expenses		82,304	58,312
Listing expenses		22,646	13,945
Auditors' remuneration		2,075	50

Research and development expenses include staff costs, depreciation and amortization expenses, the amounts of which are also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

### 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

#### (a) INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME REPRESENTS:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current tax	(61)	(1,472)

## NOTES TO THE FINANCIAL STATEMENTS

### 6 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

#### (b) RECONCILIATION BETWEEN INCOME TAX EXPENSE AND ACCOUNTING LOSS AT APPLICABLE TAX RATES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before tax	(185,954)	(77,500)
Tax calculated at statutory tax rates applicable to loss in the respective jurisdictions	47,037	18,987
Tax effect of:		
Additional deductible allowance for research and development expenses	6,626	8,061
Tax effect of tax losses and temporary differences not recognized	(36,503)	(23,495)
Statutory tax concession	(16,137)	(4,689)
Non-deductible expenses	(1,084)	(336)
Actual tax expenses	(61)	(1,472)

In accordance with the Enterprise Income Tax Law (“**Income Tax Law**”) of the PRC, the statutory income tax rate is 25%. The group entities in the PRC are subject to PRC income tax at 25% unless otherwise specified.

The Company and certain subsidiaries of the Group were recognized as high and new technology enterprises and enjoyed the preferential tax rate of 15% in 2025 and 2024.

During the years ended 31 December 2025 and 2024, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC income tax law and its relevant regulations.

Taxation for group entities in other tax jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

The Group considers the enactment of the Pillar Two model rules published by the Organization for Economic Co-operation and Development is unlikely to have a significant impact on the results of the Group.

## NOTES TO THE FINANCIAL STATEMENTS

### 7 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and Supervisors' emoluments are as follows:

	Year ended 31 December 2025						
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Sub-total RMB'000	Share-based payments RMB'000	Total RMB'000
<b>Directors</b>							
Mr Li Yi ("Mr. Li")	-	423	-	67	490	28,732	29,222
Mr Wang Chenkang	-	692	163	75	930	-	930
Ms Zhang Yuwei (resigned on 13 February 2026)	-	381	-	75	456	380	836
Ms Tong Shan	-	932	691	75	1,698	517	2,215
Mr Lyu Jinrong (resigned on 13 February 2026)	-	-	-	-	-	-	-
Ms Pu Ge	-	575	251	75	901	-	901
Mr Li Pan	197	-	-	-	197	-	197
Mr Lin Chen	197	-	-	-	197	-	197
Mr Zhang Lening	197	-	-	-	197	-	197
<b>Supervisors</b>							
Mr Hou Tao	-	624	254	78	956	259	1,215
Ms Hou Jingjing	-	263	22	51	336	-	336
Mr Kuang Peng	-	415	131	66	612	-	612
	591	4,305	1,512	562	6,970	29,888	36,858

\* Ms. Du Jinyan and Mr. Yang Gu were appointed as directors on 13 February 2026.

## NOTES TO THE FINANCIAL STATEMENTS

### 7 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

	Year ended 31 December 2024						
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Directors</b>							
Mr Li	-	348	-	72	420	11,403	11,823
Mr Wang Chenkang	-	643	-	73	716	-	716
Mr Wang Zhipeng (resigned on 23 April 2024)	-	84	-	13	97	-	97
Ms Zhang Yuwei	-	439	-	73	512	476	988
Ms Tong Shan (appointed on 23 April 2024)	-	484	116	49	649	647	1,296
Mr Lyu Jinrong	-	-	-	-	-	-	-
Mr Wang Jing (resigned on 6 August 2024)	-	-	-	-	-	-	-
Ms Pu Ge (appointed on 9 August 2024)	-	225	-	31	256	-	256
Mr Wen Jiangtao (resigned on 16 September 2024)	71	-	-	-	71	-	71
Ms Hong Yanrong (resigned on 16 September 2024)	71	-	-	-	71	-	71
Mr Wang Quanxi (resigned on 16 September 2024)	71	-	-	-	71	-	71
Mr Li Pan (appointed on 16 September 2024)	57	-	-	-	57	-	57
Mr Lin Chen (appointed on 16 September 2024)	57	-	-	-	57	-	57
Mr Zhang Lening (appointed on 16 September 2024)	57	-	-	-	57	-	57
<b>Supervisors</b>							
Ms Du Jinyan (resigned on 9 August 2024)	-	279	-	42	321	647	968
Mr Hou Tao	-	601	-	78	679	323	1,002
Ms Hou Jingjing	-	291	-	52	343	-	343
Mr Kuang Peng (appointed on 9 August 2024)	-	166	-	28	194	-	194
	384	3,560	116	511	4,571	13,496	18,067

The Directors' and Supervisors' emoluments represented the amounts paid or payable for their services rendered to the Group since their appointment as directors or Supervisors. The emoluments paid to them for service rendered as management prior to their appointments as directors or Supervisors are not included in the above tables. Share-based payments represent the estimated value of restricted shares/share options granted to directors and supervisors. The value of these share-based payment is measured according to the Group's accounting policies as set out in note 1(q)(iii).

