

# SEYOND Holdings Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2665)

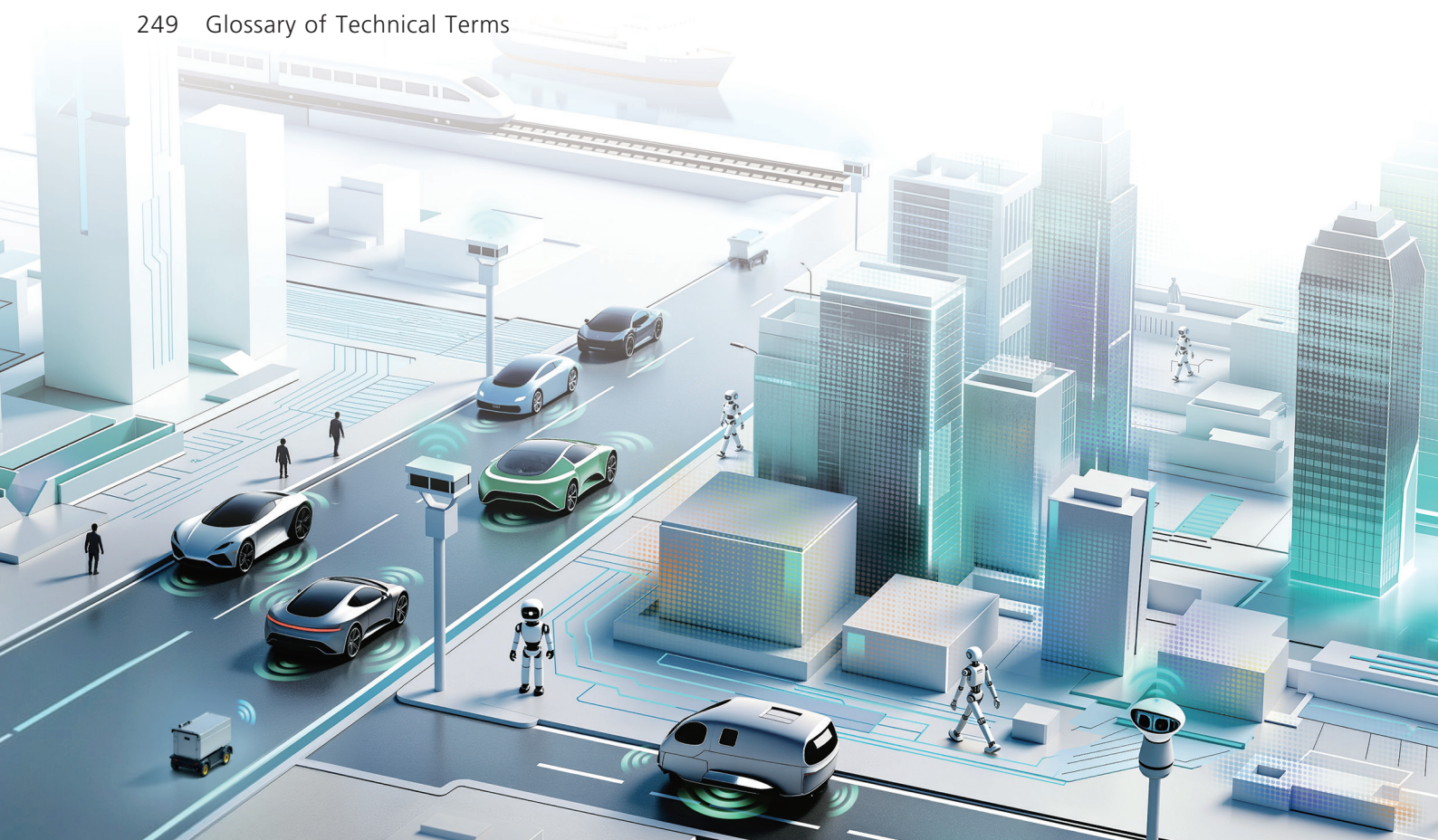
(Warrent Code: 2673)

# 2025 ANNUAL REPORT



# CONTENTS

2	Corporate Information
4	Chairman's Statement
5	Financial Highlights
6	Management Discussion and Analysis
21	Directors and Senior Management
27	Directors' Report
51	Corporate Governance Report
72	Environmental, Social and Governance Report
136	Independent Auditor's Report
141	Consolidated Statement of Profit or Loss and Other Comprehensive Income
142	Consolidated Statement of Financial Position
144	Consolidated Statement of Changes in Equity
145	Consolidated Statement of Cash Flows
147	Notes to the Consolidated Financial Statements
241	Financial Summary
243	Forward-Looking Statements
244	Definitions
249	Glossary of Technical Terms



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Dr. Bao Junwei (鮑君威)

Dr. Li Yimin (李義民)

### Independent Non-executive Directors

Dr. Chen Changling (陳長齡)

Dr. Costas John Spanos

Dr. Maximilian Ibel

### Audit Committee

Dr. Chen Changling (*Chairperson*)

Dr. Costas John Spanos

Dr. Maximilian Ibel

### Remuneration Committee

Dr. Maximilian Ibel (*Chairperson*)

Dr. Li Yimin

Dr. Costas John Spanos

### Nomination Committee

Dr. Bao Junwei (*Chairperson*)

Dr. Chen Changling

Dr. Costas John Spanos

### ESG Committee

Dr. Costas John Spanos (*Chairperson*)

Dr. Chen Changling

Dr. Maximilian Ibel

## AUTHORIZED REPRESENTATIVES

Dr. Bao Junwei

Mr. Lee Leong Yin (李亮賢) (*FCG, HKFCG*)

## REGISTERED OFFICE

190 Elgin Avenue

George Town, Grand Cayman KY1-9008

Cayman Islands

## HEAD OFFICE

160 San Gabriel Drive

Sunnyvale

CA, 94086

the United States

## PRINCIPAL PLACE OF BUSINESS IN CHINA

C4-101

Huangshan Zhong'an Sci-tech Innovation City

23 Shangshan Road

Liyang Town

Tunxi District

Huangshan, Anhui province

PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1920, 19/F, Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

## JOINT COMPANY SECRETARIES

Mr. Yao Yuan (姚遠)

Mr. Lee Leong Yin (李亮賢) (*FCG, HKFCG*)

## STOCK CODES

Stock code: 02665

Warrant code: 02673

## COMPANY WEBSITE

[www.seyond.com](http://www.seyond.com)

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

### Walkers Corporate Limited

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

## CORPORATE INFORMATION

### HONG KONG SHARE REGISTRAR

#### Tricor Investor Services Limited

17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### LEGAL ADVISERS AS TO HONG KONG LAW

#### Davis Polk & Wardwell

10/F, The Hong Kong Club Building  
3A Chater Road  
Central  
Hong Kong

### AUDITOR

#### Deloitte Touche Tohmatsu

*Certified Public Accountants and Registered Public  
Interest Entity Auditor*  
35/F One Pacific Place  
88 Queensway  
Hong Kong

### COMPLIANCE ADVISER

#### Rainbow Capital (HK) Limited

Office No. 710, 7/F  
Wing On House  
No. 71 Des Voeux Road Central  
Central  
Hong Kong

### PRINCIPAL BANKS

#### Citic Bank Suzhou (Jinjihu Branch)

F1, Suxin Building,  
No. 88 Jinjihu Road  
Wuzhong District  
Suzhou City  
PRC

#### Bank of China (Suzhou Xiangcheng Branch)

1st Floor, Nanya Building  
No. 618 Jiayuan Road  
Xiangcheng District  
Suzhou City  
PRC

## CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present the audited consolidated results of the Group for the year ended December 31, 2025.

The year 2025 was a strategic turning point for the Group, culminating in our successful listing on the Main Board of The Stock Exchange of Hong Kong Limited on December 10, 2025. Subsequent to the reporting period, on March 9, 2026, the Company was officially included as a constituent stock of the Hang Seng Composite Index and as an eligible security under the Stock Connect scheme. These milestones mark a new phase in the corporate development, providing enhanced liquidity and a broader investor base as we accelerate our global expansion and operational initiatives.

Financially, the Group demonstrated solid execution in 2025. We generated total revenue of US\$154 million and successfully transitioned to profitability at the gross level, recording a gross profit of US\$12 million and gross margin of 8% for the year. This turnaround was primarily driven by the scaling of our deliveries – which reached approximately 332,500 LiDAR units, representing a year-over-year growth of 44.5% – coupled with our continuous efforts in supply chain optimization, localization of critical components, and manufacturing automation.

Throughout 2025, the Group actively implemented its transformation and growth strategy, continuously broadening its product portfolio – from 1550 nm to 905/940 nm wavelengths, and from semi-solid-state to full solid-state technologies. At the same time, the number of cooperative customers increased substantially, with business collaborations successfully established with multiple passenger vehicle OEMs, including GAC and SAIC Volkswagen, laying a robust foundation for sustainable scale expansion.

Leveraging our proprietary technology, the Group strides in business diversification. In the Intelligent Transportation Systems (ITS) segment, our matured solutions secured multiple key orders during the year. Furthermore, our differentiated Robin W LiDAR and other core products facilitated breakthroughs in general robotics application scenarios, including unmanned transportation, logistics handling, and sanitation operations. This led to large-scale orders from enterprises such as Zelostech, E-P Equipment, and UISEE. In the L4 autonomous driving domain, the proven performance of our Falcon series 1550 nm products secured designated projects from multiple customers, including Pony.ai, EACON Mining, and Inceptio Technology.

Looking ahead, the integration of AI with the physical world is accelerating. As a critical enabler for AI in the physical world to achieve precise perception and efficient decision-making, LiDAR's value proposition and application scenarios continue to expand. The Group remains committed to sustained efforts, with prudent investment in research and development, to deliver industry-leading technologies and contribute to the progress of AI and societal well-being.

Yours Sincerely,

**Dr. Bao Junwei**  
*Chairman of the Board*

## FINANCIAL HIGHLIGHTS

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the year ended December 31,		
	2025	2024	Change (%)
	(US\$ in thousands, except for percentages)		
Revenue	154,208	159,575	(3.4)
Gross profit/(loss)	12,254	(13,906)	N/A
<b>Loss for the year</b>	<b>(328,050)</b>	(398,195)	(17.6)
Non-IFRS Measure	265,038	315,296	(15.9)
<b>Adjusted net loss</b>	<b>(63,012)</b>	(82,899)	(24.0)

Note:

Please refer to section headed "Non-IFRS Measure" in this annual report for more details.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of December 31,		
	2025	2024	Change (%)
	(US\$ in thousands, except for percentages)		
Total current assets	227,535	126,707	79.6
Total non-current assets	36,514	49,963	(26.9)
Total assets	264,049	176,670	49.5
Total liabilities	218,882	1,148,693	(80.9)
Total equity (deficit)	45,167	(972,023)	N/A

# MANAGEMENT DISCUSSION AND ANALYSIS

## I. OVERVIEW

Seyond is a leading global provider of image-grade LiDAR technology. Founded in 2016, We have established a robust global R&D and manufacturing ecosystem dedicated to advancing a safer, smarter and more efficient mobility future.

Leveraging deep technological expertise, we continue to define industry standards through the rapid iteration of our core product lines: the Falcon, Robin, and fully solid-state Hummingbird platforms. Our commitment to high performance and reliability, coupled with cost competitiveness, has enabled significant commercial scale. To date, over 700,000 Falcon units have been deployed globally, and the platform remains in high-volume mass production.

Driven by forward-looking product strategies and deep application insights, our solutions are widely deployed in intelligent vehicles, autonomous driving, robotics, smart infrastructure including highways, ports, railways and mining. We have achieved large-scale commercial deployment across multiple continents, empowering a smarter world through innovative hardware and software integration.

## II. BUSINESS REVIEW

### 1. Market and Industry Overview

The global automotive-grade LiDAR market is experiencing rapid growth, driven by increasing adoption of L2+ and above autonomous driving systems and rising demand for safety enhancement. According to CIC, the market is expected to expand from US\$2.2 billion in 2025 to US\$32.1 billion by 2030.

LiDAR solutions are increasingly recognized as critical sensing components for L2+ ADAS and ADS applications, with adoption accelerating alongside improvements in product performance and cost efficiency. LiDAR-equipped vehicles penetrate more affordable models, including those priced around RMB100,000, while higher-end L2+ and L3 models increasingly adopt multiple LiDAR units to enhance performance and redundancy.

Beyond automotive applications, LiDAR solutions are also expanding rapidly in non-automotive scenarios, particularly in robotics, robovan and smart infrastructure, driven by growing demand for automation and safety. According to CIC, the global non-automotive LiDAR market is expected to grow from US\$1.3 billion in 2025 to US\$9.2 billion by 2030.

The convergence of increasing automotive adoption and the expansion of non-automotive applications is expected to broaden the addressable market and support the long-term growth of the LiDAR industry.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Overall Business Performance

In 2025, we continued to focus on the commercialization and large-scale deployment of our image-grade LiDAR products and solutions across multiple application scenarios. Our business performance was driven by the deliveries for automotive OEMs and continued scaling of mass production, and the strategic diversification of our customer base. Beyond the automotive sector, we have achieved market penetration into high-growth verticals such as robotics and smart infrastructure. This broadening of our application scenarios not only enhances our revenue resilience but also positions us to capture emerging opportunities.

### *Commercialization and Product Portfolio*

During the Reporting Period, we have established a comprehensive product portfolio encompassing LiDAR sensor hardware and proprietary software solutions. Our hardware offerings include the Falcon, Robin and Hummingbird series, designed to address a broad range of ADAS/ADS, robotics and other intelligent system applications. In parallel, we have developed our proprietary OmniVidi software platform, which cooperates with our LiDAR hardware and enables customers to process raw information detected and informs machineries of the detected objects.

Through modular product architecture and versatile system-level integration capabilities, we can provide high-performance solutions to customers across automotive, robotics and intelligent infrastructure sectors.

### *Customer Diversification and Commercial Progress*

During the Reporting Period, we continued to strengthen our customer diversification strategy to mitigate customer concentration risk and enhance revenue resilience. Leveraging our capabilities in product development, marketing, production and commercialization, we achieved meaningful progress in expanding our customer base beyond our core strategic customer, NIO.

In the ADAS sector, as of December 31, 2025, we have established strategic collaborations with additional 17 OEMs and ADAS/ADS solution companies, focusing on L2+/L3 intelligent driving programs across both passenger vehicle and commercial vehicle segments. These customers selected our LiDAR solutions for integration into their ADAS platforms.

Beyond ADAS, we further expanded into Robotics and other non-automotive sectors. We secured collaboration with mobility service providers and robotics companies for applications including robotaxi, robovan, and other autonomous robotics applications such as autonomous lawn mowers. Our products were also deployed in smart infrastructure and mining scenarios, including highways, metro and railway systems. This strategic diversification broadens our total addressable market and reinforces the resilience of our long-term growth profile.

During the Reporting Period, we achieved substantial commercial milestones, with several new key customers such as a leading NEV company, Zelostech and Pony AI, formally commencing mass production and delivery. The steady ramp-up of these customer programs is expected to drive sustained shipment growth, revenue expansion, and progressive margin appreciation.

# MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, we delivered approximately 332,500 LiDAR units, representing a year-on-year increase of 44.6% from approximately 230,000 units in 2024. The growth was primarily attributable to the first large-scale mass production of the Robin series, with deliveries increasing from 11,589 units in 2024 to 137,822 units in 2025. As the Group's core strategic customer, NIO's procurement volume increased from 223,737 units in 2024 to 286,482 units in 2025. Meanwhile, as diversification efforts progressed, several non-NIO customers commenced mass production and delivery. As a result, NIO's contribution to total deliveries decreased from 97.3% in 2024 to 86.2% in 2025, reflecting a further improvement in our customer mix.

## *Operations and Research and development ("R&D")*

In terms of operations, we have continuously strengthened our manufacturing capabilities and supply chain management to support stable and scaled product delivery. During the Reporting Period, we focused on improving production efficiency, yield rates and quality control processes, while strictly adhering to automotive-grade standards and certification requirements. These efforts supported the smooth progress of existing customer projects and established a solid foundation for future mass production demand.

In R&D, we maintained a high level of investment, focusing on product performance enhancement, reliability optimization and cost reduction initiatives. Our R&D roadmap is closely aligned with market demand and next-generation product planning. Management believes that sustained R&D investment is critical to strengthening our competitive advantage in the LiDAR market.

Overall, during the Reporting Period, we achieved significant progress in business expansion and operational capability enhancement. We diversified our product portfolio and customer base, substantially increased delivery volume and achieved a positive annual gross profit margin for the first time, with gross margin improving from negative 8.7% in 2024 to positive 7.9% in 2025.

### **3. Prospects and Outlook**

Looking ahead, management believes that artificial intelligence ("AI") technologies are increasingly extending into real-world physical environments. As intelligent systems continue to advance in environmental perception, spatial modeling and autonomous decision-making, demand for high-precision, real-time and reliable 3D sensing capabilities is expected to grow. LiDAR, as a core sensor capable of generating high-resolution spatial depth data and structural environmental information, is well positioned to serve as a critical infrastructure layer connecting AI systems with the physical world.

From an application perspective, in addition to the ongoing mass production in automotive intelligent driving programs, robotics, intelligent equipment, industrial automation and smart infrastructure are expected to create broader application opportunities for LiDAR deployment. We will continue to iterate on our core optical architecture, signal processing algorithms, system integration capabilities and advanced SPAD technology application, while maintaining strategic focus and actively exploring emerging application scenarios. As these sectors mature, management believes that non-automotive businesses may become an increasingly meaningful contributor to our revenue base and facilitate optimization of our revenue structure.

## MANAGEMENT DISCUSSION AND ANALYSIS

With respect to international expansion, we have established operations in multiple countries and regions and will continue to evaluate global market opportunities. As demand for intelligent sensing solutions increases across different geographies, we intend to deepen global customer engagement and business development initiatives. We believe that global expansion may provide additional growth drivers and enhance our long-term profitability profile.

Operationally, we remain committed to R&D excellence and scalable delivery. We expect that design optimization, increased vertical integration, and economies of scale will drive continuous cost structure improvements. Furthermore, the diversification of our application scenarios is expected to favourably impact our overall margin profile. While we recorded a net loss during the Reporting Period, management anticipates a progressive path to profitability driven by increasing shipment volumes, an optimized product-customer mix, and the successful commercialization of R&D innovations.

Against this backdrop, we have continued to see strong execution in the near term.

In the first quarter of 2026, we maintained strong shipment momentum and delivered approximately 181,400 units, representing a year-over-year increase of approximately 340%. The Falcon series contributed over 65,500 units, while the Robin series contributed approximately 115,600 units, reflecting continued adoption across our product portfolio. Based on our preliminary and unaudited financial information, we expect total revenues for the first quarter of 2026 to be approximately US\$58.6 million, representing a year-over-year increase of approximately 131.6%, further demonstrating the strong conversion of shipment growth into revenue expansion.

For the full year of 2026, based on current customer programs, order visibility and delivery schedules, we currently believe the total LiDAR shipments to increase by approximately 200% compared to 2025. This outlook is subject to customer production plans, program execution and broader market conditions. We also expect our high-resolution SPAD-based and fully solid-state LiDAR solutions to progressively enter mass production during the year, which may support future growth.

As of March 31, 2026, our designed annual production capacity was approximately 1.2 million units. To support anticipated demand, we plan to expand capacity by an additional 1 million units during 2026, subject to implementation progress and market conditions. This expansion is expected to include a dedicated production line for the Hummingbird series, which we believe will enhance our ability to address emerging opportunities in robotics applications.

The above targets are based on the Company's current expectations, assumptions and business outlook, and are subject to risks and uncertainties that may cause actual results to differ materially.

We remain mindful of technological shifts, fluctuating customer schedules, and macroeconomic variables. Consequently, we will continue to strengthen risk management and enhance operational efficiency through disciplined expansion.

Given the long-term convergence of AI and physical systems, coupled with our scalable delivery foundation, management remains confident in our long-term prospects. We stay focused on advancing global commercialization and achieving sustainable profitability.

# MANAGEMENT DISCUSSION AND ANALYSIS

## III. FINANCIAL INFORMATION

### FINANCIAL REVIEW

The following table sets forth the comparative figures for the years ended December 31, 2025 and 2024:

	<b>Year Ended December 31,</b>	
	<b>2025</b>	2024
	(US\$ in thousands)	
<b>Revenue</b>	<b>154,208</b>	159,575
Cost of sales	<b>(141,954)</b>	(173,481)
<b>Gross profit/(loss)</b>	<b>12,254</b>	(13,906)
Other income	<b>5,202</b>	2,458
Other gains and losses	<b>(1,537)</b>	(262)
Selling and marketing expenses	<b>(12,603)</b>	(8,213)
Administrative expenses	<b>(25,980)</b>	(21,357)
R&D expenses	<b>(40,361)</b>	(36,958)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	<b>183</b>	(1,625)
Impairment losses recognised on property and equipment	<b>(3,602)</b>	–
Fair value changes of financial liabilities at fair value through profit or loss (“FVTPL”)	<b>(188,861)</b>	(312,025)
Professional fees and expenses related to De-SPAC Transaction	<b>(7,106)</b>	(2,485)
De-SPAC Transaction expenses arising from capital reorganisation	<b>(57,085)</b>	–
Other expenses	–	(424)
Finance costs	<b>(8,551)</b>	(2,657)
Loss before tax	<b>(328,047)</b>	(397,454)
Income tax expense	<b>(3)</b>	(741)
Loss for the year	<b>(328,050)</b>	(398,195)
Exchange differences arising on translation of foreign operations	<b>414</b>	(34)
<b>Total comprehensive expense for the year</b>	<b>(327,636)</b>	(398,229)
Loss per share (US\$)		
– Basic and diluted	<b>(1.10)</b>	(1.67)

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. Revenue

### Revenue by Business Line

We generate revenue from sales of (i) products for ADAS and for robotics and others, (ii) Solutions, and (iii) Services and others. Our revenue decreased slightly by 3.4% from US\$159.6 million for the year ended December 31, 2024 to US\$154.2 million for the year ended December 31, 2025, primarily due to the decrease in the average selling price of our products for ADAS with our adjustment for the product portfolio in response to our customers' demands, which offset the revenue growth from the increase in sales volume of products for robotics and others and revenue growth in Solutions.

The following table sets forth a breakdown of our revenue by business line, both in absolute amounts and as percentages of total revenue for the years ended December 31, 2025 and 2024.

	Year Ended December 31,			
	2025		2024	
	US\$	%	US\$	%
	(US\$ in thousands, except for percentages)			
<b>Products</b>				
For ADAS	133,075	86.3	150,110	94.1
For robotics and others	18,912	12.3	8,233	5.1
<b>Solutions</b>	1,883	1.2	928	0.6
<b>Services and others</b>	338	0.2	304	0.2
<b>Total</b>	<b>154,208</b>	<b>100.0</b>	159,575	100.0

The following tables set forth details on the sales volumes and average selling prices of our products for the years ended December 31, 2025 and 2024.

	Year Ended December 31,			
	2025		2024	
	Sales Volume (unit)	Average selling price (US\$/unit)	Sales Volume (unit)	Average selling price (US\$/unit)
For ADAS	300,302	443	226,807	662
For robotics and others	31,813	594	3,034	2,714

Our sales volumes increased steadily from approximately 230,000 units in 2024 to approximately 332,500 units in 2025, primarily due to our business growth and an increase in production volumes. The sales volume of products increased significantly from 2024 to 2025, mainly due to one of our main product Robin W series entered into mass production in the second half of 2024. The average selling price of our products has been declining since volume production. This trend reflects the typical product lifecycle, where prices gradually decrease following product introduction until reaching maturity.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Cost of sales

Our cost of sales decreased by 18.2% from US\$173.5 million for the year ended December 31, 2024 to US\$142.0 million for the year ended December 31, 2025, primarily driven by mass production and our efforts on research and development, which led to the decline of our per unit cost.

The following table sets forth a breakdown of our cost of sales by business line, both in absolute amounts and as percentages of total cost of sales for the years ended December 31, 2025 and 2024.

	Year Ended December 31,			
	2025		2024	
	US\$	%	US\$	%
	(US\$ in thousands, except for percentages)			
<b>Products</b>				
For ADAS	125,043	88.1	169,369	97.6
For robotics and others	15,918	11.2	3,651	2.1
<b>Solutions</b>	897	0.6	286	0.2
<b>Services and others</b>	96	0.1	175	0.1
<b>Total</b>	<b>141,954</b>	<b>100.0</b>	<b>173,481</b>	<b>100.0</b>

## 3. Gross profit/(loss) and gross margin

Our gross profit/(loss) increased significantly from gross loss of US\$13.9 million for the year ended December 31, 2024 to gross profit of US\$12.3 million for the year ended December 31, 2025. With our Robin series entered into mass production since the second half of 2024 and the Falcon series reaching maturity, and benefit from the Group's continuous localization of critical components, in-house module development, and automation upgrades across manufacturing facilities in Pinghu and Deqing, we have reduced our manufacturing costs and narrowed down our gross loss and achieved gross profit from the fourth quarter of 2024 and maintain a positive gross margin of 7.9% for the year ended December 31, 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the gross profit/(loss) and gross margin of our various business lines during the years ended December 31, 2025 and 2024.

	Year Ended December 31,			
	2025		2024	
	Gross profit	Gross margin	Gross profit/(loss)	Gross margin
	US\$	%	US\$	%
(US\$ in thousands, except for percentages)				
<b>Products</b>				
For ADAS	8,032	6.0	(19,259)	(12.8)
For robotics and others	2,994	15.8	4,582	55.7
<b>Solutions</b>	986	52.4	642	69.2
<b>Services and others</b>	242	71.6	129	42.4
<b>Total</b>	<b>12,254</b>	<b>7.9</b>	<b>(13,906)</b>	<b>(8.7)</b>

#### 4. Other income

Other income primarily consists of (i) government grants, which represent incentives provided by local government authorities in the PRC, including various forms of government financial incentives rewarding the Group's support and contribution for the development of local economies; and (ii) interest income. Our other income increased significantly by 111.6% from US\$2.5 million for the year ended December 31, 2024 to US\$5.2 million for the year ended December 31, 2025, mainly driven by government grants for the Group's support and contribution for the development of local economies.

#### 5. Selling and marketing expenses

Our selling and marketing expenses primarily consist of (i) payroll and employee benefits for sales and marketing staff, including share-based compensation, wages, bonuses, employee benefits and others; (ii) marketing promotion expenses to advertise our solutions; and (iii) other expenses used in sales and marketing activities including office suppliers and others.

Our selling and marketing expenses increased by 53.5% from US\$8.2 million for the year ended December 31, 2024 to US\$12.6 million for the year ended December 31, 2025. The increase was primarily due to the increase in employee benefit expenses, which were mainly attributable to (a) the increase in the number of sales and marketing personnel which led salary expenses to increase by US\$2.4 million, and (b) the increase in share-based compensation by US\$1.4 million, which were not recognised prior to our listing but recognised in full during the Reporting Period for all prior periods upon listing.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 6. Administrative expenses

Our administrative expenses primarily consist of (i) payroll and employee benefits for administrative staff, including share-based compensation, wages, bonuses, employee benefits and others; (ii) facilities expenses in relation to rent, management fees, repair and maintenance fees, and utilities of the facilities we use, and depreciation; (iii) professional service related to various corporate activities; (iv) office expenses for general office supplies; (v) severance expense; and (vi) other expenses used in administrative activities including insurance expenses, IT and software expense.

Our administrative expenses increased by 21.6% from US\$21.4 million for the year ended December 31, 2024 to US\$26.0 million for the year ended December 31, 2025. The increase was primarily due to the increase in payroll and employee benefits, including share-based compensation by US\$5.1 million, consistent with the reasons for the increase in selling and marketing expenses mentioned above.

## 7. R&D expenses

Our R&D expenses primarily consist of (i) payroll and employee benefits for research and development staff, including share-based compensation, wages, bonuses, employee benefits and others; (ii) materials consumed in R&D activities; (iii) consultancy fee for professional services from third-party technical consultants; (iv) depreciation and amortization; and (v) other expenses used in R&D activities including expenses related to our intellectual properties, travel and entertainment, and IT and software expenses.

Our R&D expenses increased by 9.2% from US\$37.0 million for the year ended December 31, 2024 to US\$40.4 million for the year ended December 31, 2025, representing an increase of US\$3.4 million. The increase was mainly due to the increase in R&D expenditure incurred on new projects.

## 8. Impairment losses recognised on property and equipment

The impairment losses for the year ended December 31, 2025 recognised on property and equipment were related to the impairment on Falcon II Lite LiDAR solutions' production line as a result of product upgrades and iterations. Based on our current sales orders and future forecast, we recognised an impairment provision of US\$3.6 million in respect of this production line for the year ended December 31, 2025. Details of the impairment of property and equipment are disclosed in Note 18 of the Financial Statements.

## 9. Impairment losses (including reversals of impairment losses or impairment gains) on financial assets

We recorded a reversal of US\$183 thousand impairment losses on financial assets during the Reporting Period, primarily driven by recovery of individually impaired trade receivables resulted in a reversal of impairment of US\$715 thousand which was partially offset by other expected credit loss allowance recognised in respect of increased trade receivables along with business growth amounted to US\$532 thousand.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 10. Fair value changes of financial liabilities at FVTPL

Our fair value changes of financial liabilities at FVTPL include (i) fair value changes of redeemable convertible preferred shares; (ii) fair value changes of listed warrants liabilities; (iii) fair value changes of promoter warrant liabilities; and (iv) fair value changes of redeemable preferred equity. Our fair value changes of financial liabilities at FVTPL decreased by 39.5% from US\$312.0 million for the year ended December 31, 2024 to US\$188.9 million for the year ended December 31, 2025, primarily due to the decrease in fair value changes of redeemable convertible preferred shares amounting of US\$117.2 million, which were driven by a smaller change in fair value of redeemable convertible preferred shares. As our redeemable convertible preferred shares were converted into ordinary shares upon the completion of the De-SPAC Transaction, and no further loss or gain related was recognised afterwards.

### 11. Professional fees and expenses related to De-SPAC Transaction

We had professional fees and expenses of US\$7.1 million in 2025 in connection with our De-SPAC transaction, as compared to US\$2.5 million in 2024.

### 12. De-SPAC Transaction expenses arising from capital reorganisation

De-SPAC Transaction expenses arising from capital reorganisation mainly due to the completion of the De-SPAC transaction, TechStar's promoters and certain shareholders were deemed to have been issued shares and warrants at a fair value exceeding the net asset value acquired by the Company. This difference of US\$57.1 million was recognised as De-SPAC transaction expenses arising from capital reorganisation at the time of listing on December 10, 2025.

### 13. Finance costs

Finance costs increased significantly by 221.8% from US\$2.7 million for the year ended December 31, 2024 to US\$8.6 million for the year ended December 31, 2025, this increase was primarily due to the interest expenses incurred from borrowings and long-term payables.

### 14. Loss for the year

As a result of the foregoing, our net loss decreased by 17.6% from US\$398.2 million for the year ended December 31, 2024 to US\$328.1 million for the year ended December 31, 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 15. Non-IFRS measure

Our consolidated financial information was prepared in accordance with IFRS. To supplement our consolidated results which were prepared and presented in accordance with IFRS, we use adjusted net loss (Non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that the measure facilitates comparisons of operating performance from period to period and company to company by eliminating the potential impact of items, such as certain non-cash items. The use of the Non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial condition as reported under IFRS. In addition, the Non-IFRS measure may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies. We define adjusted net loss (Non-IFRS measure) as loss for the year adjusted by adding back fair value changes of financial instruments at FVTPL, share-based compensation, professional fees and expenses related to De-SPAC Transaction, De-SPAC Transaction expenses arising from capital reorganisation and impairment losses recognised on property and equipment. Our fair value changes of financial instruments at FVTPL primarily relates to fair value changes of our redeemable convertible preferred shares. As our redeemable convertible preferred shares shall be converted into ordinary shares upon the completion of the De-SPAC Transaction, and no further loss or gain related is expected to be recognised afterwards. In addition, share-based payment expenses are non-cash in nature and do not result in cash outflow, and the adjustments have been consistently made during the Reporting Period. Impairment losses recognised on property and equipment is mainly due to one-off impairment of specific production line, which is non-cash in nature and do not result in cash outflow. We also exclude professional fees and expenses related to De-SPAC Transaction and De-SPAC Transaction expenses arising from capital reorganisation.

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

	<b>Year Ended December 31,</b>	
	<b>2025</b>	2024
	(US\$ in thousands)	
<hr/>		
<b>Reconciliation of net loss to adjusted net loss (Non-IFRS measure):</b>		
Loss for the year	<b>(328,050)</b>	(398,195)
Add:		
Fair value changes of financial liabilities at FVTPL	<b>188,861</b>	312,025
Share-based compensation	<b>8,384</b>	786
Impairment losses recognised on property and equipment	<b>3,602</b>	–
Professional fees and expenses related to De-SPAC Transaction	<b>7,106</b>	2,485
De-SPAC Transaction expenses arising from capital reorganisation	<b>57,085</b>	–
	<hr/>	
<b>Adjusted net loss (Non-IFRS measure)</b>	<b>(63,012)</b>	(82,899)
	<hr/>	

# MANAGEMENT DISCUSSION AND ANALYSIS

## LIQUIDITY AND CAPITAL RESOURCES

We monitor and maintain a level of liquidity deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As of December 31, 2025, we had US\$119.5 million in cash and cash equivalents and restricted bank balances, as compared to US\$51.5 million as of December 31, 2024. The Group continued to adopt a prudent funding and treasury policy to manage its liquidity needs. The objective is to maintain adequate funds for financing working capital and capture investment opportunities as and when they become available.

### 1. Net cash used in operating activities

During the Reporting Period, our net cash used in operating activities was US\$70.1 million, representing an increase from US\$46.5 million for the year ended December 31, 2024. Our net cash used in operating activities in 2025 is calculated by adjusting our loss for the year of US\$328.1 million by non-cash and other items to arrive at an operating loss before changes in working capital of US\$45.6 million.

### 2. Net cash used in investing activities

During the Reporting Period, our net cash used in investing activities was US\$21.9 million, representing an increase from US\$7.2 million for the year ended December 31, 2024, primarily due to purchase of property and equipment, purchase of intangible assets, purchase of financial assets at FVTPL and placement of restricted bank deposits for bank acceptance bills and borrowings of total US\$24.6 million, partially offset by withdrawal of financial assets at FVTPL of US\$2.4 million.

### 3. Net cash from (used in) financing activities

During the Reporting Period, our net cash from financing activities was US\$154.5 million, primarily due to proceeds from PIPE and PEF investors, net of transaction costs directly attributable to issue of new shares of US\$112.4 million, new borrowings raised of US\$54.8 million, proceeds from issuance of redeemable preferred equity financing of US\$11.3 million and net cashflow from Capital Reorganisation of US\$15.2 million, partially offset by repayment of borrowings and interest of total US\$36.6 million and payment of accrued issue costs of US\$6.5 million.

### 4. Borrowings

The amount of our borrowings is adjusted based on our operation and capital expenditure need. Our balance for borrowing was US\$65.4 million as of December 31, 2025, of which US\$22.6 million were secured and guaranteed and the remaining US\$42.8 million were unsecured and unguaranteed. Our bank borrowings were primarily used to fund our working capital requirements.

As of December 31, 2025, we had utilized facilities in the amount of US\$65.4 million, and committed unutilized banking facilities of US\$64.7 million, which can be drawn down without being restricted by any loan covenants. For the details of the borrowings with fixed and variable interest rates, please refer to Note 25 to the consolidated financial statements in this annual report.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 5. Lease liabilities

Our lease liabilities are in relation to properties that we lease primarily for our office premises and production facilities. As of December 31, 2025, we recognised total lease liabilities, including current and non-current lease liabilities of US\$5.6 million, as compared to that of US\$7.4 million as of December 31, 2024, due to the fact that the remaining lease terms shortened and we terminated a portion of our leases as well.

## 6. Trade and other payables

Our trade and bill payables arise from payment obligations during our regular course of business. Our trade and bill payables further increased from US\$62.7 million as of December 31, 2024 to US\$86.9 million as of December 31, 2025, primarily due to an extension of the payment period and the growth in business volume.

Other payables primarily include salary and bonus payables, accrued legal and professional expenses, accrued listing expense and payables for acquisition of property and equipment. Our other payables further increased from US\$14.4 million as of December 31, 2024 to US\$20.3 million as of December 31, 2025, which resulted in an increase of US\$4.4 million in salary and bonus payables. Meanwhile, our payables for acquisition of property and equipment also increased by US\$1.3 million compared with year 2024. All of the above increases are consistent with our business growth.

## 7. Treasury Policy

The Group adheres to a prudent treasury policy, with core objectives of maintaining a strong balance sheet, ensuring sufficient liquidity, and optimizing funding costs. If our cash requirements exceed the liquidity we hold at the time, our Company may seek credit facilities and external borrowings or issue securities as it considers necessary and appropriate.

## 8. Gearing ratio

As of December 31, 2025, the Group's gearing ratio (equals total liabilities divided by total assets, in percentage) was 82.9% (As of December 31, 2024: 650.2%).

## 9. Pledge of assets

As of December 31, 2025, we had pledged a wholly-owned subsidiary, Tudatong (Chongqing) Co., Ltd.'s shares and certain of bank deposits as security for the Group's borrowings and bank acceptance bills, which are set out in Note 23 and Note 25 to the consolidated financial statements in this annual report.

## 10. Contingent liabilities

On October 29, 2025 and December 17, 2025, the Group is involved in several patent infringement lawsuits. As the likelihood of an outflow of economic benefits is considered low, no contingent liability was recognised as at December 31, 2025. The Group does not believe the plaintiff has a merit, and will closely monitor the progress of the case and record a liability when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. For details of the lawsuits, please refer to the paragraph headed "Material Litigation" in this report.

## 11. Capital commitments

We have no capital commitment as of December 31, 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the expansion plans disclosed in the sections headed “Future Plans and Use of Proceeds” in the DE-SPAC Circular, the Group did not have detailed future plans for material investments or capital assets as of December 31, 2025.