Pursuant to a shareholders' resolution on 13 February 2026, the Company has abolished the Supervisory Committee. The duties of the Supervisors of the Company were automatically terminated with effect from 13 February 2026.

## NOTES TO THE FINANCIAL STATEMENTS

### 8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five individuals whose emoluments were the highest in the Group include 2 directors (2024: 1 director) whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the remaining 3 (2024: 4) highest paid individuals during the financial statements are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	2,617	2,605
Discretionary bonuses	1,122	472
Share-based payments	2,157	3,667
Retirement scheme contributions	77	180
	<b>5,973</b>	<b>6,924</b>

The emoluments of the above 3 (2024: 4) individuals with the highest emoluments are within the following bands:

	Year ended 31 December	
	2025 Number of individuals	2024 Number of individuals
HK\$1,500,001 to HK\$2,000,000	–	3
HK\$2,000,001 to HK\$2,500,000	3	1

## NOTES TO THE FINANCIAL STATEMENTS

### 9 LOSS PER SHARE

#### (a) BASIC LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue, calculated as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss attributable to ordinary equity shareholders of the Company	(181,845)	(79,127)
Weighted average number of ordinary shares	'000	'000
Issued ordinary shares on 1 January	382,381	365,000
Effect of issuance of shares	131	8,833
Weighted average number of ordinary shares at 31 December	382,512	373,833

#### (b) DILUTED LOSS PER SHARE

Shares options issued under the share-based payment arrangements (note 21) were not included in the calculation of diluted loss per share because their effect would have been anti-dilutive. Hence, the diluted loss per share for the years ended 31 December 2025 and 2024 were the same as the basic loss per share.

## NOTES TO THE FINANCIAL STATEMENTS

### 10 PROPERTY AND EQUIPMENT

	Furniture and equipment RMB'000	Vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
<b>Cost:</b>				
At 1 January 2024	9,679	402	7,983	18,064
Additions	601	310	–	911
Disposals	(149)	–	(843)	(992)
At 31 December 2024 and 1 January 2025	<b>10,131</b>	<b>712</b>	<b>7,140</b>	<b>17,983</b>
Additions	<b>127</b>	<b>–</b>	<b>226</b>	<b>353</b>
Disposals	<b>(163)</b>	<b>–</b>	<b>–</b>	<b>(163)</b>
At 31 December 2025	<b>10,095</b>	<b>712</b>	<b>7,366</b>	<b>18,173</b>
<b>Accumulated depreciation:</b>				
At 1 January 2024	(7,769)	(104)	(3,625)	(11,498)
Depreciation	(1,116)	(126)	(2,352)	(3,594)
Written back on disposals	118	–	843	961
At 31 December 2024 and 1 January 2025	<b>(8,767)</b>	<b>(230)</b>	<b>(5,134)</b>	<b>(14,131)</b>
Depreciation	<b>(443)</b>	<b>(169)</b>	<b>(1,663)</b>	<b>(2,275)</b>
Written back on disposals	<b>155</b>	<b>–</b>	<b>–</b>	<b>155</b>
At 31 December 2025	<b>(9,055)</b>	<b>(399)</b>	<b>(6,797)</b>	<b>(16,251)</b>
<b>Net book value:</b>				
At 31 December 2024	1,364	482	2,006	3,852
At 31 December 2025	<b>1,040</b>	<b>313</b>	<b>569</b>	<b>1,922</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 11 RIGHT-OF-USE ASSETS

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At 1 January	19,420	32,378
Additions	1,127	129
Lease modification and early termination	(379)	(1,003)
Depreciation	(12,157)	(12,084)
At 31 December	8,011	19,420

The right-of-use assets represented the leased office premises. The additions of right-of-use assets represent the capitalized lease payments payable under new tenancy agreements.

The analysis of the Group's expense items in relation to leases recognized in profit or loss is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets	12,157	12,084
Short-term lease	2,026	1,299
Interest on lease liabilities	686	1,230

Details of total cash outflow for leases and maturity analysis of lease liabilities are set out in notes 17(c) and 20 respectively.

## NOTES TO THE FINANCIAL STATEMENTS

### 12 INTANGIBLE ASSETS

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Cost:</b>		
At 1 January	8,533	8,533
Additions	1,755	–
At 31 December	10,288	8,533
<b>Accumulated amortization:</b>		
At 1 January	(6,749)	(5,917)
Amortization	(952)	(832)
At 31 December	(7,701)	(6,749)
<b>Net book value:</b>		
At 31 December	2,587	1,784

The intangible assets represented the acquired software. The amortization was recognized in cost of sales, selling expenses, general and administrative expenses and research and development expenses.

## NOTES TO THE FINANCIAL STATEMENTS

### 13 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. All these subsidiaries are private limited liabilities companies.