## SIGNIFICANT INVESTMENTS HELD

The Group did not make or hold any significant investments with a value of 5% or more of the total assets of the Group for the Reporting Period.

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

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associated companies or joint ventures for the Reporting Period.

## FOREIGN EXCHANGE RISK

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries. Our functional currency outside mainland China is US\$ whereas the functional currency of the subsidiaries operating in mainland China is RMB. We manage our foreign exchange risk by performing regular reviews of our Group’s net foreign exchange exposures and trying to minimize these exposures through natural hedges, wherever possible. For the Reporting Period, we have not employed long-term contracts, currency borrowings, or other mechanisms to hedge these foreign exchange risks, leaving us reliant on the natural alignment of our operations to manage exposure.

## CAPITAL EXPENDITURES

Our principal capital expenditures primarily consist of payments for property and equipment and intangible assets. The following table sets forth our capital expenditures for the periods indicated.

	<b>Year Ended December 31,</b>	
	<b>2025</b>	2024
	(US\$ in thousands)	
Payments of property and equipment	<b>6,622</b>	14,357
Payments of intangible assets	<b>1,623</b>	984
<b>Total</b>	<b>8,245</b>	15,341

# MANAGEMENT DISCUSSION AND ANALYSIS

## EMPLOYEE AND REMUNERATION POLICIES

As of December 31, 2025, the Group had a total of 649 full-time employees. The total employee remuneration expenses during the Reporting Period, including share-based compensation expenses, were US\$60.2 million, as compared to US\$51.2 million for the year ended December 31, 2024.

Our employees' remuneration mainly comprises salaries, bonuses, social security contributions and other employee benefits. We participate in housing fund and various employee social security schemes organised by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans, under which we make contributions at specified percentages of the salaries of our employees. During the Reporting Period, there was no forfeiture of contributions under the defined contribution plans of the Group, and there were no forfeited contributions had been used by the Group to reduce the existing level of contributions.

We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training tailored to the needs of our employees in different departments. We also conduct periodic performance reviews for our employees, and their remuneration is performance based. We have also adopted the 2016 Share Incentive Plan and the Post-Listing Share Incentive Plan. Please see the hereunder section headed "EMPLOYEE INCENTIVE PLANS" for details.

## DIRECTORS AND SENIOR MANAGEMENT

The biography details of the Directors and senior management are set out as follows:

### EXECUTIVE DIRECTORS

**Dr. Bao Junwei (鮑君威)**, aged 53, is an executive Director and the chairperson of the Nomination Committee, the chairman of the Board, the president of the Group and the chief executive officer of the Group.

Dr. Bao is the co-founder of the Company and has been Director, the chairman of the Board and the chief executive officer of the Company since November 2016. Within the Group and other than the Company, he has been serving as the director of Innovusion Ireland Limited since December 2016; the director of Innovusion Hong Kong Limited since May 2018; the director of Granitic Capital Limited since January 2023; and the director of TechStar since December 2025. Dr. Bao is primarily responsible for the overall management, business strategies and sustainable development of the Group.

Prior to founding the Company, Dr. Bao worked in Baidu USA from April 2014 to November 2016, where he served in various positions including the Head of Autonomous Driving HW&Sensors team under the Autonomous Driving division responsible for research and development of hardware and sensor, and the Head of HPC responsible for research and development of hardware acceleration and high-performance network for data centers. Dr. Bao co-founded Timbre Technologies, which was acquired by Tokyo Electron Ltd. in February 2001. From August 2001 to March 2014, Dr. Bao held different positions in Tokyo Electron America (Timbre Technologies): including working as a Vice President of Engineering and Technology, Senior Director of Engineering and Technology and working as a Senior Research Scientist.

In 2001, Dr. Bao won the Best Paper Award granted by IEEE Transactions on Semiconductor Manufacturing. Dr. Bao received his bachelor's degree of physics from Peking University (北京大學) in July 1996 in the PRC. He received his master's degree and doctorate degree in engineering from University of California, Berkeley in the U.S. in May 2000 and May 2003, respectively.

Save as disclosed above, Dr. Bao has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

**Dr. Li Yimin (李義民)**, aged 56, is an executive Director and a member of the Remuneration Committee and the chief technology officer of the Group. Dr. Li is the co-founder of the Company and has been the chief technology officer of the Company since November 2016 and Director since April 2023. Within the Group and other than the Company, he has been the director of Innovusion Ireland Limited since December 2016. Dr. Li is primarily responsible for the technology, IP development and R&D of the Group.

Prior to founding the Company, Dr. Li served as a senior architect of Baidu USA from March 2016 to November 2016. From March 2015 to March 2016, Dr. Li was a Staff Engineer in Hermes Microvision Inc., which is engaged in the business of electronic-beam (e-beam) technology for semiconductor yield enhancement solutions. Dr. Li worked at Agilent Technologies, which is engaged in the business of providing advanced instruments, software, services, and consumables for laboratories, from March 2012 to 2015. From August 2001 to May 2011, Dr. Li worked in different industries such as medical device, precision instrumentation, and advanced research in various U.S. organisations.

Dr. Li received his bachelor's degree in electronics and information system and doctorate degree in quantum electronics from Peking University (北京大學) in the PRC in July 1991 and July 1996, respectively.

Save as disclosed above, Dr. Li has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

# DIRECTORS AND SENIOR MANAGEMENT

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. Chen Changling (陳長齡)**, aged 52, is an independent non-executive Director, the chairperson of the Audit Committee and the member of each of the Nomination Committee and ESG Committee, appointed on December 10, 2025 following the completion of the De-SPAC Transaction. Dr. Chen is primarily responsible for supervising and providing independent judgment to the Board.

Dr. Chen is a Tenured Associate Professor of Accounting and Approved Doctoral Dissertation Supervisor at the University of Waterloo since July 2012 and she previously was an Assistant Professor in Accounting from July 2004 to June 2012. Dr. Chen attended a five-year PhD program of Accounting at the University of Wisconsin-Madison from September 1999 to June 2004 and a three-year master program of Accounting at Peking University from September 1996 to July 1999. Prior to that, Dr. Chen worked at the Bank of China from August 1994 to July 1996.

Dr. Chen has been a non-participating member of the Chinese Institute of Certified Public Accountants (CICPA) since May 1999. She has been an associate editor at Asian-Pacific Journal of Accounting and Economics from March 2021 to March 2023. Dr. Chen was a member of the Canadian Academic Accounting Association in 2023. She was also awarded Outstanding Research Fellowship and Outstanding Leadership Fellowship by the School of Accounting and Finance, University of Waterloo, through the years from 2012 to 2024.

Dr. Chen received her bachelor's degree in management from Central University of Finance and Economics (中央財經大學) in the PRC in June 1994. She then received her master's degree in accounting from Peking University (北京大學) in the PRC in July 1999 and her doctoral degree in accounting from University of Wisconsin-Madison in the U.S. in August 2004.

Save as disclosed above, Dr. Chen has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

**Dr. Costas John Spanos**, aged 68, is an independent non-executive Director, the chairperson of the ESG Committee and the member of each of the Audit Committee, Remuneration Committee and Nomination Committee, appointed on December 10, 2025 following the completion of the De-SPAC Transaction. Dr. Spanos is primarily responsible for supervising and providing independent judgment to the Board.

Dr. Spanos has been a faculty member in the Department of Electrical Engineering and Computer Sciences (EECS) at the University of California, Berkeley, since July 1988, where he has served several positions, including Assistant Professor from July 1988 to June 1991, and Andrew S. Grove Distinguished Professor from July 2009 to December 2023. Dr. Spanos was granted and has held the title of Andrew S. Grove Distinguished Emeritus Professor since his academic retirement in December 2023 till now. In addition to the foregoing, Dr. Spanos also served as Director of the Center for Information Technology Research in the Interest of Society (CITRIS) and the Banatao Institute from February 2014 to December 2023. From July 2022 to June 2023, he also served as Chief Executive Officer of the Berkeley Education Alliance for Research in Singapore (BEARS).

## DIRECTORS AND SENIOR MANAGEMENT

Dr. Spanos earned his diploma in Electrical Engineering from the National Technical University of Athens, Greece, in August 1980, and his master's and doctoral degrees in Electrical Engineering from Carnegie Mellon University, USA, in August 1981 and August 1985, respectively.

Save as disclosed above, Dr. Spanos has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

**Dr. Maximilian Ibel**, aged 56, is an independent non-executive Director, the chairperson of the Remuneration Committee and the member of each of the Audit Committee and ESG Committee, appointed on December 10, 2025 following the completion of the De-SPAC Transaction. Dr. Ibel is primarily responsible for supervising and providing independent judgment to the Board.

Dr. Ibel has been and is currently a member of the board of BrainKey, a company based in San Francisco, California, engaged in quantifying brain health and aligning patients with personal treatment recommendations, since December 2020. He was a partner at Amino Capital, a global venture capital firm based in Palo Alto, with investment theme of data moat and network effect, from August 2017 to July 2023. Prior to that, Dr. Ibel worked at Google Inc. in Mountain View and Google Switzerland GmbH for over 15 years. He worked as a Director of Software Engineering at Google Inc. from November 2007 to August 2017, as a Senior Staff Engineer at Google Switzerland GmbH from July 2005 to October 2007, and as an Engineer, a Senior Software Engineer and a Staff Software Engineer at Google Inc. from July 2000 to June 2005.

Dr. Ibel has been a member of Institute of Electrical and Electronics Engineers (IEEE) since January 1996 and a member of Association for Computing Machinery (ACM) since January 1996. Dr. Ibel received his diploma in mathematics from The Julius Maximilians University of Würzburg in June 1994 in Germany. Dr. Ibel then received his doctoral degree in computer science from UC Santa Barbara in December 2000 in the U.S.

Save as disclosed above, Dr. Ibel has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

# DIRECTORS AND SENIOR MANAGEMENT

## SENIOR MANAGEMENT

The senior management team of the Group comprises the following persons as set out below:

Name	Age	Position/Title	Date of Joining the Group	Date of appointment as a senior management of the Company	Roles and Responsibilities
Dr. Bao Junwei (鮑君威)	53	Chief executive Officer	November 2016	December 10, 2025 (being the Listing Date)	Responsible for the overall management, business strategies and sustainable development of the Group
Dr. Li Yimin (李義民)	56	Chief technology officer	November 2016	December 10, 2025 (being the Listing Date)	Responsible for technology, IP development and R&D of the Group
Mr. Yao Yuan (姚遠)	44	Chief financial officer and joint company secretary	December 2024	December 10, 2025 (being the Listing Date)	Responsible for leading the Company's development in capital market, maintaining investor and shareholder relationship and driving revenue growth of the Group from a financial and strategic perspective
Mr. Yang Zheng (楊正)	52	Chief information officer and vice president of software engineering	September 2017	December 10, 2025 (being the Listing Date)	Responsible for leading the software engineering team and developing and implementing the Group's IT strategy
Mr. Chen Dong (陳東)	61	President of China region	June 2024	December 10, 2025 (being the Listing Date)	Responsible for the management of operations in China region

## DIRECTORS AND SENIOR MANAGEMENT

**Dr. Bao Junwei (鮑君威)**, aged 53, is the chief executive officer of the Group. For details of his biography, see “— EXECUTIVE DIRECTORS”.

**Dr. Li Yimin (李義民)**, aged 56, is the chief technology officer of the Group. For details of his biography, see “— EXECUTIVE DIRECTORS”.

**Mr. Yao Yuan (姚遠)**, aged 44, is the chief financial officer and the joint company secretary of the Company, responsible for the financial stewardship, reporting, and strategy of the Company. This includes ensuring robust financial controls, accurate regulatory and public disclosures, and effective capital market and investor relations. Mr. Yao joined the Group in December 2024.

Mr. Yao has extensive experience in both financial service industry and automotive industry. Prior to joining the Group, he served as the head of investment and corporate financing at Shanghai Binli Information Technology Co., Ltd. from May 2021 to November 2024, in charge of fundraising, managing investor and shareholder relationships, capital market strategies and managerial finance. From December 2018 to April 2021, he served as an executive director at JPMorgan Chase Bank (China) Co Ltd, responsible for providing investment banking products and services to serve China’s technology sector clients. From December 2016 to October 2018, he was the vice president at Yiren Hengye Technology Development (Beijing) Co., Ltd. Prior to that, he served as the head of direct banking at PingAn Bank Co., Ltd. since September 2014, and the vice president of Bank of America N.A. from June 2011 to September 2014. Mr. Yao received his bachelor’s degree in finance from San Jose State University in December 2004 and his dual master’s degree in information system and business administration from Boston University in May 2011.

**Mr. Yang Zheng (楊正)**, aged 52, is the chief information officer and vice president of software engineering of the Group since April 2023. Prior to such role, he was the Company’s Senior Staff Software Engineer from September 2017. Mr. Yang is primarily responsible for leading the software engineering team and developing and implementing the Group’s IT strategy.

Before joining the Group, Mr. Yang was a member of technical staff at Applatix Inc. since October 2015, a software company which was acquired by Intuit (Nasdaq symbol: INTU), a U.S. corporation that specializes in financial software. Since 2013, Mr. Yang worked as a technical staff at Bebop Technology Inc.; since 2011, Mr. Yang worked at Nimble Storage Inc. as a senior consultant engineer; and since 2004, Mr. Yang was a technical director at EMC Corporation, formerly known as Data Domain Inc. Mr. Yang was a technical leader at Cisco System, Inc. (Nasdaq symbol: CSCO) from 1999 to 2004.

Mr. Yang received his bachelor’s degree in physics from Peking University (北京大學) in the PRC in June 1997 and master’s degree in computer science from Massachusetts Institute of Technology in the U.S. in June 1999.

## DIRECTORS AND SENIOR MANAGEMENT

**Mr. Chen Larry Dong (陳東)**, aged 61, is the president of China region of the Group. Mr. Chen has been serving as the president of China region of the Group since June 2024. Mr. Chen is primarily responsible for the management of operations in China region.

Mr. Chen has over 20 years' experience in automotive industry. Prior to joining the Group, Mr. Chen worked at Valeo (ENXTPA: FR) for several years as he served (i) as the PEM General Manager of Sales in Asia and the President of operation in China from July 2022 to May 2024; (ii) as SVES China RO Vice President since March 2021; (iii) as the PTR China RO Director since March 2017; and (iv) as the Site General Manager for Wuhan region since Feb 2011. Since March 2020, Mr. Chen served as Manager of the APAC region at Punch Powertrain. Previously, Mr. Chen worked as the President of Asia Pacific Region at Trico Automotive Systems (Suzhou) Co., Ltd. (特瑞科汽車系統(蘇州)有限公司) from July 2011 to July 2014.

Mr. Chen received his bachelor's degree in engineering from Kettering University (formerly known as GM Engineering & Management Institute) in the U.S. in June 1990. Mr. Chen received his master's degree in management from Albertus Magnus College in the U.S. in August 2000.

Except as disclosed in this report, there have been no other changes in the information of Directors and senior management that would require disclosure under Rule 13.51B(1) of the Listing Rules.

### JOINT COMPANY SECRETARIES

**Mr. Yao Yuan (姚遠)**, aged 44, is one of the Company's joint company secretaries and the Company's Chief Financial Officer. For more information on Mr. Yao, please refer to the section headed "– SENIOR MANAGEMENT".

**Mr. Lee Leong Yin (李亮賢)** has been appointed as one of the Company's joint company secretaries on January 16, 2025 to be taken effect from November 10, 2025. Mr. Lee is a senior manager of Company Secretarial Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. Mr. Lee has over 15 years of experience in the corporate secretarial field. Mr. Lee has been providing professional corporate service to Hong Kong listed companies as well as multinational, private and offshore companies.

Mr. Lee is a Chartered Secretary, a Chartered Governance Professional and a Fellow Member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Mr. Lee obtained a bachelor's degree of Business Administration in Corporate Administration from Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong).

# DIRECTORS' REPORT

## REPORT OF THE DIRECTORS

The Board is pleased to present this Directors' Report together with the audited consolidated financial statements (the "**Consolidated Financial Statements**") of the Group for the Reporting Period.

## BOARD OF DIRECTORS

The Board currently comprises two executive Directors and three independent non-executive Directors. The Directors during the Reporting Period and up to the date of this annual report were:

### Executive Directors

Dr. Bao Junwei (鮑君威)

Dr. Li Yimin (李義民)

### Independent Non-executive Directors

Dr. Chen Changling (陳長齡)

Dr. Costas John Spanos

Dr. Maximilian Ibel

Biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 21 to 23 of this annual report.

## GENERAL INFORMATION

The Company is an exempted limited liability company under the laws of the Cayman Islands. The Company is the company of the De-SPAC Transaction completed on December 10, 2025 and its shares were listed on the Main Board of the Stock Exchange on the same date.

## PRINCIPAL ACTIVITIES

The Group is one of the key players in the design, development, and production of automotive-grade LiDAR solutions. The Group offers LiDAR solutions for advanced driver assistance system, automated driving system, robotics, and other automotive and non-automotive application scenarios. Analysis of the principal activities of the Group during the Reporting Period is set out in Note 1 to the consolidated financial statements.

## BUSINESS REVIEW

Detailed information about the business review of the Group, as required by Schedule 5 to the Companies Ordinance, including an overview on the market conditions and industry, the overall business performance of the Group, as well as the prospects and outlook for the future development, is set out in the sections headed "MANAGEMENT DISCUSSION AND ANALYSIS – BUSINESS REVIEW" as set out on pages 6 to 9 of this annual report. These discussions form part of this Directors' Report.

# DIRECTORS' REPORT

## Key financial indicators

The following table sets forth certain of our key financial ratios as of the dates and for the years indicated.

	<b>As at/for the year Ended</b>	
	<b>December 31</b>	
	<b>2025</b>	2024
<b>Profitability ratios</b>		
Gross profit/(loss) margin <sup>1</sup>	7.9%	-8.7%
Net loss for the year margin <sup>2</sup>	-212.7%	-249.5%
Adjusted net loss margin <sup>3</sup>	-40.9%	-51.9%
<b>Liquidity ratio</b>		
Current ratio <sup>4</sup>	1.1	1.0

1 The calculation of gross profit margin is based on gross profit or loss divided by revenue for the year indicated and multiplied by 100.0%.

2 The calculation of net loss for the year margin is based on net loss for the year divided by revenue for the year indicated and multiplied by 100.0%.

3 The calculation of adjusted net loss margin, a non-IFRS measure, is based on adjusted net loss divided by revenue for the year indicated and multiplied by 100.0%.

4 The calculation of current ratio is based on current assets divided by current liabilities.

## PRINCIPAL RISKS AND UNCERTAINTIES

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows, and prospects. Below is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control.