Name of company	Place of incorporation and business	Particulars of issued and paid up capital	Held by the company		Principal activity
			2025	2024	
Beijing 51Sim Technology Co., Ltd. ("Beijing 51Sim") (萬物鏡像(北京)計算機系統有限公司)	Chinese Mainland	RMB12,176,021	89%	89%	Provision of 51Sim service
Mirrorverse (Shanghai) Technology Co., Ltd. (萬物鏡像(上海)科技有限公司)	Chinese Mainland	RMB50,000,000	100%	100%	Provision of 51Aes services

## NOTES TO THE FINANCIAL STATEMENTS

### 14 OTHER FINANCIAL ASSETS

	Note	At 31 December	
		2025 RMB'000	2024 RMB'000
<b>Non-current</b>			
Fixed deposits	(a)	40,000	40,000
Unlisted equity interests measured at FVPL	24(e)	15,000	–
Investment in fund		14,390	–
		<b>69,390</b>	40,000
<b>Current</b>			
Bank structured deposits	24(e)	8,064	34,994
Certificates of deposit	(b)	14,039	33,129
Fixed deposits		8,802	9,442
		<b>30,905</b>	77,565

(a) The fixed deposits of RMB40 million bear annual interest rate of 2.70% – 3.98% and are due in 2027.

(b) The certificates of deposit have fixed interest rates.

### 15 INVENTORIES

#### (a) INVENTORIES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION COMPRISE:

	At 31 December	
	2025 RMB'000	2024 RMB'000
Purchased hardware and software	12,295	11,742
Contract fulfillment cost	14,432	14,014
Less: write-down of inventories	(2,962)	(2,937)
	<b>23,765</b>	22,819

#### (b) THE ANALYSIS OF THE AMOUNT OF INVENTORIES RECOGNIZED AS AN EXPENSE AND INCLUDED IN PROFIT OR LOSS IS AS FOLLOWS:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Carrying amount of hardware and software sold	201,240	101,791
Write-down of inventories	1,844	1,851
Reversal of write-down of inventories	–	(150)

## NOTES TO THE FINANCIAL STATEMENTS

### 16 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

#### (a) TRADE AND OTHER RECEIVABLES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Trade receivables – due from third parties	247,759	177,931
Trade receivables – due from an associate	2,410	1,758
Bills receivables	3,335	6,353
Deposits	1,818	2,618
Input VAT recoverable	2,404	1,381
Receivables arising from disposal of NCI	2,650	4,000
Other receivables	1,164	857
	<b>261,540</b>	<b>194,898</b>

All of the trade and other receivables are expected to be recovered or recognized as expense within one year.

As of the end of the reporting period, the aging analysis of trade receivables, based on the date of revenue recognition and net of loss allowance, is as follows:

	At 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	181,861	129,736
1 to 2 years	53,004	41,154
2 to 3 years	15,304	8,799
	<b>250,169</b>	<b>179,689</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 16 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

#### (b) PREPAYMENTS

	At 31 December	
	2025 RMB'000	2024 RMB'000
<b>Non-current</b>		
Deposit paid to acquire a building (note 27)	36,000	36,000
Prepayments for intangible assets	1,443	1,680
Investment deposits	13,000	5,000
	<b>50,443</b>	42,680
<b>Current</b>		
Prepayments to suppliers	43,724	56,432
Others	12,930	3,628
	<b>56,654</b>	60,060

## NOTES TO THE FINANCIAL STATEMENTS

### 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

Cash and cash equivalents represented cash at bank.

#### (a) RECONCILIATION OF LOSS BEFORE TAX TO CASH USED IN OPERATIONS:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before tax	(185,954)	(77,500)
<i>Adjustments for:</i>		
Impairment losses on trade and other receivables and contract assets	41,317	22,155
Depreciation of property and equipment	2,275	3,594
Depreciation of right-of-use assets	12,157	12,084
Amortization of intangible assets	952	832
Finance costs	6,307	5,553
Interest income from other financial assets	(3,555)	(3,516)
Net (gain)/loss on disposal of property and equipment and lease termination	(510)	35
Equity settled share-based payment expenses	39,074	21,962
Share of results of associates	398	875
Changes in inventories	(947)	(3,190)
Changes in contract assets	2,971	(4,567)
Changes in trade and other receivables and prepayments	(106,630)	(161,731)
Changes in restricted cash	14,869	(20,170)
Changes in trade and other payables	81,904	90,278
Changes in contract liabilities	3,663	(953)
Cash used in operations	(91,709)	(114,259)