## DIRECTORS' REPORT

### Risks Related to the Group's Business and Industry

- We rely substantially on a single customer, being NIO, and there can be no assurance that we will be able to maintain our relationship with NIO and secure orders for our products. Our long-term framework procurement agreements with NIO do not guarantee any sales orders from NIO.
- Emergence of camera-based solutions may adversely affect market adoption of LiDAR and our business.
- We are an early stage company with a history of losses and net operating cash outflow, which are expected to continue in the near future as we rapidly grow our business.
- Our limited operating history may make it difficult to predict our future prospects and the risks and challenges we may encounter in the rapidly evolving LiDAR solutions market.
- The proper functioning of our automotive and non-automotive LiDAR solutions is essential to our business. The complexity of our products could result in unforeseen delays or expenses from undetected defects, errors or reliability issues in our hardware or software which could reduce the market adoption of our products, damage our reputation with current or prospective customers, expose us to product liability and other claims and thereby adversely affect our operating costs.
- The markets in which we compete are characterized by rapid technological changes, requiring us to continue to develop new products and product innovations, and could adversely affect market adoption of our products.
- Our customers have substantial negotiating power, exacting product standards and potentially competitive internal solutions.
- The period of time from a "design win" to implementation is long and we are subject to the risks of cancellation or postponement of the contract or unsuccessful implementation.
- Because our customers typically place purchase orders on a project or per model basis, we expect our results of operations to fluctuate as the need by our customers fluctuate from period to period, which could materially affect our business operation, financial conditions and prospects.

## DIRECTORS' REPORT

- As LiDARs are new in most of the markets we are seeking to enter, forecasts of market growth may not also be accurate.
- Growth of our business will partially depend on the recognition of our brand. Our brand and reputation could be harmed by safety concerns regarding our solutions or the solutions of our competitors.
- We are subject to risks relating to litigation and disputes, which could adversely affect our business, results of operations, financial condition and prospects.
- We rely, in part, on patents, unpatented proprietary know-how, trade secrets and contractual restrictions to protect our intellectual property and other proprietary rights. Failure to adequately obtain, maintain, enforce and protect our intellectual property and other proprietary rights may undermine our competitive position and could materially and adversely affect our business, prospects, results of operations or financial condition.
- We may from time to time be subject to claims or threatened claims initiated by third parties for alleged infringement, misappropriation or other violation of their proprietary technology or other intellectual property rights, which could be time-consuming and costly and result in significant legal liability or require us to cease using certain technology or other intellectual property rights, which could harm our business. In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how, which could also subject us to operational risks.
- We are subject to compliance risks with respect to the ever-evolving U.S. export control restrictions and other investment restrictions.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

We always prioritise environmental protection as the key to sustainable corporate development. We are committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment, giving back to the community and achieving sustainable growth. Details of such are set out in the Environmental, Social and Governance Report.

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

### DIVIDEND

The Board does not recommend to declare any final dividend of the Company for the Reporting Period. There is no arrangement under which a Shareholder has waived or agreed to waive any dividend.

## DIRECTORS' REPORT

### RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the year ended December 31, 2025, the entities within the Group have had no transactions with related parties who are not members of the Group. Details of related party transactions during the Reporting Period have been disclosed in Note 36 to the consolidated financial statements. None of the related party transactions disclosed in Note 36 to the consolidated financial statements constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules which are required to comply with the relevant reporting, announcement or independent Shareholders' approval requirements. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules (if applicable).

There are no continuing connected transactions under Chapter 14A of the Listing Rules of the Group during the Reporting Period.

### MAJOR CUSTOMERS AND MAJOR SUPPLIERS

During the year ended December 31, 2025, our largest customer, NIO and five largest customers in the aggregate accounted for 81.7% and 87.4% of our total revenue, respectively. During the year ended December 31, 2025, our largest supplier and five largest suppliers in the aggregate accounted for 20.7% and 59.9% of our total purchases, respectively. To the best knowledge of our Directors, none of our five largest customers during the Reporting Period were also our suppliers, and none of our five largest suppliers during the Reporting Period were also our customers. For details of the major customers and suppliers, please refer to the De-SPAC Circular.

Honour Key Limited, a Shareholder holding 9.57% in the Company is owned as to at least 90% by Eve One L.P. The general partner of Eve One L.P. is NIO Capital LLC, the voting power of which is ultimately held in equal split by Mr. Li Bin, and Mr. Zhu Yan, a former non-executive Director of the Company. In addition, Glory Summer Worldwide Limited is owned as to at least 90% by NIO Capital Opportunity Fund L.P. The general partner of NIO Capital Opportunity Fund L.P. is NIO Capital II LLC, the voting power of which is ultimately held as to 35%, 35% and 30% by Mr. Li Bin, Mr. Zhu Yan, a former non-executive Director of the Company, and an employee incentive platform (of which none of the persons hold controlling stake), respectively. Mr. Li Bin is a shareholder of NIO which is our largest customer during the Reporting Period.

Save as aforementioned, during the Reporting Period and up to the Latest Practicable Date, to the best knowledge of our Directors, none of our Directors, their close associates or any Shareholder owns more than 5% of our share capital had any interest in any of our top five customers. Save as aforementioned, none of our five largest customers, including their shareholders, directors, senior management or any of their respective associates, have any past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates.

# DIRECTORS' REPORT

## RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group is well aware of the important role of employees, customers and suppliers in its corporate sustainable development process, and actively develops and maintains long-term relationships with key stakeholders. None of our employees currently work under any collective bargaining agreements, and we have had no labor disputes with our employees during the Reporting Period. We consider our employee relations to be in good standing.

The Group understands that our ability to maintain and enhance our existing partnership with existing customers and developing relations with new customers will be critical to our results of operations. The Group is committed to continuously providing high-quality services and products to customers, as well as maintaining good and stable relationship and communication with suppliers.

## PRE-EMPTIVE RIGHTS

Following the De-SPAC Transaction, all special rights granted to the Pre-Listing Investors, including, among other rights, preemptive rights, are terminated on the Listing Date.

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

## TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities.

## SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 39 to the consolidated financial statements.

## PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 15 to the consolidated financial statements.

## SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended December 31, 2025 and details of the Shares issued during the year ended December 31, 2025 are set out in Note 28 to the consolidated financial statements.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as of the Latest Practicable Date, the Company had maintained the prescribed percentage of public float under the Listing Rules since the Listing Date and up to the Latest Practicable Date.

## DIRECTORS' REPORT

### DONATION

During the Reporting Period, no charitable or other donations were made by the Group.

### DEBENTURE ISSUED

During the Reporting Period, the Group did not issue any debentures.

### RESERVES

Details of the movements in the reserves of the Company for the year ended December 31, 2025 are set out in Note 28 to the consolidated financial statements.

As of December 31, 2025, the Company did not have any distributable reserves.

### BANK AND OTHER BORROWINGS

Details of the bank and other borrowings of the Group for the year ended December 31, 2025 are set out in Note 25 to the consolidated financial statements.

### PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

The Company has arranged appropriate liability insurance to indemnify the Directors and senior management of the Company for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

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

For the purpose of the De-SPAC Transaction completed on December 10, 2025, the Company conducted a series of transactions of its securities including (i) the redemption of 100,100,000 TechStar Class A Shares at HK\$10.00 per TechStar Class A Share for a total amount of HK\$1,001,000,000; (ii) the redemption of 50,050,000 TechStar Listed Warrants at HK\$11.50; (iii) the issuance of 110,110,000 Shares, at a conversion rate of every TechStar Class A Share for 1.10 Share pursuant to the terms of the Business Combination Agreement; (iv) PIPE and (v) Permitted Equity Financing Shares. Further details are set out in the De-SPAC Circular and the allotment results announcement of the Company in relation to the Permitted Equity Financing dated December 9, 2025.

## DIRECTORS' REPORT

Save as disclosed in this annual report, neither the Company nor any of its subsidiaries and consolidated affiliated entities had purchased, sold or redeemed any of the Company's listed securities since the Listing Date up to December 31, 2025.

As of December 31, 2025, the Company did not hold any significant treasury shares, and during the Relevant Period, the Company did not conduct any on-market sales of treasury shares.

### EQUITY-LINKED AGREEMENT

#### Warrants

The Company has issued Successor Company Listed Warrants (Warrant Code: 2673) and the Successor Company Promoter Warrants in connection with the De-SPAC Transaction, and are subsisting as at December 31, 2025. As at December 31, 2025, there were 50,050,000 Successor Company Listed Warrants constituted by the Successor Company Listed Warrant Instrument and 40,000,000 Successor Company Promoter Warrants constituted by the Successor Company Promoter Warrant Agreement in issue and outstanding. Each Successor Company Listed Warrant is exercisable for no more than 0.425 of a Successor Company Share. Accordingly, as at December 31, 2025, the maximum number of Shares which may be issued upon the full exercise of the Successor Company Listed Warrants is 21,271,250 Shares.

During the exercise period for the Successor Company Listed Warrants, the holder for the time being of each Successor Company Listed Warrant shall have the right, by way of exercise of the exercise right attaching to such Successor Company Listed Warrant, at any time during the exercise period for the Successor Company Listed Warrants, to exercise on a cashless basis such Successor Company Listed Warrants at a price per share equal to HK\$11.50 (subject to any adjustments). In accordance with the terms of the Successor Company Listed Warrants, all Successor Company Listed Warrants shall become exercisable upon the commencement of the exercise period for the Successor Company Listed Warrants, commencing on January 9, 2026, which is 30 days after the Closing Date, and terminating at 5:00 p.m., Hong Kong time, on the date that is five years after the Closing Date (being December 10, 2030) (both days inclusive). Further details of the Successor Company Listed Warrants are set out in the De-SPAC Circular and the announcement of the Company dated January 8, 2026.

## DIRECTORS' REPORT

The terms of the Successor Company Promoter Warrants are identical to those of the Successor Company Listed Warrants (including with respect to the warrant exercise and redemption provisions), save for that the Successor Company Promoter Warrants (i) will not be listed, and (ii) are not exercisable until 12 months after the Closing as required by the Listing Rules. During the exercise period for the Successor Company Promoter Warrants, the holder for the time being of each Successor Company Promoter Warrant shall have the right, by way of exercise of the exercise right attaching to such Successor Company Promoter Warrant, at any time during the exercise period for the Successor Company Promoter Warrants, to exercise on a cashless basis such Successor Company Promoter Warrants at a price per share equal to HK\$11.50 (subject to any adjustments). In accordance with the terms of the Successor Company Promoter Warrants, all Successor Company Promoter Warrants shall become exercisable upon the commencement of the exercise period for the Successor Company Promoter Warrants, commencing on December 10, 2026, and terminating at 5:00 p.m., Hong Kong time, on the date that is five years after the Closing Date (being December 10, 2030) (both days inclusive).

### Options

Details of the 2016 Share Incentive Plan are set out in the section headed "EMPLOYEE INCENTIVE PLANS" in this annual report.

### USE OF PROCEEDS FROM DE-SPAC TRANSACTION, PIPE INVESTMENT AND PERMITTED EQUITY FINANCING

After deducting commissions and expenses payable in connection with the De-SPAC Transaction, the net proceeds which the Company has received from the De-SPAC Transaction was approximately HK\$976.91 million.

The gross proceeds from the Permitted Equity Financing and the PIPE Investment were HK\$486.87 million and HK\$556.86 respectively. The net proceeds from the Permitted Equity Financing and the PIPE Investment, after the deduction of the fees and expenses was approximately HK\$420.05 million and HK\$556.86 respectively.

It is intended that all of the above net proceeds shall be applied on a pro rata basis in accordance with the purposes as set out below.

## DIRECTORS' REPORT

Purpose	Amount of net proceeds allocated (HK\$ million)	Percentage of total amounts of net proceeds (%)	Net proceeds utilized from the Listing Date to December 31, 2025 (HK\$ million)	Net proceeds unutilized as at December 31, 2025 (HK\$ million)	Expected timelines for net proceeds to be utilized by
<b>Research and development of new LiDAR architectures, hardware and software upgrades</b>	586.15	60	80.58	505.57	December 2027
– upgrading and iterating existing 1,550 nm LiDAR solutions, to further improve the perception capabilities and cost-effectiveness of our solutions	244.23	25	62.74	181.49	December 2027
– developing and further commercializing 905 nm LiDAR solutions to address the market trends and the demand of a broader range of potential customers	341.92	35	17.84	324.08	December 2027
<b>Upgrade of existing production lines</b>	195.38	20	9.58	185.80	December 2027
– upgrade of existing production lines in Deqing	97.69	10	1.02	96.67	December 2027
– upgrade of existing production lines of our 905 nm LiDAR solutions in Pinghu to improve automation rate	97.69	10	8.56	89.13	December 2027
<b>Global expansion</b>	97.69	10	12.76	84.93	December 2027
<b>General corporate purposes<sup>(1)</sup></b>	97.69	10	79.34	18.35	December 2027
<b>Total</b>	976.91	100	182.26	794.65	

Note:

- (1) For general corporate purposes, which may include working capital needs and potential strategic investments and acquisitions.

Please refer to the section headed “Future Plans and Use of Proceeds – USE OF PROCEEDS” in the De-SPAC Circular for further information.

To the extent that the above net proceeds have not been immediately utilized, the unutilized balance has been placed in short-term interest bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). There has been no change in the intended use of the above net proceeds as previously disclosed in the De-SPAC Circular, and the Group will apply the remaining balance in the manner set out in the De-SPAC Circular.

## DIRECTORS' REPORT

### DIRECTOR AGREEMENTS

Each of the executive Directors of the Company has entered into a service contract with the Company under which they agreed to act as executive Directors for an initial term of three years commencing from the Listing Date, which may be terminated by not less than thirty days' notice in writing served by either the executive Director or the Company. The appointments of the executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

Each of the independent non-executive Directors of the Company has entered into and signed an appointment letter with the Company for a term of three years with effect from the Listing Date, which may be terminated by not less than three months' notice in writing served by the independent non-executive Director or the Company. Under their respective appointment letters, each of the independent non-executive Directors is entitled to a fixed Director's fee. The appointments of the independent non-executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

Save as disclosed above, none of the Directors of the Company has entered into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

### MANAGEMENT CONTRACTS

Save as disclosed in this annual report, during the Reporting Period, the Company had not entered into or maintained any management or administration contract in respect of the whole or part of the business.

### CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, no contract of significance or contract of significance for the provision of services has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders or any of their subsidiaries during the Reporting Period.

### DIRECTORS' 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 had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance, whether for the provision of services or otherwise, to the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2025.

## DIRECTORS' REPORT

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of December 31, 2025, so far as the Directors are aware, the interests and/or short positions (as applicable) of the Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required under Section 352 of the SFO to be entered in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange under the Model Code, were as follows:

#### *Interest in Shares and underlying Shares*

Name	Title	Capacity/Nature of Interest	Number of Shares interested <sup>(1)</sup>	Approximate percentage of shareholding in the total issued Shares interested <sup>(2)</sup>
Dr. Bao	Chairman of the Board, Executive Director, president and chief executive officer	Interest in controlled corporation <sup>(3)(4)</sup>	172,154,993 (L)	13.25%
		Interest held through voting powers entrusted by other persons <sup>(5)</sup>	14,165,256 (L)	1.09%
		Beneficial owner <sup>(6)</sup>	57,050,359 (L)	4.39%
Dr. Li Yimin	Executive Director	Beneficial owner <sup>(7)</sup>	29,552,600 (L)	2.28%

## DIRECTORS' REPORT

*Notes:*

- (1) This refers to the number of Shares held as of December 31, 2025. The letter "L" denotes the person's long position in the Shares.
- (2) The approximate percentage of shareholding in the total issued Shares as of December 31, 2025 is calculated based on the total number of 1,298,816,637 Shares.
- (3) High Altos Limited is wholly-owned by Dr. Bao. Therefore, Dr. Bao is deemed to be interested in the Shares held by High Altos Limited under the SFO.
- (4) Dr. Bao is the manager of Phthalo Blue LLC. Therefore, Dr. Bao is deemed to be interested in the Shares held by Phthalo Blue LLC under the SFO.
- (5) Dr. Bao is entitled to exercise the voting rights of the Shares held by Proxy Shareholders pursuant to the Voting Proxy Agreements. For details of the Voting Proxy Agreements, see "Relationship with the Single Largest Group of Shareholders of the Company" in the De-SPAC Circular. Therefore, Dr. Bao is deemed to be interested in the Shares held by Proxy Shareholders under the SFO.
- (6) Dr. Bao has been granted such number of Company Options to subscribe for an aggregate of 57,050,359 Shares, pursuant to the Company Options granted to him under the 2016 Share Incentive Plan. Please see the hereunder section headed "EMPLOYEE INCENTIVE PLANS" and the section headed "Appendix VII – Statutory and General Information – E. Employee Incentive Plans" in the De-SPAC Circular for details.
- (7) Dr. Li Yimin holds 22,953,996 Shares. In addition, Dr. Li Yimin has been granted such number of Company Options to subscribe for an aggregate of 6,598,604 Company Shares, pursuant to the Company Options granted to him under the 2016 Share Incentive Plan. Please see the hereunder section headed "EMPLOYEE INCENTIVE PLANS" and the section headed "Appendix VII – Statutory and General Information – E. Employee Incentive Plans" in the De-SPAC Circular for details.

Save as disclosed above, as at December 31, 2025, to the knowledge of the Directors of the Company, none of the Directors or chief executives of the Company had any interests or short positions or interest in debentures in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

## DIRECTORS' REPORT

### SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As of December 31, 2025, so far as the Directors are aware, the following persons have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares interested <sup>(1)</sup>	Approximate percentage of shareholding in the total issued Shares interested <sup>(2)</sup>
Dr. Bao	Interest in controlled corporation <sup>(3)(4)</sup>	172,154,993 (L)	13.25%
	Interest held through voting powers entrusted by other persons <sup>(5)</sup>	14,165,256 (L)	1.09%
	Beneficial owner <sup>(6)</sup>	57,050,359 (L)	4.39%
High Altos Limited	Beneficial owner <sup>(3)</sup>	62,446,921 (L)	4.81%
Phthalo Blue LLC	Beneficial owner <sup>(4)</sup>	109,708,072 (L)	8.45%
Honour Key Limited	Beneficial owner <sup>(7)</sup>	124,323,359 (L)	9.57%
Eve One L.P.	Interest in controlled corporation <sup>(7)</sup>	124,323,359 (L)	9.57%
NIO Capital LLC	Interest in controlled corporation <sup>(7)</sup>	124,323,359 (L)	9.57%
NIO Capital Partners LLC	Interest in controlled corporation <sup>(7)</sup>	124,323,359 (L)	9.57%
Ease Win Enterprises Limited	Interest in controlled corporation <sup>(7)</sup>	124,323,359 (L)	9.57%
Mr. Zhu Yan	Interest in controlled corporation <sup>(7)(8)</sup>	148,132,947 (L)	11.41%
Mr. Li Bin	Interest in controlled corporation <sup>(7)(8)</sup>	148,132,947 (L)	11.41%
Dahlia Investments Pte. Ltd.	Beneficial owner <sup>(9)</sup>	65,512,810 (L)	5.04%
Thomson Capital Pte. Ltd.	Interest in controlled corporation <sup>(9)</sup>	65,512,810 (L)	5.04%
Tembusu Capital Pte. Ltd.	Interest in controlled corporation <sup>(9)</sup>	65,512,810 (L)	5.04%
Temasek Holdings (Private) Limited	Interest in controlled corporation <sup>(9)</sup>	65,512,810 (L)	5.04%
FMR LLC	Interest in controlled corporation <sup>(10)</sup>	84,424,665 (L)	6.50%
Impresa Management LLC	Interest in controlled corporation <sup>(10)</sup>	84,424,665 (L)	6.50%
Johnson Abigail P	Trustee <sup>(10)</sup>	84,424,665 (L)	6.50%
Johnson IV Edward C	Trustee <sup>(10)</sup>	84,424,665 (L)	6.50%

## DIRECTORS' REPORT

### Notes:

- (1) This refers to the number of Shares held as of December 31, 2025. The letter "L" denotes the person's long position in the Shares.
- (2) The approximate percentage of shareholding in the total issued Shares as of December 31, 2025 is calculated based on the total number of 1,298,816,637 Shares.
- (3) High Altos Limited is wholly-owned by Dr. Bao. Therefore, Dr. Bao is deemed to be interested in the Shares held by High Altos Limited under the SFO.
- (4) Dr. Bao is the manager of Phthalo Blue LLC. Therefore, Dr. Bao is deemed to be interested in the Shares held by Phthalo Blue LLC under the SFO.
- (5) Dr. Bao is entitled to exercise the voting rights of the Shares held by Proxy Shareholders pursuant to the Voting Proxy Agreements. For details of the Voting Proxy Agreements, see "Relationship with the Single Largest Group of Shareholders of the Company" in the De-SPAC Circular. Therefore, Dr. Bao is deemed to be interested in the Shares held by Proxy Shareholders under the SFO.
- (6) Dr. Bao is entitled to receive up to 57,050,359 Shares, pursuant to the Company Options granted to him under the 2016 Share Incentive Plan. Please see the hereunder section headed "EMPLOYEE INCENTIVE PLANS" and the section headed "Appendix VII – Statutory and General Information – E. Employee Incentive Plans" in the De-SPAC Circular for details.
- (7) Honour Key Limited is owned as to at least 90% by Eve One L.P. The general partner of Eve One L.P. is NIO Capital LLC, the voting power of which is ultimately held in equal split by Mr. Li Bin and Mr. Zhu Yan, a former non-executive Director of the Company. NIO Capital LLC is wholly owned by NIO Capital Partners LLC, which is owned as to 50% by Ease Win Enterprises Limited. Therefore, each of Mr. Li Bin, Mr. Zhu Yan, NIO Capital LLC, Eve One L.P., NIO Capital Partners LLC and Ease Win Enterprises Limited is deemed to be interested in the Shares held by Honour Key Limited under the SFO.
- (8) Glory Summer Worldwide Limited is the beneficial owner of 23,809,588 Shares, representing approximately 1.83% of the total issued share capital of the Company. Glory Summer Worldwide Limited is owned as to at least 90% by NIO Capital Opportunity Fund L.P. The general partner of NIO Capital Opportunity Fund L.P. is NIO Capital II LLC, the voting power of which is ultimately held as to 35%, 35% and 30% by Mr. Li Bin, Mr. Zhu Yan, a former non-executive Director of the Company, and an employee incentive platform (of which none of the persons hold controlling stake), respectively. Therefore, each of Mr. Li Bin and Mr. Zhu Yan is deemed to be interested in the Shares held by Glory Summer Worldwide Limited under the SFO.
- (9) Dahlia Investments Pte. Ltd. is wholly owned by Thomson Capital Pte. Ltd., which is wholly owned by Tembusu Capital Pte. Ltd.. Tembusu Capital Pte. Ltd. is wholly owned by Temasek Holdings (Private) Limited. Therefore, each of Temasek Holdings (Private) Limited, Tembusu Capital Pte. Ltd., and Thomson Capital Pte. Ltd. is deemed to be interested in the Shares held by Dahlia Investments Pte. Ltd. under the SFO.
- (10) Includes 27,411,682 Shares and 57,012,983 Shares held by F-Prime Capital Partners Tech Fund II LP and ERVC Technology IV LP, respectively, which are controlled by Impresa Management LLC (the trustees of which are Johnson IV Edward C and Johnson Abigail P) and in turn controlled by FMR LLC. Therefore, FMR LLC, Johnson IV Edward C, Johnson Abigail P and Impresa Management LLC are deemed to be interested in the Shares held by F-Prime Capital Partners Tech Fund II LP and ERVC Technology IV LP under the SFO.

## DIRECTORS' REPORT

Save as disclosed above, as of December 31, 2025, the Directors are not aware of any other person who have any interest and/or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### EMPLOYEE INCENTIVE PLANS

#### 1. 2016 Share Incentive Plan

The 2016 Share Incentive Plan was adopted on November 20, 2016. No further grant of any share awards under the 2016 Share Incentive Plan will be made after the Listing Date.

##### *Purpose*

The purpose of the 2016 Share Incentive Plan is to attract and retain the best available personnel, to provide additional incentives to employees, directors and consultants and to promote the success of the Company's business.

##### *Eligible Participants*

Any employee, director or consultant of the Company or a parent or a subsidiary of the Company shall be eligible to participate in the 2016 Share Incentive Plan.

##### *Number of Shares Available for Issue*

As at December 31, 2025, the maximum aggregate number of Shares that the Company is authorized to issue pursuant to options or RSUs granted thereunder is 126,186,418, representing approximately 9.72% of the total issued Shares (excluding treasury shares) as at the date of this annual report. The number of Shares that may be issued in respect of options and Awards granted under the 2016 Share Incentive Plan during the Reporting Period divided by the weighted average number of Shares in issue for the Reporting Period is 1.8%. The number of options and awards available for grant at the beginning and the end of the Reporting Period are 193,326 (before taking into the impact of capitalization issue) and 217,967 (after taking into the impact of capitalization issue). However, the Company will not grant any options or Awards under the 2016 Share Incentive Plan since the Listing Date.

##### *Performance Targets*

The exercising conditions under the 2016 Share Incentive Plan include specified performance targets, such as the achievement of certain R&D programs and the achievement of certain sales revenue.

## DIRECTORS' REPORT

### *Accounting Standard and Policy*

For the accounting standard and policy adopted in respect of calculation of the fair value of options and awards, please refer to the note 31 of the financial statements.

### *Individual Limit*

There is no maximum entitlement of each participant under the 2016 Share Incentive Plan.

### *Exercise Period*

The exercise period shall commence on the date on which the relevant Option is vested and end on the tenth anniversary of the date of the grant, subject to the terms of the award agreement executed between the Company and the grantee.

### *Vesting Schedule*

Unless otherwise determined by the Board at its sole discretion, the awarded shares shall vest in accordance with the award notice, provided that the selected employee remains at all times after the reference date and on the relevant vesting dates (if applicable) an eligible person.

### *Amount Payable on Application or Acceptance of the Share Award*

Subject to the provision of the 2016 Share Incentive Plan, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award including the method of payment shall be determined by the scheme administrator. Nil consideration was required to be paid by the grantees for the application or acceptance of the Share Award under the 2016 Share Incentive Plan.

### *Remaining Life of the Plan*

As at the Latest Practicable Date, the remaining life of the 2016 Share Incentive Plan is about seven months.

Details of the movement of the options and RSUs, which shall be satisfied by new Shares issued and to be issued by the Company, granted to grantees who are Directors, substantial shareholders, employees of the Company and other grantees under the 2016 Share Incentive Plan during the Relevant Period are as follows:

Name	Date of grant	Outstanding as at the Listing Date	Number of Shares underlying the options <sup>(i)</sup>				Outstanding as at December 31, 2025	Vesting Period	Expiry date	Exercise Period	Exercise price per Share (HK\$) <sup>(ii)</sup>
			Granted during the Relevant Period	Lapsed during the Relevant Period	Cancelled during the Relevant Period	Exercised during the Relevant Period					
<b>Executive directors</b>											
Junwei Bao	11/05/2021	57,050,359	0	0	0	0	57,050,359	4 years	11/05/2031	10 years	HK\$0.5
Yimin Li	11/05/2021	6,598,604	0	0	0	0	6,598,604	4 years	11/05/2031	10 years	HK\$0.5
<b>Other employees</b>											
497 other employees <sup>(i)</sup>	17/08/2017-25/11/2024	56,548,719	0	0	157,774	0	56,390,945	From 1 year to 4 years	17/08/2027-25/11/2034	10 years	HK\$0.03 – HK\$3.95

## DIRECTORS' REPORT

*Notes:*

- (i) None of these grantees is a Director or connected persons of the Company, but senior management are included.
- (ii) No option was granted or exercised during the Relevant Period.
- (iii) The exercise price and the exercise period were determined by the board which may take into account factors like the then market conditions and the competitiveness of the Options and listed in the Share Incentive Agreements.
- (iv) Save as disclosed above, none of the grantees were (i) directors, chief executive or substantial Shareholders of the Company, or their respective associates; (ii) participants with options granted and to be granted in excess of the 1% individual limit; (iii) related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue as set out in Rule 17.07 of the Listing Rules.
- (v) The number of options represents the number of options after taking into account the corresponding effect of Shares enlarged in the share capital of the Company immediately after the Capitalization Issue.

Name	Date of grant	Outstanding as at the Listing Date	Number of Shares underlying the RSUs <sup>(v)</sup>				Outstanding as at December 31, 2025	Vesting Period	Exercise Period
			Granted during the Relevant Period	Vested during the Relevant Period	Lapsed during the Relevant Period	Cancelled during the Relevant Period			
22 employees <sup>(i)</sup>	05/01/2024-13/10/2025	5,873,967	0	0	0	57,385	5,816,582	Four months to four years	N/A

*Notes:*

- (i) None of these grantees is a Director or connected persons of the Company, but senior management are included.
- (ii) No RSU was granted under the Relevant Period.
- (iii) These RSUs were granted with nil consideration. Nil purchase price is required to be paid by the grantees for the RSUs granted under the 2016 Share Incentive Plan.
- (iv) Save as disclosed above, none of the grantees were (i) directors, chief executive or substantial Shareholders of the Company, or their respective associates; (ii) participants with options granted and to be granted in excess of the 1% individual limit; (iii) related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue as set out in Rule 17.07 of the Listing Rules.
- (v) The number of RSUs represents the number of RSUs after taking into account the corresponding effect of Shares enlarged in the share capital of the Company immediately after the Capitalization Issue.

## DIRECTORS' REPORT

### 2. Post-Listing Share Incentive Plan

The Post-Listing Share Incentive Plan was adopted on December 20, 2024 and took effect upon December 10, 2025, which is the Listing Date.

#### *Purpose*

The purposes of the Post-Listing Share Incentive Plan are to align the interests of eligible persons with those of the Company through ownership of the Shares, dividends and other distribution paid on the Shares and/or the increase in value of the Shares, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

#### *Eligible Participants*

Any individual, being (i) an employee or director (including executive Directors, Non-executive Directors and independent non-executive Directors) of the Company or of holding companies, fellow subsidiaries or associated companies of the Company; or (ii) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term development of the Group, whom the Board or the scheme administrator considers, in their sole discretion, to have contributed or will contribute to the Group.

#### *Number of Shares Available for Issue*

The maximum number of Shares which may be issued pursuant to the Awards granted and to be granted under the Post-Listing Share Incentive Plan, when aggregated with the number of Shares which may be issued pursuant to other awards schemes of the Company, shall not exceed 5% of the Company Shares in issue as at the date of the Listing (excluding treasury shares of the Company) (the "Scheme Limit"), being 64,940,831 Shares, representing approximately 5.00% of the issued Shares (excluding treasury Shares, if any) as at the date of this annual report. Furthermore, the total number of Shares which may be issued pursuant to the Awards granted and to be granted to Service Providers under the Post-Listing Share Incentive Plan shall not exceed 0.5% of the Shares in issue as at the date of the Listing (excluding treasury shares of the Company) (the "Service Providers Limit"), being 6,494,083 Shares, representing approximately 0.50% of the issued Shares (excluding treasury Shares, if any) as at the date of this annual report. For the avoidance of doubt, the Service Providers Limit is within and is subject to the Scheme Limit and that any Shares which would have been issued pursuant to Awards which have lapsed in accordance with the terms of the scheme rules will not be regarded as utilized for the purpose of calculating the Scheme Limit or the Service Providers Limit.

As at the Listing Date and December 31, 2025, the number of options and Awards available for grant under the Scheme Limit are 64,940,831, and that under the Service Providers Limit are 6,494,083.

The number of Shares that may be issued in respect of options and Awards granted under the Post-Listing Share Incentive Plan during the Relevant Period divided by the weighted average number of Shares in issue for the Relevant Period is nil, as no options or awards were granted during the Relevant Period.

## DIRECTORS' REPORT

### *Maximum entitlement of a grantee*

The total number of the Shares issued and to be issued upon the vesting or exercise of Awards granted and to be granted under the Post-Listing Share Incentive Plan and other awards schemes of the Company to each selected participant (excluding Awards lapsed in accordance with the Post-Listing Share Incentive Plan) in any 12-month period up to (and including) the date of the latest grant shall not exceed 1% of the total number of the Shares in issue as at the time of the proposed grant (excluding treasury shares of the Company), i.e., 12,988,166 Shares.

Any grant of Awards must be approved by the Shareholders where:

- (i) any grant of Awards (but excluding grant of options) to any director (other than an independent non-executive Director or chief executive of the Company) would result in the Shares issued and to be issued in respect of all Awards granted (excluding Awards lapsed in accordance with the terms of the Post-Listing Share Incentive Plan) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue at the time of the proposed grant (excluding treasury Shares); or
- (ii) any grant of Awards to an independent non-executive Director or substantial shareholder of the Company or any of their respective associates would result in the number of the Shares issued and to be issued in respect of all Awards granted (excluding Awards lapsed in accordance with the terms of the Post-Listing Share Incentive Plan) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue at the time of the proposed grant (excluding treasury Shares).

### *Exercise Period of Share Options*

The exercise period of any share option granted shall be determined by the Board and, which shall in any event be not longer than 10 years from the grant date. A share option shall lapse automatically (to the extent not already exercised or lapsed) on the expiry of such term. The scheme administrator shall also determine any conditions, if any, that must be satisfied before all or part of a share option may be exercised. Once vested, the vested portion of the share option may be exercised in whole or in any part, at any time, subject to the terms of the Post-Listing Share Incentive Plan and the award agreement.

### *Vesting Schedule*

The award (in form of a restricted share units, share options or other type of shares or other types of awards or benefits authorized to be granted) to be issued to any participant under the Post-Listing Share Incentive Plan shall be subject to the vesting schedule as specified in the award agreement. The vesting period in respect of any Award shall not be less than 12 months from the grant date, except that with respect to a selected participant who is an employee participant, a shorter vesting period may be permitted in circumstances set out below:

- (i) grants as "make whole" Awards to a new employee participant upon joining the Group to replace the share awards such selected participant forfeited when leaving his/her previous employer;

## DIRECTORS' REPORT

- (ii) grants to an employee participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) grants of Awards which are subject to the fulfilment of performance-based vesting conditions as stated below, in lieu of time-based vesting criteria;
- (iv) grants of Awards the timing of which is set due to administrative and/or compliance reasons unrelated to the performance of the employee participant, in which case the vesting date may be adjusted to take account of the time from which the Award would have been granted if not for such administrative and/or compliance reasons;
- (v) grants of Awards with a mixed vesting schedule such that the Awards may vest evenly over a period of 12 months; or
- (vi) grants of Awards with a total vesting and holding period of more than 12 months.
- (vii) The Board (or the Scheme Administrator) may, in respect of each Award and subject to applicable laws and regulations, determine any performance targets or other criteria as condition(s) to the vesting of Awards.

### *Amount Payable on Application or Acceptance of the Option or Award*

Subject to the provision of the Post-Listing Share Incentive Plan, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award including the method of payment shall be determined by the Board (or the scheme administrator).

Save as specified in the award agreement otherwise, a selected participant shall have 20 Business Days from the grant date or such other period as otherwise determined by the Company to accept the Award. A selected participant may accept an Award by giving a written notice of acceptance to the Company, together with remittance in favor of the Company of the consideration payable (if any) upon the grant of the Award.

### *Exercise price of the options*

The exercise price in respect of such options, provided that such exercise price must be at least the higher of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the grant date, which must be a Business Day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the grant date; and (c) the nominal value of a Share, provided that in the event of fractional prices, the exercise price per Share shall be rounded upwards to the nearest whole cent.

### *Purchase Price of Awards*

The Board (or the Scheme Administrator) may determine the amount payable (if any) on an application or acceptance of an Award and the period(s) within which any such payments must be made.

## DIRECTORS' REPORT

### *Remaining Life of the Plan*

Unless otherwise terminated by the Board, the Post-Listing Share Incentive Plan shall continue in effect for a term for ten years after the effective date (i.e. December 10, 2025). As at the Latest Practicable Date, the remaining life of the Post-Listing Share Incentive Plan is about nine years and seven months.

The Company did not grant any options or Awards under the Post-Listing Share Incentive Plan during the Reporting Period. There is no outstanding options or unvested Awards at the beginning and at the end of 2025, no options exercised and awards vested, cancelled and lapsed during the Reporting Period.

### REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

In compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code, the Board will review and determine the remuneration and compensation packages of the Directors and senior management officers with the benefit of recommendations from the Remuneration Committee. The Remuneration Committee makes its recommendations to the Board on the Company's policy and the remuneration packages of all Directors and senior management and on the establishment of a formal and transparent procedure for developing the policy on such remuneration, determining the specific remuneration packages of all Directors and senior management and reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time. The compensation of the Directors is determined and recommended based on each Director's responsibilities, qualification, position and seniority.

Details of the remuneration of the Directors and the five highest paid individuals are set out in Note 12 to the consolidated financial statements. During the Reporting Period, no remuneration was paid to the Directors by the Group or the five highest paid individuals as an inducement to join, or upon joining, the Group. None of the Directors waived any emoluments during the Reporting Period.

### RETIREMENT BENEFIT SCHEME

As required by PRC laws and regulations, the employees of the Group's subsidiaries in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiaries in the PRC are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

### AUDITOR

The consolidated financial statements of the Group for the year ended December 31, 2025 have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at the AGM.

There was no change in the Company's independent external auditors in any of the preceding three years.

## DIRECTORS' REPORT

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the Reporting Period was the Company or any of its subsidiaries, fellow subsidiaries or its holding companies a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

### MATERIAL LITIGATION

References are made to the Company's De-SPAC Circular and the voluntary announcement of the Company dated December 18, 2025. On October 29, 2025, prior to the Listing Date, we received notifications regarding a total of four patent infringement lawsuits filed against us by Hesai Group at the Ningbo Intermediate People's Court in Zhejiang Province, China. These include one invention patent and three utility model patents. The lawsuits target our Robin series solutions, requesting the court to order us to immediately cease infringing the involved patents and compensate for total infringement damages of RMB19.8 million. Further, on December 18, 2025, we received civil complaints and relevant litigation materials regarding two intellectual property claims served by the Hangzhou Intermediate People's Court of Zhejiang Province. These additional claims filed against us by Hesai Group include one invention patent and one utility model patent, also targeting our Robin series solutions, requesting the court to order us to immediately cease infringing the involved patents and compensate for total infringement damages of RMB20.0 million.