## NOTES TO THE FINANCIAL STATEMENTS

### 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

#### (b) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

The tables below detail changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank and other loans RMB'000 (Note 19)	Interest payable RMB'000	Lease liabilities RMB'000 (note 20)	Total RMB'000
<b>At 1 January 2024</b>	118,662	–	33,112	151,774
<b>Changes from financing cash flows:</b>				
Proceeds from bank and other loans	184,643	–	–	184,643
Repayment of bank and other loans	(154,262)	–	–	(154,262)
Capital element of lease rentals paid	–	–	(11,142)	(11,142)
Interest element of lease rentals paid	–	–	(1,230)	(1,230)
Other borrowing costs paid	–	(4,323)	–	(4,323)
<b>Total changes from financing cash flows</b>	<b>30,381</b>	<b>(4,323)</b>	<b>(12,372)</b>	<b>13,686</b>
<b>Other changes:</b>				
Interest expenses (note 5(a))	–	4,323	1,230	5,553
Increase in lease liabilities from entering into new leases during the year	–	–	129	129
Lease modification and early termination	–	–	(992)	(992)
<b>Total other changes</b>	<b>–</b>	<b>4,323</b>	<b>367</b>	<b>4,690</b>
<b>At 31 December 2024</b>	<b>149,043</b>	<b>–</b>	<b>21,107</b>	<b>170,150</b>
<b>At 1 January 2025</b>	<b>149,043</b>	<b>–</b>	<b>21,107</b>	<b>170,150</b>
<b>Changes from financing cash flows:</b>				
Proceeds from bank and other loans	<b>335,901</b>	–	–	<b>335,901</b>
Repayment of bank and other loans	<b>(198,613)</b>	–	–	<b>(198,613)</b>
Capital element of lease rentals paid	–	–	<b>(12,743)</b>	<b>(12,743)</b>
Interest element of lease rentals paid	–	–	<b>(686)</b>	<b>(686)</b>
Other borrowing costs paid	–	<b>(5,621)</b>	–	<b>(5,621)</b>
<b>Total changes from financing cash flows</b>	<b>137,288</b>	<b>(5,621)</b>	<b>(13,429)</b>	<b>118,238</b>
<b>Other changes:</b>				
Interest expenses (note 5(a))	–	<b>5,621</b>	<b>686</b>	<b>6,307</b>
Increase in lease liabilities from entering into new leases during the year	–	–	<b>1,127</b>	<b>1,127</b>
Lease modification and early termination	–	–	<b>(349)</b>	<b>(349)</b>
<b>Total other changes</b>	<b>–</b>	<b>5,621</b>	<b>1,464</b>	<b>7,085</b>
<b>At 31 December 2025</b>	<b>286,331</b>	<b>–</b>	<b>9,142</b>	<b>295,473</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

#### (c) TOTAL CASH OUTFLOW FOR LEASES

Amounts included in the cash flow statement for lease rental paid are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Within operating cash flows	2,026	1,299
Within financing cash flows	13,429	12,372
	15,455	13,671

### 18 TRADE AND OTHER PAYABLES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Trade payables	146,223	73,650
Bills payable	7,000	3,469
Staff cost payables	69,094	49,335
Other taxes payables	23,986	18,656
Accrued listing expenses	6,714	3,441
Other payables	10,980	26,556
Provision	–	7,007
	263,997	182,114

All of the trade and other payables are expected to be settled or recognized in profit or loss within one year or are repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

### 18 TRADE AND OTHER PAYABLES (CONTINUED)

At the end of the reporting period, the aging analysis of trade payables based on invoice date is as follows:

	At 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	124,381	57,510
1 to 2 years	13,092	5,609
2 to 3 years	8,750	10,531
	146,223	73,650

### 19 BANK AND OTHER LOANS

All bank and other loans are unsecured and repayable within one year.

## NOTES TO THE FINANCIAL STATEMENTS

### 20 LEASE LIABILITIES

At the end of the reporting period, the lease liabilities were repayable as follows:

	At 31 December	
	2025 RMB'000	2024 RMB'000
Within one year	9,142	12,595
1 to 2 years	–	8,512
	9,142	21,107

### 21 EQUITY SETTLED SHARE-BASED TRANSACTIONS

#### (a) PRE-IPO SHARE INCENTIVE SCHEMES

In 2023, 3,650,000 restricted shares were granted to the selected employees of the Group, including the directors of the Company. The restricted shares will be vested in five years. The fair value of the right to subscribe for the restricted shares is estimated to be RMB7.8275 per share, which is the calculated based on the difference between the fair value of the share and the exercise price of the share. In August 2024, the vesting period of the restricted shares was shortened to 2.5 years and these restricted shares were vested in December 2025.

#### (b) PRE-IPO SHARE OPTION SCHEME

In August 2024, the Company adopted a pre-IPO share option scheme to improve the Company's incentive mechanism, attract talents and to motivate the senior management. In August 2024, the Company granted 38,238,095 options to Mr Li to subscribe for 38,238,095 H shares and Mr Li has undertaken that his annual compensation shall not exceed HK\$510,000 for the period from 1 January 2025 to 31 December 2030.

## NOTES TO THE FINANCIAL STATEMENTS

### 21 EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

#### (b) PRE-IPO SHARE OPTION SCHEME (CONTINUED)

The exercise price of the option is HK\$5.1 per share. The exercise period of the options is 10 years from the date of grant. The options shall vest in accordance with the achievement of performance targets during the service period.

The number and weighted average exercise prices of share options are as follows:

	2025 Number of options '000	2024 Number of options '000
Outstanding at the beginning of the year	38,238	–
Granted during the year	–	38,238
Outstanding at the end of the year	38,238	38,238
Exercisable at the end of the year	–	–

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial lattice model.

#### Fair value of share options and assumptions

Fair value at measurement date	HK\$6.98
Share price	RMB9.70
Exercise price	HK\$5.1
Expected volatility	44.90%
Option life	10 years
Expected dividends	0%
Risk-free interest rate	1.47%

## NOTES TO THE FINANCIAL STATEMENTS

### 21 EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

#### (c) 51SIM SHARE OPTION SCHEME

In 2023, Beijing 51Sim adopted a share option scheme for its employees. 714,285 options were granted to its selected employees. Each option gives the holder the right to subscribe for one Beijing 51Sim's share at a price of RMB35 per share. The option will be vested in tranches of 25% each year in four years and can only be exercised within the month following the IPO of Beijing 51Sim.

The number of share options is as follows:

	Year ended 31 December	
	2025 '000	2024 '000
Outstanding at the beginning of the year	651	715
Granted during the year	–	–
Forfeited during the year	(6)	(64)
Outstanding at the end of the year	645	651
Exercisable at the end of the year	–	–

### 22 DEFERRED TAX

#### DEFERRED TAX ASSETS NOT RECOGNIZED

In accordance with the accounting policy set out in note 1(r), the Group has not recognized deferred tax assets in respect of cumulative tax losses of RMB1,033,932,000 as at 31 December 2025 (2024: RMB874,006,000), as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. The tax losses expire in 5 or 10 years from the respective year of loss.

## NOTES TO THE FINANCIAL STATEMENTS

### 23 CAPITAL, RESERVES AND DIVIDENDS

#### (a) SHARE CAPITAL

	Year ended 31 December			
	2025		2024	
	No. of shares '000	Amount RMB'000	No. of shares '000	Amount RMB'000
<b>Ordinary shares, issued and fully paid:</b>				
At 1 January	382,381	382,381	365,000	365,000
Issuance of shares	23,975	23,975	17,381	17,381
At 31 December	406,356	406,356	382,381	382,381

On 30 December 2025, the Company issued 23,975,200 new ordinary shares at a price of HK\$30.5 per share upon the listing of the Company's shares on the Stock Exchange of Hong Kong Limited. Proceeds of RMB23,975,000, representing the nominal value of the new shares, were credited to the Company's share capital account. The remaining proceeds of RMB636,484,000, net of listing expenses of RMB36,329,000, were credited to the capital reserve.

In June 2024, an investor subscribed 17,380,952 new shares of the Company at cash consideration of RMB200,000,000. The excess of consideration paid over the par value of the issued shares of RMB17,381,000, amounting to RMB182,619,000 was credited to the capital reserve.

#### (b) NATURE OF RESERVE

##### (i) Capital reserve

Capital reserve comprises the following:

- the difference between the proceeds received from the shareholders of the Company upon the issuance of shares and the paid-in capital of the Company;
- the difference between the consideration received and the proportionate interest in net assets of subsidiaries disposed; and
- the portion of the grant date fair value of share options granted to employees that has been recognized in accordance with the accounting policy adopted for share-based payments in note 1(q)(iii).

## NOTES TO THE FINANCIAL STATEMENTS

### 23 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### (b) NATURE OF RESERVE (CONTINUED)

##### (ii) Other reserve

The other reserve comprises amount in relation to the initial recognition and modification of redemption liabilities.

##### (iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 1(u).

#### (c) CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

For the purpose of capital management, the Group defines "capital" as total equity of the Group as disclosed in the consolidated statement of changes in equity.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## NOTES TO THE FINANCIAL STATEMENTS

### 23 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### (d) MOVEMENTS IN COMPONENTS OF EQUITY

The changes of each component of the Group's consolidated equity during the financial statements are set out in the consolidated statements of changes in equity. Details of changes in the Company's individual components of equity during the financial statements are set out below:

	Share capital RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>Balance at 1 January 2024</b>	365,000	307,147	173,864	(503,563)	342,448
Loss for the year	-	-	-	(149,693)	(149,693)
Issuance of shares	17,381	182,619	-	-	200,000
Equity settled share-based transactions	-	21,176	-	-	21,176
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>382,381</b>	<b>510,942</b>	<b>173,864</b>	<b>(653,256)</b>	<b>413,931</b>
Issuance of shares	23,975	600,155	-	-	624,130
Loss for the year	-	-	-	(122,511)	(122,511)
Equity settled share-based transactions	-	38,174	-	-	38,174
<b>Balance at 31 December 2025</b>	<b>406,356</b>	<b>1,149,271</b>	<b>173,864</b>	<b>(775,767)</b>	<b>953,724</b>

#### (e) DIVIDENDS

The directors of the Company did not propose the payment of any dividend during 2025 and 2024.

### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

#### (a) CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables and contract assets. The Group's exposure to credit risk arising from other financial assets and cash and cash equivalents is limited because the counterparties are banks with good credit rating. The carrying amount of each class of the financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group does not provide any guarantees which would expose the Group to credit risk.