As of the date of this report, there is no material adverse effect resulted from the lawsuits towards our daily operation including research and development, manufacturing, and sales. We have not received any injunctions prohibiting the manufacture and sale of our Robin series or the use of our technologies. To the best knowledge and belief of our Directors, the lawsuits are very unlikely to and did not lead to a cash outflow, and thus no provision has been made for the lawsuits in our consolidated financial statements.

Save as disclosed above, the Company has not been involved in any other material litigation, arbitration and/or legal proceedings. Furthermore, our Directors are not aware of any other material litigation, arbitration and/or legal proceedings, whether pending or threatened, against the Company.

### AGM AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be convened and held on Thursday, June 18, 2026. A notice convening the AGM will be published on the websites of the Company and the Stock Exchange and sent to the Shareholder, if necessary, in accordance with the requirements of the Listing Rules in due course. For the purpose of determination of eligibility of the Shareholders to attend and vote at the AGM, the record date will be Thursday, June 18, 2026 and the register of members of the Company will be closed from Monday, June 15, 2026 to Thursday, June 18, 2026 (both days inclusive), during which period no transfer of Shares will be effected. In order to be entitled to attend and vote at the AGM, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. (Hong Kong time) on Friday, June 12, 2026.

## DIRECTORS' REPORT

### DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

Since the Listing Date and up to the Latest Practicable Date, each of the Directors of the Company has confirmed that as of the Latest Practicable Date, he/she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with the business of the Company and requires disclosure under Rule 8.10 of the Listing Rules.

### CONFIRMATION OF INDEPENDENCE

Each of the independent non-executive Directors has confirmed that (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments. We consider all independent non-executive Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules.

### CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

All references above to other sections, reports or notes in this annual report form part of this annual report.

### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there were no other material and important events affecting the Group that had occurred after December 31, 2025 and up to the date of this report.

### APPRECIATION

The Board would like to express its sincere gratitude to the holders of our securities, management team, employees, business partners and customers for their continued support and contribution to the Group.

By order of the Board  
**Seyond Holdings Ltd.**  
**Dr. Bao Junwei**

*Executive Director, Chairman, President and Chief Executive Officer*

Hong Kong, March 31, 2026

# CORPORATE GOVERNANCE REPORT

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

## CORPORATE GOVERNANCE CULTURE

The Company is committed to ensuring that all business affairs are conducted in accordance with a strong corporate governance culture, anchored by our core values: emerging, dynamic, genuine and excellence. These values serve as a coherent set of principles that guide our business globally and underpin everything we do. We believe that achieving our long-term strategic objectives requires an unwavering commitment to probity, transparency and accountability. Through these principles, we aim to maximize long-term shareholder value while creating a positive, lasting impact for our employees, business partners, and the broader community.

Corporate governance is the active process by which the Board empowers and oversees management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is dedicated to maintaining and developing robust corporate governance practices that ensure:

- Satisfactory and sustainable returns to shareholders;
- Active protection of the interests of our partners and stakeholders;
- Proactive identification and appropriate management of business risk;
- Delivery of uncompromising quality in the products and services to our customers;
- Strict adherence to the high standards of business ethics;
- A commitment to sustainable, long-term growth.

The Board provides guidance to management by defining the purpose, values and strategic direction of the Group, and plays a leading role in embedding a culture of lawful, ethical and responsible behavior. The Company's Corporate Code of Conduct ensures that the corporate culture expectations are clearly communicated to everyone in the Group. Appropriate policies and procedures are in place to promote and reinforce the need for employees and others who deal with the Company to act with honesty and integrity and to raise concerns about actual or suspected cases of impropriety. The metrics we used for assessing and monitoring social and corporate governance related data (including staff turnover rates, whistleblowing data, and breaches of the Company's Corporate Code of Conduct) are set out in our 2025 Environment, Social and Governance Report. The Group offers competitive remuneration and benefits designed to attract, motivate and retain talented people across the organization. Having regard to the corporate culture reflected in the policies and practices of the Group, the Board is confident that the purpose, values and strategic directions of the Group are aligned with its culture.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

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

The Company has adopted the principles and code provisions of the Corporate Governance Code on the Stock Exchange as its own code of corporate governance.

Since the Shares of the Company were listed on the Stock Exchange on the Listing Date, the CG Code was not applicable to the Company prior to the Listing Date. During the Relevant Period, the Company has complied with all the applicable code provisions of the CG Code, save as disclosed in the paragraph headed "Chairman and Chief Executive Officer".

## COMPLIANCE WITH MODEL CODE

The Company has devised its own code of conduct regarding Directors' dealings in the Company's securities (the "**Code of Conduct**") on terms no less exacting than the Model Code.

Since the Shares of the Company were listed on the Stock Exchange on the Listing Date, the Code of Conduct was not applicable to the Directors prior to the Listing Date. Specific enquiries have been made of all the Directors and all the Directors have confirmed that they have complied with the Code of Conduct during the Relevant Period.

The Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities, with effect from the Listing Date. No incident of non-compliance of the Employees Written Guidelines by the employees during the Relevant Period.

## BOARD OF DIRECTORS

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

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

# CORPORATE GOVERNANCE REPORT

## Board Composition

The Board currently comprises five Directors, consisting of two executive Directors and three independent non-executive Directors.

The current composition of the Board is as follows:

## Executive Directors

Dr. Bao Junwei (*Chairman and Chief Executive Officer*)

Dr. Li Yimin

## Independent Non-executive Directors

Dr. Chen Changling

Dr. Costas John Spanos

Dr. Maximilian Ibel

Each of the Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 16 January 2025, and (ii) understands his/her obligations as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

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

Save as disclosed in this annual report, to the best knowledge of the Company, there are no relationship (including financial, business, family or other material/relevant relationship(s)) between the Board members.

## Independent Non-executive Directors

During the Relevant Period, the Board has met the requirements Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent from the Company.

## 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 should be separate and should not be performed by the same individual. The Company does not have separate Chairman of the Board and chief executive officer and Dr. Bao Junwei (“**Dr. Bao**”), the Chairman of the Board and chief executive officer of the Company, currently performs these two roles.

# CORPORATE GOVERNANCE REPORT

The Board believes that, in view of Dr. Bao's experience, personal profile and roles in the Company as mentioned above, Dr. Bao is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of the business as the chief executive officer of the Company. The Board also believes that the combined role of Chairman of the Board and chief executive officer can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. The Board will continue to review and consider splitting the roles of Chairman of the Board and the chief executive officer at a time when it is appropriate by taking into account the circumstances of the Group as a whole. The Group aims to implement a high standard of corporate governance, which is crucial to safeguard the interests of the Shareholders.

## Board Independence Evaluation

The Company recognizes that the independence of the Board is fundamental to maintaining robust corporate governance standards.

At present, the majority of the Board is comprised of independent non-executive Directors, ensuring a strong independent element within the Board. The Chairman of the Board also meets with the independent non-executive Directors regularly without the presence of other Directors. In addition, all Directors are entitled to seek advice from independent professional advisers at the Company's expense.

The Company has established both formal and informal channels through which Directors may express their views openly, and confidentially where circumstances require. All Directors are encouraged to express their independent opinions and provide constructive challenges during Board and Board committee meetings.

The Board has reviewed the implementation and effectiveness of these mechanisms and is satisfied with the results. The Board will continue to review the mechanisms and make adjustments or enhancements as appropriate.

## Appointment and Re-election of Directors

Each of the executive Directors has entered into a service contract with the Company under which they agreed to act as executive Directors for an initial term of three years commencing from the Listing Date, which may be terminated by not less than thirty days' notice in writing served by either the executive Director or the Company.

Each of the independent non-executive Directors of the Company has entered into and signed an appointment letter with the Company for a term of three years with effect from the Listing Date, which may be terminated by not less than three months' notice in writing served by the independent non-executive Director or the Company.

The appointments of the Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

## CORPORATE GOVERNANCE REPORT

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after their appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after their appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

### Board Meetings

Code Provision C.5.1 of the CG Code stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. The Board meeting will involve active participation of a majority of Directors. Schedules for regular Board meetings are normally agreed with Directors in advance to facilitate their attendance. At least 14 days' notice for all regular Board meetings will be given to all Directors and all Directors are given the opportunity to include items or businesses for discussion in the agenda. For all other Board meetings, reasonable notice will be given. Relevant agenda and accompanying meeting papers will be sent to all Directors in a timely manner and at least three days in advance of every regular Board meeting.

Apart from regular Board meetings, the Chairman of the Board will also hold meetings with the independent non-executive Directors without the presence of other Directors.

### Directors' Attendance Records

Since the Shares of the Company were listed on the Stock Exchange on the Listing Date, no meeting of the Board, the Audit Committee, the Nomination Committee, the Remuneration Committee and the ESG Committee and general meeting of the Company was held during the Relevant Period.

### Continuous Professional Development of Directors

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

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

## CORPORATE GOVERNANCE REPORT

The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

In accordance with the Rule 3.09H of the Listing Rules, first-time directors must complete no less than 24 hours of the continuous professional development required by Rule 3.09F of the Listing Rules within 18 months of the date of their appointment.

During the Reporting Period, the Company organized training sessions conducted by qualified professionals for all Directors. The training sessions covered a wide range of relevant topics including directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

The training records of the Directors during the Reporting Period are summarized as follows:

Directors	Type of Training <sup>Note</sup>
<b>Executive Directors</b>	
Dr. Bao Junwei	A, B
Dr. Li Yimin	A, B
<b>Independent Non-Executive Directors</b>	
Dr. Chen Changling	A, B
Dr. Costas John Spanos	A, B
Dr. Maximilian Ibel	A, B

Notes:

*Types of Training*

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

### Responsibilities, Accountabilities and Contributions of the Board and Management

The Board assumes overall responsibility for the leadership and control of the Company and is collectively accountable for directing and supervising the Company's affairs.

The Board, directly and through its committees, provides leadership and guidance to management by formulating strategies and overseeing their implementation, monitoring the Group's operational and financial performance, and ensuring that robust internal control and risk management systems are in place.

## CORPORATE GOVERNANCE REPORT

All Directors, including the independent non-executive Directors, contribute a broad range of valuable business experience, expertise and professionalism to the Board, thereby enhancing its efficiency and effectiveness. The independent non-executive Directors play a crucial role in ensuring a high standard of regulatory reporting and providing an objective perspective and balanced judgement on corporate actions and operations.

All Directors are afforded full and timely access to the Company's information and may, upon request, seek independent professional advice in appropriate circumstances at the Company's expense, in order to discharge their duties effectively.

Directors are required to disclose to the Company details of any other offices or positions held by them.

The Board reserves for its decision all major matters relating to policy formulation, strategic planning and budgeting, internal control and risk management, material transactions (particularly those involving potential conflicts of interest), financial matters, the appointment of Directors and other significant operational issues. The responsibility for implementing the Board's decisions and for directing and coordinating the daily operations and management of the Company is delegated to the management.

### Directors' and Officers' Liabilities

The Company has arranged appropriate insurance coverage for Directors' and officers' liabilities in respect of any legal actions brought against the Directors and senior management arising from corporate activities. The insurance coverage is reviewed on an annual basis.

## BOARD COMMITTEES

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

### Audit Committee

The Audit Committee currently consists of three independent non-executive Directors, namely Dr. Chen Changling, Dr. Costas John Spanos and Dr. Maximilian Ibel. Dr. Chen Changling is the chairperson of the Audit Committee and possesses the appropriate qualifications for accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Successor Group, overseeing the audit process and performing other duties and responsibilities assigned by the Board.

Since the Shares of the Company were listed on the Stock Exchange on the Listing Date, no meeting of the Audit Committee was held during the Relevant Period.

## CORPORATE GOVERNANCE REPORT

The Audit Committee held a meeting on March 27, 2026 to:

- (i) review the audited consolidated financial statements of the Group for the year ended December 31, 2025;
- (ii) review the annual results announcement of the Group for the year ended December 31, 2025;
- (iii) review the annual report of the Group for the year ended December 31, 2025;
- (iv) make recommendations to the Board on the re-appointment of external auditor;
- (v) review the risk management and internal control systems of the Group; and
- (vi) review the whistleblowing policy and the anti-corruption policy of the Company.

### Remuneration Committee

The Remuneration Committee currently consists of three members, namely Dr. Maximilian Ibel as independent non-executive Director, Dr. Li Yimin as executive Director and Dr. Costas John Spanos as independent non-executive Director. Dr. Maximilian Ibel is the chairperson of the Remuneration Committee.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration packages of all Directors and senior management and on the establishment of a formal and transparent procedure for developing the policy on such remuneration, determine the specific remuneration packages of all Directors and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time and review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Since the Shares of the Company were listed on the Stock Exchange on the Listing Date, no meeting of the Remuneration Committee was held during the Relevant Period.

The Remuneration Committee held a meeting on March 27, 2026 to:

- (i) review the Company's remuneration policy and structure for all Directors and senior management;
- (ii) review the remuneration package of each executive Director and senior management for 2026; and
- (iii) review the remuneration of each independent non-executive Director for 2026.

# CORPORATE GOVERNANCE REPORT

## Remuneration of Directors and Senior Management

The remuneration of the Directors during the Reporting Period is set out in Note 12 to the consolidated financial statements included in this annual report.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of senior management (excluding executive Directors) of the Company, whose biographical details are included in the section headed “Directors and Senior Management” of this annual report, fell within the following bands during the Reporting Period:

Band of remuneration (HKD)	Number of Individuals
1,500,001 to 2,000,000	2
2,000,001 to 2,500,000	1

## Remuneration Policy

The remuneration policy of the Company aims to ensure that the remuneration offered to employees, including the Directors and senior management, is fair, competitive, and commensurate with their skills, knowledge, responsibilities, and level of involvement in the affairs of the Company.

The remuneration packages of the executive Directors are determined with reference to factors such as the Company’s overall performance and profitability, prevailing market conditions, and the individual performance and contributions. The remuneration for executive Directors typically comprises basic salary, pension contributions and discretionary bonuses.

The remuneration policy for the independent non-executive Directors is designed to ensure that they are appropriately compensated for the time and effort they devote to the Company’s affairs, including their participation in Board committees. The remuneration for independent non-executive Directors mainly consists of Directors’ fees, which are determined by the Board with reference to their respective duties and responsibilities.

No individual Director or member of senior management is involved in determining his or her own remuneration.

## Nomination Committee

The Nomination Committee currently consists of three members, namely Dr. Bao Junwei as executive Director, Dr. Chen Changling as independent non-executive Director and Dr. Costas John Spanos as independent non-executive Director. Dr. Bao Junwei is the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, make recommendations to the Board regarding the appointment of Directors and the Board succession and access the independence of the independent non-executive Director.

Since the Shares of the Company were listed on the Stock Exchange on the Listing Date, no meeting of the Nomination Committee was held during the Relevant Period.

## CORPORATE GOVERNANCE REPORT

The Nomination Committee held a meeting on March 27, 2026 to:

- (i) review the structure, size and composition of the Board;
- (ii) review the board diversity policy and the relevant measurable objectives;
- (iii) review the director nomination policy;
- (iv) assess the independence of the independent non-executive Directors; and
- (v) make recommendation to the Board on the re-election of Directors.

In assessing the composition of the Board, the Nomination Committee takes into account a wide range of factors and diversity considerations as set out in the board diversity policy of the Company. Where appropriate, the Nomination Committee discusses and agrees on measurable objectives for achieving diversity on the Board and recommends such objectives to the Board for adoption.

When identifying and selecting suitable candidates for directorships, the Nomination Committee considers the relevant criteria set out in the director nomination policy of the Company that are necessary to complement the Company's corporate strategy and to promote Board diversity, where appropriate, before making recommendations to the Board.

### Board Diversity Policy

The Company has adopted the board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of the Board in order to enhance the effectiveness of the Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, language, cultural background, educational background, industry experience and professional experience. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

The Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of autonomous driving, business development and management, accounting, electrical engineering and computer science. They obtained degrees in various areas including physics, engineering, electronics, accounting, management, and computer science. Furthermore, the Board has a relatively wide range of ages, ranging from 52 years old to 68 years old. The Board includes one female director. The Board is of the view that the Board satisfies the Board Diversity Policy. There is currently a female Director in the Board. The Company is committed to maintaining at least one female representation in the Board and adopting a similar approach to promote diversity within the management (including but not limited to the senior management) of the Company to enhance the effectiveness of corporate governance of the Company as a whole.

# CORPORATE GOVERNANCE REPORT

The Nomination Committee is delegated by the Board to be responsible for compliance with relevant codes governing board diversity under the CG Code. The Nomination Committee and the Board will review the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives. from time to time to ensure its continued effectiveness and the Company will disclose in its corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

- (i) at least one of members of the Board shall be female;
- (ii) at least one-third of the members of the Board shall be independent non-executive Directors;
- (iii) at least one of the members of the Board shall have obtained accounting or other professional qualifications; and
- (iv) at least 50% of the members of the Board shall have more than 5 years of experience in the industry he/she is specialised in.

The Nomination Committee and the Board confirmed that the Board has met the above measurable objectives and is sufficiently diverse.

### Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this Annual Report:

	Female	Male
<b>Directors</b>	20%	80%
	(1)	(4)
<b>Senior Management (excluding the Directors)</b>	0%	100%
	(0)	(3)
<b>Other employees (excluding the Directors and Senior Management)</b>	23%	77%
	(151)	(493)
<b>Overall workforce</b>	23%	77%
	(152)	(500)

The Board had set a target of achieving at least 20% female representation among its Directors and 20% female representation among the Group’s employees (including senior management). These targets have been met, and the Board considers the current level of gender diversity to be satisfactory.

# CORPORATE GOVERNANCE REPORT

## Director Nomination Policy

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

The Company has adopted a director nomination policy (the “**Director Nomination Policy**”) which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

## Nomination Procedures

Subject to the Articles of Association, the following nomination procedures should be followed:

- (i) The Nomination Committee shall convene committee meetings and invite the Board members to nominate candidates (if any) for the Nomination Committee to consider before convening the meeting. The Nomination Committee may also nominate candidates who have not been nominated by the Board members.
- (ii) For the appointment of any Director candidate, the Nomination Committee shall conduct adequate due diligence in respect of such candidate and make recommendations to the Board for consideration.
- (iii) For the re-appointment of any existing members of the Board, the Nomination Committee shall make recommendations to the Board for consideration.
- (iv) For the procedures for Shareholders to nominate any Director candidates, please refer to the Procedures for Shareholders to Propose a Person for Election as a Director of the Company on the Company’s website.
- (v) The Board shall have the right of final decision on all matters relating to the election of recommended candidates or re-appointed Directors at a general meeting.

## Criteria Adopted to Select and Recommend Candidates for Directorship

The Director Nomination Policy sets out the criteria for assessing the suitability of a proposed candidate and his or her potential contribution to the Board, including but not limited to the following:

- (i) integrity and reputation;
- (ii) educational background, professional qualifications and work experience (including part-time jobs);
- (iii) whether or not they have the necessary skills and experience;
- (iv) whether or not they are able to spend sufficient time and energy to handle the Company’s affairs;
- (v) whether or not they will promote the diversity of the Board in all aspects, including but not limited to gender, skills, age, professional experience, knowledge, cultural and educational background, ethnicity and length of service;

## CORPORATE GOVERNANCE REPORT

- (vi) whether or not the candidates for independent directors meet the requirements for independence under Rule 3.13 of the Listing Rules; and
- (vii) any other relevant factors as determined by the Nomination Committee or the Board from time to time.