## NOTES TO THE FINANCIAL STATEMENTS

### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (a) CREDIT RISK (CONTINUED)

##### Trade receivables

Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. In general, the trade receivables are due for payment upon the issuance of invoice. Normally, the Group does not obtain collateral from customers. The Group has no significant concentration of credit risk. As at 31 December 2025, 7.23% of the total trade receivables was due from the Group's five largest customers (2024: 28.6%).

The Group measures loss allowance for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix.

The loss allowance for trade receivables from customers at the end of the reporting period was determined as follows:

	As at 31 December 2025		
	Expected loss rate	Gross carrying amount RMB'000	Loss allowance RMB'000
Within 1 year	7.5%	196,552	(14,691)
1 to 2 years	21.2%	67,263	(14,259)
2 to 3 years	53.1%	32,645	(17,341)
More than 3 years	100.0%	23,248	(23,248)
		<b>319,708</b>	<b>(69,539)</b>

	At 31 December 2024		
	Expected loss rate	Gross carrying amount RMB'000	Loss allowance RMB'000
Within 1 year	4.2%	135,441	(5,705)
1 to 2 years	15.9%	48,916	(7,762)
2 to 3 years	53.1%	18,762	(9,963)
More than 3 years	100%	10,899	(10,899)
		<b>214,018</b>	<b>(34,329)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (a) CREDIT RISK (CONTINUED)

##### Trade receivables (Continued)

Expected loss rates are based on actual loss experience over the past three to four years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables.

Movements in the loss allowance account in respect of trade receivables are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At 1 January	34,329	14,155
Impairment losses recognized	40,292	20,174
Amounts written off	(5,082)	–
At 31 December	69,539	34,329

#### (b) LIQUIDITY RISK

The Group's policy is to regularly monitor its liquidity management and cash management, including the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

## NOTES TO THE FINANCIAL STATEMENTS

### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) LIQUIDITY RISK (CONTINUED)

	As at 31 December 2025			Carrying amount RMB'000
	Contractual undiscounted cash outflow			
	Within 1 year or on demand RMB'000	1 – 2 years RMB'000	Total RMB'000	
Trade and other payables	240,011	–	240,011	240,011
Bank and other loans	290,109	–	290,109	286,331
Lease liabilities	10,601	–	10,601	9,142
	540,721	–	540,721	535,484

	At 31 December 2024			Carrying amount RMB'000
	Contractual undiscounted cash outflow			
	Within 1 year or on demand RMB'000	1 – 2 years RMB'000	Total RMB'000	
Trade and other payables	156,451	–	156,451	156,451
Bank and other loans	151,119	–	151,119	149,043
Lease liabilities	13,903	8,738	22,641	21,107
	321,473	8,738	330,211	326,601

#### (c) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at 31 December 2025, RMB38 million (2024: nil) of bank loans were variable rate loans while the rest of the Group's fixed deposits, certificates of deposit and borrowings are all issued at fixed rates. The balance of bank structured deposits is not significant. Fluctuation of interest rate will not have significant impact to the Group.

## NOTES TO THE FINANCIAL STATEMENTS

### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (d) CURRENCY RISK

The following table details the Group's exposure at the end of each reporting period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date. As HKD is pegged to USD, the Group considers the risk of movements in exchange rates between HKD and USD to be insignificant and are excluded from the table below. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are also excluded.

	At 31 December		
	2025 USD RMB'000	2025 HKD RMB'000	2024 USD RMB'000
Cash and cash equivalents	2,571	624,077	3,930
Trade and other receivables	4,997	–	8,773
Trade and other payables	–	–	(1,271)
Other financial assets	7,967	–	–
Net exposure arising from recognized assets and liabilities	15,535	624,077	11,432

The following table indicates the instantaneous change in the Group's loss after tax (and accumulated losses) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of RMB against other currencies.

	2025		2024	
	Increase/ (decrease) in foreign exchange rates	Effect on results for the year and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on results for the year and accumulated losses
USD	10% (10)%	1,120 (1,120)	10% (10)%	826 (826)
HKD	10% (10)%	53,047 (53,047)	10% (10)%	– –

## NOTES TO THE FINANCIAL STATEMENTS

### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (d) CURRENCY RISK (CONTINUED)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' profit after tax and equity measured in the respective functional currencies, and then translated into Renminbi at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

#### (e) FAIR VALUE MEASUREMENT

##### (i) Financial assets and liabilities measured at fair value

###### *Fair value hierarchy*

The fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis are categorized into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

## NOTES TO THE FINANCIAL STATEMENTS

### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (e) FAIR VALUE MEASUREMENT (CONTINUED)

##### (i) Financial assets and liabilities measured at fair value (Continued)

###### *Fair value hierarchy (Continued)*

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The fair value measurement of the bank structured deposits and unlisted equity interests measured at FVPL falls into level 3 of the fair value hierarchy.

The movements during the period in the balance of these level 3 fair value measurements are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At 1 January	34,994	16,039
Payment for purchases	319,893	97,959
Changes in fair value	22	35
Disposal of financial assets	(331,845)	(79,039)
At 31 December	23,064	34,994

There were no transfers between Level 1 and Level 2, or transfers into nor out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as of the end of the reporting period in which they occur.