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

### ESG Committee

The ESG Committee currently consists of three independent non-executive Directors, namely Dr. Chen Changling, Dr. Costas John Spanos and Dr. Maximilian Ibel. Dr. Costas John Spanos is the chairperson of the ESG Committee.

The primary duties of the ESG Committee are to monitor and review the environmental, social, and governance (the “**ESG**”) strategy and targets of the Company, monitor the ESG risks and climate-related risk management mechanisms and regularly assessing their effectiveness, evaluate the ESG and climate-related opportunities in accordance with the ESG-related policies of the Company, and review existing progress against the ESG goals and targets and reviewing relevant disclosures.

Since the Shares of the Company were listed on the Stock Exchange on the Listing Date, no meeting of the ESG Committee was held during the Relevant Period.

The ESG Committee held a meeting on 27 March 2026 to:

- (i) review and agree the Terms of Reference of the ESG Committee and make recommendations to the Board for approval;
- (ii) review the ESG report of the Company for the year ended December 31, 2025; and
- (iii) consider and make recommendation to the Board on any other ESG matters.

### CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board carried out the following actions to discharge its responsibilities under code provision A.2.1 of the CG Code:

1. to develop and review the Company’s policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of directors and senior management;
3. to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;

## CORPORATE GOVERNANCE REPORT

4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
5. to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

### RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives and establishing and maintaining appropriate and effective risk management and internal control systems. The Board oversees risk management and internal control systems functions directly and also through the Audit Committee and the senior management and will assess the effectiveness of the risk management and internal control systems of the Group at least once a year.

The Audit Committee assists the Board in leading the management, monitoring and overseeing the risk management and internal control systems.

#### Risk Management

The Company has developed various risk management procedures with defined authority for implementation by key business processes, including sales and procurement, project management, human resources and information technology. The Company, on a regular basis, identifies and assesses risk factors that may negatively affect the achievement of its objectives, and formulates appropriate response measures.

The Company has adopted the following dynamic risk management process in response to the ever-changing risk landscape:

- (i) The business departments and functional departments of the Company which are responsible for the day-to-day operations, are responsible for designing and implementing control procedures to address the risks.
- (ii) The senior management identifies, assess and take measures against any significant risks that the Company is facing, and reports to the Board on a periodical basis.
- (iii) The internal control department establishes internal control framework, provides guidance and advisory, oversees, assesses and monitors the internal control status, and escalates concerns and communicates results to the senior management.
- (iv) The senior management performs the independent review of the effectiveness of the internal control with a risk-based approach, and communicates any findings to the relevant parties to take proper action plan. All the review results are reported to the Audit Committee periodically.

## CORPORATE GOVERNANCE REPORT

- (v) The Audit Committee, on behalf of the Board, assesses and determines the nature and level of the risks that the Company is willing to take in order to achieve its business objectives and formulates appropriate response strategies which includes designating responsible departments for handling each significant risk.

### Internal Control

The Company has always valued the importance of the internal control systems, and has complied with the requirements under the CG Code and Appendix D2 to the Listing Rules.

The management of the Company is responsible for the design, implementation and maintenance of the effectiveness of the internal control systems. The internal control department supervises the establishment of the risk management and internal control systems set up by the management, ensures that management has implemented appropriate measures. The Audit Committee, on behalf of the Board, continuously reviews the risk management and internal control systems. The Board, assisted by the Audit Committee, is responsible for monitoring and overseeing the performance of management over the internal control system to ensure that it is appropriate and effective.

Policies and procedures are put in place for the key business processes. This information is also clearly conveyed to employees of the Company in practice and plays an important role in the internal control systems. All employees must strictly follow the policies which cover, amongst other things, financial, legal and operational issues that set the control standards for the management of each business process.

### Operational Risk Management

Operational risk refers to the risk of direct or indirect financial loss arising from inadequate or defective internal processes, human error, IT system failures or external events. The Company has established a set of internal procedures to manage such risks.

The Company adopts a comprehensive approach to operational risk management and implements a mechanism with detailed responsibility allocation, clear accountability and well-defined reward and penalty arrangements. The information technology, human resources, finance and operations departments of the Company are collectively responsible for ensuring that business operations comply with internal procedures. In the event of a material adverse incident, the matter will be escalated to senior management and the Board for appropriate response measures. Through effective operational risk management, the Company aims to identify, measure, monitor and control operational risks, maintain them within a reasonable range and reduce potential losses.

### Compliance Risk Management

Compliance risk means the risk of incurring legal and regulatory sanctions, as well as material financial and reputational harm, arising from the Company's failure to comply with applicable laws, regulations, rules and regulatory guidance.

Compliance management consists of dynamic processes through which the Company effectively identifies, monitors and addresses compliance risks, and takes proactive measures to prevent risk incidents.

Compliance risk management represents the core of the Company's risk management initiatives, the basis for effective internal control, and a vital element of its corporate culture. The Company has put in place a sound compliance risk management framework as part of its integrated risk management system, to enable effective identification and management of compliance risks and to ensure that its business activities are conducted in full compliance with relevant laws and regulations.

# CORPORATE GOVERNANCE REPORT

## Anti-corruption Risk Management

Anti-corruption risk refers to the risk of using fraud, bribery or other illegal means for the purpose of (i) pursuing improper personal benefits at the expense of the Company's economic interests; and (ii) pursuing improper benefits for the Company. The Company has formulated anti-corruption risk management policies to prevent corrupt activities within the Company. The Company provides regular internal training and requires all employees to sign anti-corruption commitments.

## Conflict of interests

The Directors recognize the importance of good corporate governance to protect the interests of the Shareholders. The Company has adopted the following corporate governance measures to safeguard good corporate governance standards and to avoid potential conflict of interests between the Group and the Single Largest Group of Shareholders:

- (i) the Company has established internal control mechanisms to identify connected transactions. Upon Listing, if the Group enters into connected transactions with the Single Largest Group of Shareholders or their associates, the Successor Company will comply with the applicable requirements under the Listing Rules;
- (ii) where a Shareholders' meeting is to be held for considering proposed transactions in which the Single Largest Group of Shareholders or any of their close associates has any material interest, the Single Largest Group of Shareholders will not vote on the resolutions and shall not be counted in the quorum for the voting;
- (iii) the Board consists of a balanced composition of executive and independent non-executive Directors, with not less than one-third of independent non-executive Directors to ensure that the Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to its Shareholders. The independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between the Group and the Single Largest Group of Shareholders and provide impartial and professional advice to protect the interests of the minority Shareholders;
- (iv) where the advice from an independent professional, such as a financial or legal adviser, is reasonably requested by the Directors of the Company (including the independent non-executive Directors), the appointment of such an independent professional will be made at the Company's expenses; and
- (v) The Company has appointed Rainbow Capital (HK) Limited as the Compliance Adviser, who will provide advice and guidance to the Company in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors' duties and corporate governance matters.

## Whistleblowing Policy

The Company has established internal reporting channels for employees to report suspected corrupt activities, and employees may also make anonymous reports. The nature, status and outcome of complaints received under the reporting mechanism will be reported to senior management. Senior management may report any complaints received or any material matters to the Audit Committee when necessary. No incident of fraud or misconduct that had a material impact on the financial statements or overall operations of the Company for the year ended December 31, 2025 has been identified.

# CORPORATE GOVERNANCE REPORT

## Review of Risk Management and Internal Control

An external independent third party engaged by the Company has conducted reviews of the Company's core business processes during the Reporting Period. Key focuses of the review include:

- financial reporting procedures and disclosure control;
- production management;
- human resources and remuneration management;
- R&D and intellectual property management, etc.

Identified deficiencies in operations and opportunities were communicated to senior management of the respective business units to enforce the remediation.

In view of the Company's size and stage, the Company has not established internal audit function as of December 31, 2025. The Board will review from time to time to assess the necessity of setting up an internal audit function on an annual basis.

The Board is of the view that throughout the Reporting Period, the risk management and internal control systems of the Group are effective and adequate.

In addition, the Board believes that the Company's accounting and financial reporting functions have been performed by staff with appropriate qualifications and experience and that such staff receive appropriate and sufficient training and development. Based on the work report from the Audit Committee, the Board also believes that the Company's internal control and internal audit functions are adequate with sufficient resources and budget. The relevant staff have appropriate qualifications and experience, and receive sufficient training and development, as well as those relating to the Company's ESG performance and reporting.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings by the senior management, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the Reporting Period, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources, as well as those relating to the Company's ESG performance and reporting.

Arrangements are put in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

## Inside Information

The Company has also implemented proper procedures and internal controls for the handling and dissemination of inside information, including, among others, establishing a policy on the disclosure of inside information to ensure that all current and prospective investors of the Company, market participants and the public are provided with appropriate information relating to the Group in a timely and simultaneous manner. The policy has been communicated to all relevant staff and related training has also been provided to them.

# CORPORATE GOVERNANCE REPORT

## DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 December 2025 with the support of the accounting and finance team.

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

The financial statements of the Company are prepared on a going concern basis, the Directors are of the view that they give a true and fair view of the financial position, performance and cash flow of the Group for the year ended 31 December 2025, and the disclosure of other financial information and report therein complies with relevant legal requirements.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the independent auditors' report of this annual report.

## AUDITORS' REMUNERATION

The remuneration paid and payable to the external auditors of the Company in respect of audit services and non-audit services during the Reporting Period is set out below:

<b>Service Category</b>	<b>Fees Paid/Payable (USD)</b>
Audit Services	379,000
Non-audit Services	0
<b>Total</b>	<b>379,000</b>

## JOINT COMPANY SECRETARIES

Mr. Yao Yuan ("**Mr. Yao**"), the chief financial officer and the joint company secretary of the Company, is responsible for leading the Company's development in capital market, maintaining investor and shareholder relationship, driving revenue growth of the Group from a financial and strategic perspective and making recommendations to the Board on corporate governance matters, and ensuring compliance with the policies and procedures of the Board and applicable laws, rules and regulations.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Mr. Lee Leong Yin ("**Mr. Lee**"), a senior manager of company secretarial department of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services, as another joint company secretary of the Company to assist Mr. Yao in performing his duties as the company secretary of the Company.

# CORPORATE GOVERNANCE REPORT

The primary corporate contact person of the Company is Mr. Yao, one of the joint company secretaries of the Company.

During the Reporting Period, Mr. Yao and Mr. Lee have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

## SHAREHOLDERS' RIGHTS

### Convening an Extraordinary General Meeting and Putting Forward Proposals

Pursuant to article 71 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the voting rights, on a one vote per Share basis in the share capital (excluding treasury shares, if any) of the Company. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The requisitionist(s) may add resolutions to the agenda of a general meeting requisitioned under this article.

## COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company is committed to providing Shareholders and other stakeholders (including potential investors) with balanced and understandable information about the Company.

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

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

### Shareholders' Communication Policy

The Board should be responsible for maintaining an on-going dialogue with the Shareholders and encouraging them to communicate actively with the Company and establishing the shareholders' communication policy (the "**Shareholders' Communication Policy**") and reviewing the Shareholders' Communication Policy on a regular basis to ensure its effectiveness.

The Shareholders' Communication Policy aims to promote effective communication with the Shareholders and other stakeholders, encourage the Shareholders to engage actively with the Company and enable the Shareholders to exercise their rights as shareholders effectively.

## CORPORATE GOVERNANCE REPORT

The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and was satisfied with the results.

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

(a) *Corporate Communication*

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. Corporate Communication of the Company will be published on the Stock Exchange's website ([www.hkex.com.hk](http://www.hkex.com.hk)) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to the Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules.

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

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

(c) *Corporate Website*

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website ([www.seyond.com](http://www.seyond.com)).

(d) *Corporate Website*

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide the Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable the Shareholders to make an informed decision on the proposed resolution(s). The Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairperson of the Board and other Board members, the chairpersons of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer the Shareholders' questions (if any).

(e) *Shareholders' Enquiries*

Enquiries about Shareholdings

The Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong share registrar, Tricor Investor Services Limited, by sending an email to [is-enquiries@vistra.com](mailto:is-enquiries@vistra.com) or call its hotline at +852 2980 1333, or go in person to its public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

# CORPORATE GOVERNANCE REPORT

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

The Company will not normally deal with verbal or anonymous enquiries unless it is any report or concerns raised about any possible improprieties in any matter related to the Company. The Shareholders may send written enquiries to the Company, for the attention of the Board of Directors by mail to 4F, Building 9A, Yangtze River Delta International R&D Community, Qinglonggang Road, Xiangcheng District, Suzhou City, Jiangsu Province, China.

## AMENDMENTS TO CONSTITUTIONAL DOCUMENT

Save for the Articles of Association conditionally adopted on 20 December 2024 with effect from the Listing Date, there has been no change in the Articles of Association during the Relevant Period.

## DIVIDEND POLICY

Subject to the Companies Act (As Revised) of the Cayman Islands and the Articles of Association, the Company may declare dividends in any currency through a general meeting, but no dividend may be declared in excess of the amount recommended by the Board. The Articles of Association provide that no dividend nor other distribution shall be paid except out of the realized or unrealized profits of the Company, out of the share premium account and/or as otherwise permitted by the law of the Cayman Islands. In addition, the declaration of dividends is subject to the discretion of the Board, and the amounts of dividends actually declared and paid will also depend on a number of factors, including but not limited to the Company's earnings, capital requirements, overall financial condition and contractual restrictions.

Future dividend payments to the Shareholders will also depend upon the availability of dividends received from the PRC subsidiaries. PRC laws require that dividends be paid out of the net profit calculated according to PRC accounting principles. PRC laws also require PRC enterprises to set aside part of their net profit as statutory reserves before they distribute the net proceeds. These statutory reserves are not available for distribution as cash dividends. In addition, the dividends paid by the PRC subsidiaries are also subject to the withholding tax imposed by the PRC laws.

The Board has absolute discretion in whether to declare any dividend for any year and, if it decides to declare a dividend, how much dividend to declare. There is no assurance that the Company will be able to distribute dividends of any amount each year or in any year. The Company will continue to periodically re-evaluate the dividend policy in light of the financial position and the prevailing economic climate. The determination to pay dividends will be made at the discretion of the Board and will be based upon the earnings, cash flow, financial conditions, capital requirements, statutory fund reserve requirements of the Group and any other conditions that the Directors deem relevant.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS ESG REPORT

This is the 1st annual Environmental, Social, and Governance (ESG) Report (the “Report”) of Seyond Holdings Ltd. (“Seyond” or “the Company”) and its subsidiaries (collectively the “Group” or “we”) to share its efforts, initiatives and achievements in ESG activities with stakeholders.

### Reporting Period and Reporting Boundary

This Report covers the period from January 1, 2025 to December 31, 2025 (the “Reporting Period”), with some content retrospectively referencing prior years or extending into 2026. Unless otherwise specified, the Report and relevant environmental and social key performance indicators (“KPIs”) disclosed are consistent with the scope of the annual report.

### Reporting Guidelines

This Report was compiled in accordance with Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) in Appendix C2 of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) applicable for the Reporting Period. We also considered to support the United Nations Sustainable Development Goals (SDGs).

### Reporting Principles and Process

Adhering to reporting principles such as materiality, quantitative, and consistency, this Report was prepared by following the procedures of identifying and prioritising stakeholders and material ESG-related issues, determining the scope of the report, collecting relevant materials and data, compiling the report based on the information, and reviewing the contents of the report to ensure its completeness, substance, accuracy, and balance.

**Materiality** – Seyond conducts regular materiality assessments and stakeholder engagement to identify and report on material ESG issues to investors and other stakeholders.

**Quantitative** – Seyond, where appropriate, sets targets with the aim to reduce its impacts and to evaluate and validate its efforts in a measurable manner.

**Balance** – Seyond aims to present information in a transparent and unbiased manner to provide a holistic view of its overall ESG performance.

**Consistency** – Seyond aims to use consistent methodologies to allow for meaningful comparisons of ESG data over time and provide information where there are significant changes.

### Sources and Credibility

The information and data contained herein are from the Group’s statistical reports and official documents, and have been approved by the relevant departments. The Group undertakes that this Report does not contain any false or misleading information, and is responsible for the truthfulness, accuracy, and completeness of the content.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Languages and Formats

This Report is available in both Chinese and English and can be accessed in electronic form. For more information regarding the background, business development, and sustainability philosophy of Seyond, please visit our website

<https://investor.seyond.cn/en/>

## Access and Feedback

We attach great importance to the opinions of our stakeholders and welcome readers to contact us through the following email address. Your opinions will help us improve this report as well as our ESG performance.

Email: [info@seyond.com](mailto:info@seyond.com)

## BOARD STATEMENT

The Board considers the sustainable development of the Company to be of paramount importance. The Board is responsible for identifying, reviewing and overseeing material ESG issues relevant to the Company's operations and strategy. The Board holds meetings at least annually to discuss ESG matters and assess the Company's overall sustainability performance. As the highest decision-making and supervisory body for ESG management, the Board provides strategic direction and oversight to ensure that sustainability considerations are fully integrated into the Company's business operations and long-term development plans.

Seyond recognises the value of stakeholder feedback in shaping its sustainability approach. The Company maintains effective and transparent communication channels with key stakeholders to facilitate discussions on principal ESG issues and potential ESG-related risks, including climate-related risks and opportunities. These ongoing engagements support the continuous refinement of the Company's ESG and climate-related strategies, policies and management frameworks, ensuring they remain aligned with stakeholder expectations and evolving regulatory requirements. Further details on stakeholder engagement and materiality assessment are set out in the relevant sections of this report.

The Company regards its employees as the cornerstone of its competitiveness and sustainable growth. During the Reporting Period, Seyond continued to uphold employee rights and interests and implement comprehensive employee care initiatives. By fostering a supportive, inclusive and respectful working environment, the Company aims to enhance employees' sense of well-being and belonging, while driving mutual success for both our employees and the Company as a whole.

This report provides a detailed and transparent account of the Company's environmental, social and governance performance during the Reporting Period. It has been reviewed and formally approved by the Board on 31st March 2026.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT SEYOND

Founded in Silicon Valley in 2016, Seyond has pursued the mission to design, build, and mass produce the world's highest-performing state-of-the-art LiDAR systems, continually advancing 3D sensing technologies and striving to enhance human safety through innovation.

Over 9 years of development, Seyond has established a global R&D footprint spanning Silicon Valley, Suzhou, and Shanghai, bringing together top-tier talent to drive breakthroughs in core technologies. The Company has built highly automated automotive-grade LiDAR manufacturing facilities in Suzhou, Deqing and Pinghu. Leveraging China's mature supply chain and extensive production and commercialization expertise, Seyond maintains precise control over critical manufacturing and procurement processes, delivering scalable, stable, automotive-grade mass production.

With strong R&D capabilities and profound technological expertise, Seyond continuously develops industry-leading LiDAR products and solutions. It drives the rapid iteration of its product lines including the Falcon Platform, Robin Platform and fully solid-state Hummingbird Platform, while ensuring high performance, reliability and cost competitiveness. Currently, over 600,000 Falcon units are in use, and the product continues to be mass-produced today.