## NOTES TO THE FINANCIAL STATEMENTS

### 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (e) FAIR VALUE MEASUREMENT (CONTINUED)

##### (i) Financial assets and liabilities measured at fair value (Continued)

###### *Valuation techniques and inputs used in Level 3 fair value measurements*

The fair value investment in bank structured deposits is determined by discounting the cash flows with the expected rate of return in the product manual or similar investment products manual. The expected rate of return is 2.32% as at 31 December 2025 (2024: 1.95% – 2.40%). The fair value measurement is negatively correlated to the discount rate. As of 31 December 2025 and 2024, it is estimated that with all other variables held constant, a decrease/increase in risk discount rate by 1% would not have significant impact on the fair value of the bank structured deposits.

The fair value of unlisted equity interests measured at FVPL is determined with reference to recent transaction price.

### 25 MATERIAL RELATED PARTY TRANSACTIONS

#### (a) KEY MANAGEMENT PERSONNEL REMUNERATION

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	4,765	3,590
Discretionary bonuses	1,911	404
Share-based payments	31,180	14,467
Retirement scheme contributions	556	451
	<b>38,412</b>	<b>18,912</b>

Total remuneration is included in "staff costs" (see note 5(b)).

## NOTES TO THE FINANCIAL STATEMENTS

### 25 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) RELATED PARTY BALANCES AND TRANSACTIONS

##### (i) Transactions with related parties

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Trade in nature:		
Sales of goods to an associate	2,878	929
Non-trade in nature:		
Interest expense payable to a shareholder	–	50

##### (ii) Balance with related parties:

	At 31 December	
	2025 RMB'000	2024 RMB'000
Trade in nature:		
Trade and other receivables	2,410	1,758
Contract assets	208	244
Contract liabilities	–	173

## NOTES TO THE FINANCIAL STATEMENTS

### 26 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

		At 31 December	
	Note	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Property and equipment		931	1,589
Right-of-use assets		—	4,428
Intangible assets		2,407	1,547
Interest in subsidiaries	13	222,985	249,257
Other financial assets		30,000	30,000
Trade and other receivables		252,042	180,532
Prepayments		1,443	1,680
		<b>509,808</b>	469,033
<b>Current assets</b>			
Inventories		8,274	14,889
Contract assets		8,990	9,973
Trade and other receivables		246,085	169,990
Prepayments		17,055	14,326
Other financial assets		8,064	—
Restricted cash		8,401	23,270
Cash and cash equivalents		713,640	39,407
		<b>1,010,509</b>	271,855
<b>Current liabilities</b>			
Trade and other payables		308,002	167,116
Contract liabilities		14,606	21,851
Bank loans		243,985	133,573
Lease liabilities		—	4,417
		<b>566,593</b>	326,957
<b>Net current assets/(liabilities)</b>		<b>443,916</b>	(55,102)
<b>Net assets</b>		<b>953,724</b>	413,931
<b>Equity</b>			
Share capital	23	406,356	382,381
Reserves	23	547,368	31,550
<b>Total equity</b>		<b>953,724</b>	413,931

## NOTES TO THE FINANCIAL STATEMENTS

### 27 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

In 2024, the Group entered into a pre-purchase contract to purchase a building in Beijing at a consideration of RMB60 million. The building is currently leased by the Group as office. A deposit of RMB36 million was paid in 2024. Pursuant to a supplemental agreement to the pre-purchase contract, the transaction was terminated and the deposits of RMB36 million was refunded in February 2026.

### 28 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include:

	<b>Effective for accounting periods beginning on or after</b>
Amendments to IFRS 9 and IFRS 7, <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7, <i>Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvement to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosure</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

## NOTES TO THE FINANCIAL STATEMENTS

### 28 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

#### IFRS 18, PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

## DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

### DEFINITIONS

“Articles” or “Articles of Association”	the articles of association of Beijing 51WORLD Digital Twin Technology Co., Ltd., as amended, modified or otherwise supplemented from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of Directors of the Company
“business day”	a day on which banks in Hong Kong are generally open to the public for normal banking business and which is not a Saturday, Sunday or public holiday in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CEO”	chief executive officer of the Company
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as amended, modified or otherwise supplemented from time to time
“China” or “the PRC”	the People’s Republic of China, but for the purpose of the report and for geographical reference only and except where the context requires otherwise, references in the report to “China” and the “PRC” do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Code Provision(s)”	the principles and code provisions set out in Part 2 of the CG Code
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, modified or otherwise supplemented from time to time
“Company Law”	the Company Law of the PRC, as amended, modified and/or otherwise supplemented from time to time
“Company”, “our Company”, or “the Company”	Beijing 51WORLD Digital Twin Technology Co., Ltd. (北京五一視界數字孪生科技股份有限公司), a limited liability company established under PRC laws on 16 February 2015, whose H-shares are listed on the Main Board of the Stock Exchange (Stock Code: 06651)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

## DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, subscribed for and fully paid up Renminbi by domestic investors
“Global Offering”	the Hong Kong Public Offering and the International Placing
“Group”, “our Group”, “the Group”, “we”, “us”, “our” or “51WORLD”	the Company and its subsidiaries
“H Share Registrar”	Tricor Investor Services Limited
“H Share(s)”	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
“HK\$”, “HK dollars” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Takeovers Code” or “Takeovers Code”	Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
“IASB”	International Accounting Standards Board
“IFRS Accounting Standards”	the IFRS Accounting Standards as issued by the IASB
“Independent Third Party(ies)”	person(s) or company(ies), who/which, to the best of our Directors’ knowledge, information and belief, is/are not our connected persons
“Latest Practicable Date”	15 April, 2026, being the latest practicable date prior to the printing of this annual report
“Listing Date”	30 December 2025, being the date on which the H Shares will be listed and first permitted to commence trading on the Hong Kong Stock Exchange

## DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange of Hong Kong Limited, as amended, modified or otherwise supplemented from time to time
“Listing”	the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, as amended, modified and/or otherwise supplemented from time to time
“Mr. Li”	Mr. Li Yi (李熠), an executive Director, chairman of the Board, general manager and a member of the Single Largest Group of Shareholders
“Nomination Committee”	the nomination committee of the Company
“Prospectus”	the prospectus issued by the Company on 18 December 2025 in relation to our Global Offering and Listing
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Company
“Reporting Period”	the year ended 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of China
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified or otherwise supplemented from time to time
“Share(s)”	Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of the Company
“Subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules

## DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company and was abolished on 13 February 2026
“Treasury Shares”	Shares repurchased and held by the Company in treasury (which include Shares repurchased by the Company and held or deposited in CCASS for sale on the Stock Exchange) from time to time
“U.S. dollars”, “US dollars” or “US\$”	United States dollars, the lawful currency of the United States
“U.S.”, “US” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdictions
“%”	per cent

## DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

### GLOSSARY OF TECHNICAL TERMS

“3DGS”	3D Gaussian Splatting for Real-Time Radiance Field Rendering, a scene reconstruction and rendering technique based on 3D Gaussian bodies. This technique represents the point cloud data in the scene by using a Gaussian distribution and converts these point cloud data into Gaussian bodies during the rendering process. The properties of Gaussian bodies make it possible to efficiently simulate light propagation and scattering in the scene for efficient real-time rendering
“4DGS”	A neural representation technology designed for dynamic 3D scene reconstruction and rendering. Building upon traditional 3D Gaussian Splatting (3DGS), it introduces a temporal dimension to represent scenes as a collection of Gaussian distributions that evolve continuously over time. Through the joint modeling of spatial position, shape, color, and temporal evolution, this method achieves efficient representation and real-time rendering of geometric structures and appearance variations within dynamic environments. Compared to traditional methods based on meshes or implicit fields, 4DGS offers superior rendering efficiency and enhanced dynamic modeling capabilities. It can generate high-fidelity, editable, and spatio-temporally consistent scenes driven by multi-view and multi-temporal data. This technology is widely applied in fields such as autonomous driving simulation, embodied AI, and digital twins
“AI”	artificial intelligence, a new technical science that studies and develops theories, methods, technologies and application systems for simulating, extending and expanding human intelligence
“API”	Application Programming Interface, also known as application program interface, is a contact for interfacing different components of a software system

## DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Data-Driven Closed-Loop”	A system approach that continuously optimizes through collected data. By collecting, processing, and analyzing data in simulation tests, the system feedbacks results to improve algorithms, creating an automatic feedback loop. This method enhances the performance and adaptability of intelligent driving systems
“developer(s)”	developer(s) of consumer applications on our digital earth platform
“embodied AI”	artificial intelligence integrated into physical entities or robots that interact with the environment, using sensors and actuators to perceive, reason and act in real-world contexts
“End-to-end simulation”	a comprehensive simulation process that covers all stages from input to output without manual intervention
“humanoid robots”	robots resembling the human body in shape and size and with the ability to mimic human motion, expressions, interaction, and movements
“LiDAR”	Light Detection and Ranging, a remote sensing technology that uses laser light to measure distances and create detailed 3D maps of environments
“L3, L4 and L5”	levels of driving automation as defined by the Society of Automotive Engineers (SAE), where L3 represents conditional automation, L4 represents high automation, and L5 represents full automation

## DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“OEM”	Original Equipment Manufacturers
“SaaS”	software as a service, a cloud-based software delivery model in which the software provider develops and maintains cloud software application, provides automatic software updates, and makes software available to its customers via the internet on a subscription basis
“WDP”	WORLD Developer Platform, a digital twin application and development platform that provides developers with features such as multi-source data import, intuitive scene creation, low-code development, open APIs, and other digital twin development services

Certain amounts and percentage figures included in this report have been subject to rounding adjustments.

For ease of reference, the names of the PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this report in both Chinese and English. In the event of any inconsistency, the Chinese version shall prevail. English translations of official Chinese names are for identification purposes only.