Backed by deep insights into application scenarios and forward-looking product strategy, Seyond's products and solutions are widely deployed in intelligent vehicles, autonomous driving, broad robotics, intelligent transportation, smart ports, intelligent shipping, smart railway, smart mining and other sectors. The Company has established in-depth partnerships with numerous leading enterprises worldwide.





At present, Seyond's LiDAR solutions have achieved large-scale commercial deployment in many countries and regions across the globe. By delivering innovative software and hardware technologies, Seyond continues to empower a safer and smarter future for all.

Mission: Provide partners with dynamic solutions to exceed existing visual sensing capabilities.

Vision: Bring the power of intelligent vision to everyone and everything.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## HONOR AND AWARDS

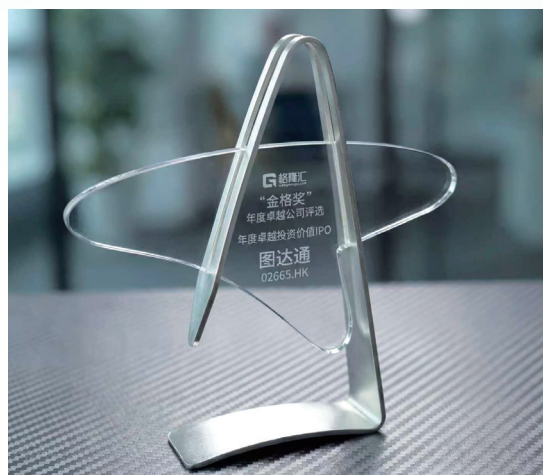
 <p>2025 铃轩奖 前瞻 · 组合辅助驾驶类 · 金奖 Momenta 德赛西威 商汤绝影 图达通</p>	 <p>汽车之星 年度「企业榜」 激光雷达年度量产领航奖 SEYOND 图达通</p>
<p>Forward-looking • Integrated Assisted Driving Category • Gold Award</p>	<p>LiDAR Annual Mass Production Pioneer Award</p>
<p>2025 Lingxuan Award</p>	<p>Automotive Star</p>
 <p>高工金球奖 获奖证书 年度最具投资价值企业奖 图达通智能科技(苏州)有限公司</p>	 <p>燕知人形机器人知鼎奖颁奖典礼 人形机器人创新奖</p>
<p>Most Investment Value Enterprise Award</p>	<p>Humanoid Robot Innovation Award</p>
<p>2025 Annual Intelligent Automotive Supplier</p>	<p>Yanzhi Humanoid Robot Zhiding Award</p>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



2025 Best Technology Practice Application Award

Golden Collection Award

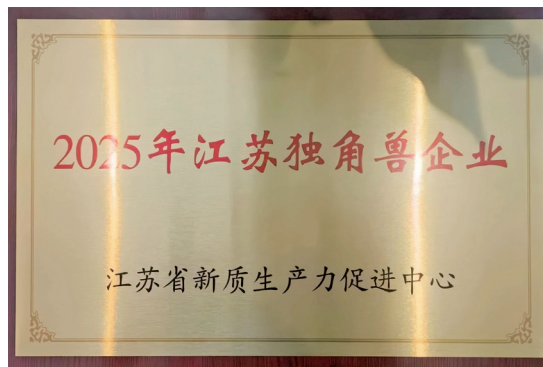


Annual Outstanding Investment Value IPO

Golden Grid Award




2024 Excellent Vehicle-Road-Cloud  
Integration Service Provider



2025 Jiangsu Unicorn Enterprise

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	
<p>Suzhou Key Artificial Intelligence Application Enterprise</p>	<p>Laboratory Accreditation Certificate</p>
	
<p>TOP 20 Core Supply Chain Award</p>	
<p>New Strategy Gold Stone Award</p>	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ESG HIGHLIGHTS OF 2025

### R&D Investment

- During the Reporting Period, Seyond maintained substantial R&D investment, reached US\$40 million.

### Patent

- By the end of Reporting Period, the Group holds 156 granted patents worldwide, approximately 200 patent applications pending across key jurisdiction.

### Product

- Cumulative deliveries of automotive-grade LiDAR reached approximately 785,000 units
- Aggregate production capacities in China have reached approximately 1,000,000 units per year, reflecting the recent ramp-up of our manufacturing facilities to support future demand growth.

### R&D Talent

By the end of the Reporting Period, the Group employed 354 R&D personnel, of whom more than 80% hold core technical positions.

## ESG MANAGEMENT

Seyond is dedicated to sustainable development. Through our ESG governance structure, we integrate ESG principles into our daily operations. We actively enhance communication with stakeholders through a variety of channels to collect their feedback and understand their expectations regarding our ESG efforts. Additionally, we continuously strengthen our risk management capabilities to ensure business stability and promote sustainable development of the Group.

### ESG Governance Structure

The Board bears ultimate responsibility for formulating, adopting and periodically reviewing the Group's ESG vision, policies and objectives. It is also responsible for the ongoing assessment and management of ESG and climate-related risks and opportunities. The Board regularly reviews the Group's ESG strategy, targets and internal controls, and engages independent third-party consultants where necessary to evaluate ESG risks and recommend appropriate adjustments to strategies and control measures.

To strengthen Board oversight, the Group has established an ESG Committee comprising three independent non-executive Directors, namely Dr. Chen Changling, Dr. Costas John Spanos and Dr. Maximilian Ibel. Serving as the central coordinating body for all ESG matters across the Group, the ESG Committee's key responsibilities include reviewing and confirming the Company's ESG standards, priorities and targets; supervising ESG strategies, policies and practices; monitoring emerging sustainability issues, international trends and climate-related risks and opportunities; assessing ESG performance and its impact on stakeholders; reviewing progress against ESG goals; and overseeing the preparation and integrity of ESG disclosures, including the annual ESG report. The Committee also formulates and reviews the Group's overall climate-related strategies and policies to ensure alignment with organisational objectives and regulatory requirements.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has also established an ESG Working Group comprising representatives from different departments. The ESG Working Group is responsible for implementing the ESG policies and strategies approved by the ESG Committee, preparing the annual ESG report for review by the Committee, maintaining effective communication channels with key stakeholders, and conducting materiality assessments to identify and prioritise material ESG issues.

## Stakeholder Engagement

To better address stakeholders’ concerns, the Group continues to optimise its stakeholder communication system, ensuring that all stakeholders are heard and responded to through various channels. The table below shows the key stakeholders and their expectations identified by Seeyond during the Reporting Period.

Stakeholder	Topics of Concern	Communication Approach
Employees	<ul style="list-style-type: none"> <li>• Legitimate rights and interests</li> <li>• Occupational health and safety</li> <li>• Compensation and benefits</li> <li>• Training and career development</li> <li>• Work-life balance</li> <li>• Workplace equality and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Employee satisfaction surveys</li> <li>• Regular town hall meetings</li> <li>• Training and team-building activities</li> <li>• Internal communication</li> <li>• Performance reviews and feedback</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• On-time delivery and service reliability</li> <li>• Customer service and satisfaction</li> <li>• Information security and data privacy</li> <li>• Technical support and after-sales service</li> <li>• Responsible marketing and accurate product representation</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Regular customer visits</li> <li>• Customer complaints</li> <li>• Warranty management</li> <li>• Technical documentation and product training</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Ethical business and anti-corruption</li> <li>• Compliance</li> <li>• Product quality and safety standards</li> <li>• Information security and confidentiality</li> <li>• Environmental and social responsibility</li> <li>• Supply chain continuity and capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement agreements and codes of conduct</li> <li>• On-site audits and second-party assessments</li> <li>• Supplier training and capacity building</li> </ul>
Government/ Regulatory Authorities	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Information security and privacy protection</li> <li>• Employment practices and labour rights</li> <li>• Environmental protection and green development</li> <li>• Transparent and timely disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Daily communication and regulatory reporting</li> <li>• Participation in government consultations</li> <li>• Submission of required filings and certifications</li> <li>• Incident notification and remediation</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder	Topics of Concern	Communication Approach
Industry Associations/ Media/Public	<ul style="list-style-type: none"> <li>• Technological innovation and industry leadership</li> <li>• Social welfare and community investment</li> <li>• Local community support and development</li> <li>• Environmental sustainability and climate action</li> <li>• Transparent communication and information sharing</li> </ul>	<ul style="list-style-type: none"> <li>• Industry conferences and exchange meetings</li> <li>• Press releases and media engagements</li> <li>• Community volunteer activities and donations</li> <li>• Corporate website and public disclosures</li> <li>• Participation in sustainability initiatives</li> </ul>
Shareholders/ Investors	<ul style="list-style-type: none"> <li>• Financial performance and return on investment</li> <li>• Corporate governance and risk management</li> <li>• Long-term strategy and sustainable growth</li> <li>• ESG performance and transparent disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Annual and interim reports</li> <li>• Shareholder meetings and investor briefings</li> <li>• Regular updates via investor relations channels</li> <li>• ESG reports and climate-related disclosures</li> </ul>

## Materiality Assessment

During the Reporting Period, we paid close attention to the market, industrial and regulatory disclosure requirements, and identified 17 material issues based on the characteristics of our business, our strategic positioning and the best practices among peers, as well as the feedback and suggestions from various stakeholders.

According to the results of the analysis, we determined the disclosure highlights of the Report and our future strategic ESG goals.

### Identification

- 17 potential ESG topics were identified during the Reporting Period.
- A comprehensive list of ESG topics was compiled through peer benchmarking, stakeholder feedback, industry trends, regulatory bodies, rating agencies, and sustainability reporting standards.

### Prioritisation

- Conducted an online assessment survey to collect feedback from internal and external stakeholders to prioritise the identified ESG topics according to their significance to the Company's business and significance of the likely economic, social, and environmental impacts.

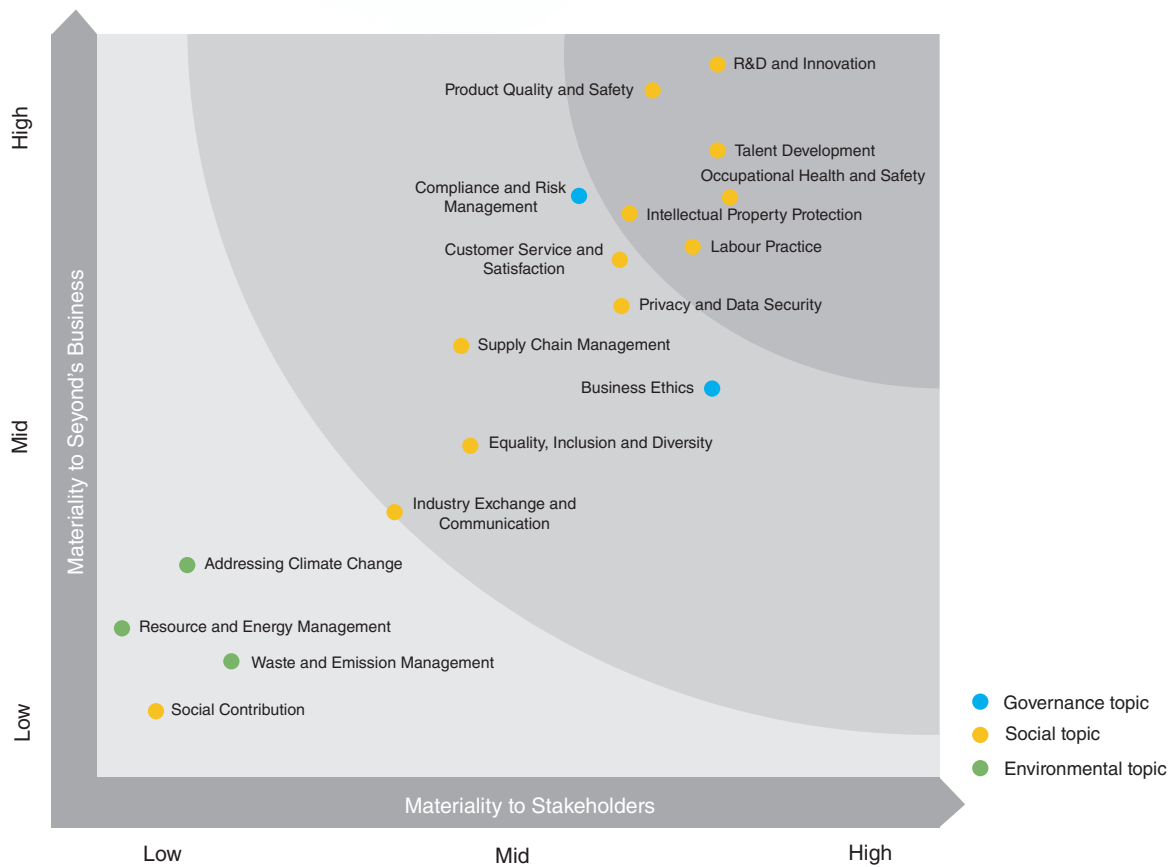
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Determination

- The results of the assessment survey were consolidated and weighted, leading to the development of a materiality matrix based on these findings.
- The matrix was used to determine the focus areas for sustainability initiatives.

### Validation

- The results were reported to and reviewed by the Board.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## COMPLIANCE GOVERNANCE

### Corporate Governance

In compliance with applicable laws and regulations, including the Company Law of the People's Republic of China, the Basic Internal Control Norms for Enterprises, the Listing Rules, etc., Seyond developed corporate governance policies and systems. We strictly enforce regulatory and compliance requirements while improving the transparency and efficiency of corporate governance.

The Board is responsible for leading and overseeing the Company's operations, strategic decisions and performance. The Board has established four committees: the Audit Committee, the Compensation Committee, the Nomination Committee and the ESG Committee. Detailed information is available in the "Corporate Governance Report" section of this Annual Report.

Meanwhile, Seyond has adopted the *Board Diversity Policy* which sets out the objective and approach to achieve and maintain diversity of the Board in order to enhance the effectiveness of the Board. Pursuant to the *Board Diversity Policy*, the Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, language, cultural background, educational background, industry experience and professional experience.

### Business Ethics

At Seyond, integrity is the cornerstone of our corporate governance. Seyond complies fully with the Anti-Unfair Competition Law of the People's Republic of China, the Foreign Corrupt Practices Act of 1977 (FCPA) and all anti-corruption laws in the regions and countries in which we operate, in particular relating to bribery, extortion, fraud and money laundering.

#### *Business Ethics Governance*

The governance of business ethics is embedded within our corporate structure, with the Board holding ultimate oversight responsibility for the effectiveness of our anti-corruption system.

Our Legal Department conducts regular reviews of transaction records, procurement contracts, and hiring lists to detect anomalous patterns, such as frequent transactions with specific suppliers. We utilise digital tools, including Enterprise Resource Planning and Customer Relationship Management systems, to flag related-party transactions or repetitive irregularities.

#### *Policy Framework*

Our commitment to ethical conduct is formalised through a robust set of internal policies that establish clear rules and expectations for all employees. We have established a comprehensive anti-corruption system that explicitly prohibits all forms of bribery and corruption. The core policies within this framework include the *Employee Handbook*, *Anti-Corruption Policy*, *Gifts and Entertainment Policy*, *Business Entertainment Expense Management System*, and the *Employee Reward and Punishment Management System*.

#### *Embedding Ethics through Training and Awareness*

We are committed to ensuring that all employees understand the standards expected of them and the practical application of our policies. To this end, we conduct regular, role-based business ethics training. This training reinforces our zero-tolerance stance on corruption and provides practical guidance on navigating ethical dilemmas, including identifying and managing potential conflicts of interest.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Whistleblowing Management and Monitoring*

Transparency and accountability are reinforced by a robust whistleblowing framework that empowers our employees and external partners to raise concerns without fear of retaliation. We provide secure and confidential channels for reporting suspected violations of our policies or the law.

- **Accessible Channels:** Reports can be submitted through multiple avenues, including an anonymous reporting function within our internal Office Automation system, as well as through our external company website and official WeChat accounts. Reports can also be directed to a dedicated compliance email address and an ethics hotline.
- **Protection and Confidentiality:** All reports are handled with strict confidentiality, and we have a zero-tolerance policy against any form of retaliation against an individual raising a concern in good faith.
- **Rigorous Investigation:** All reports are taken seriously and investigated promptly and impartially by the responsible departments, with findings reported to senior management.

## *Supplier Integrity*

Our commitment to business ethics extends to our supply chain. We implement a strict supplier access management system for all procurement activities. All tendering and quotation activities are conducted through digital platforms, ensuring a complete and transparent audit trail. We enforce hierarchical review and multi-person evaluation mechanisms to prevent any improper influence. Anti-corruption requirements are formally incorporated into our supplier agreements, binding our partners to the same high standards of integrity that we uphold internally.

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

## **Information Security and Data Protection**

At Seyond, safeguarding information security and protecting privacy are fundamental to our operations and our commitment to customers, employees, and partners. We have established a comprehensive information security management system aligned with international standards and applicable laws to ensure the confidentiality, integrity, and availability of our information assets.


## *Governance*

We have established the *Network and Data Security Management System*, which covers governance, data classification, third-party management, training, and enforcement, the *Network and Information Security Incident Emergency Response Plan* and the *Information Security System Management Manual*.

The Group has appointed an information security responsible person who is fully accountable for data compliance, guiding, coordinating and supervising all data security work and implementation of our policies. This role requires relevant professional skills and includes responsibilities such as coordinating internal data security activities, formulating and overseeing protection plans, issuing and updating policies and procedures, organising training, liaising with regulatory authorities on security incidents, and adjusting measures in response to the evolving regulatory environment.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have established and maintain an Information Security Management System (ISMS) in accordance with the requirements of ISO/IEC 27001. The ISMS is supported by a clear information security policy: security first, prevention first, integration of management and technology, and continuous improvement. Senior management demonstrates leadership and commitment by ensuring adequate resources, defining roles and responsibilities, conducting risk assessments, performing internal audits and management reviews, and driving continual improvement. An emergency response team comprising a leadership group, execution group and support group oversees the handling of security incidents.

 <p>DNV MANAGEMENT SYSTEM CERTIFICATE</p> <p>This is to certify that the management system of <b>Tudatong (Suzhou) Co., Ltd.</b> at: Building 5A, Yongze River Delta International R&amp;D Community, Qingcheng Road, Wuxi City, Jiangsu Province, China, 215122 and the sites as mentioned in the appendix accompanying this certificate has been found to conform to the Information Security Management System standard: <b>ISO/IEC 27001:2022</b> This certificate is valid for the following scope: Information Security Management System Covers the Design, Manufacture and Sales of PCBs, as well as the related Facilities, Infrastructure and Personnel for these Activities. This is in accordance with the Statement of Applicability, Version V1.0</p> <p>IAF CNAS</p>	 <p>DNV MANAGEMENT SYSTEM CERTIFICATE</p> <p>This is to certify that the management system of <b>Tudatong (Suzhou) Co., Ltd.</b> at: Building 5A, Yongze River Delta International R&amp;D Community, Qingcheng Road, Wuxi City, Jiangsu Province, China, 215122 and the sites as mentioned in the appendix accompanying this certificate has been found to conform to the Information Security Management System standard: <b>ISO/IEC 27001:2013</b> This certificate is valid for the following scope: Information Security Management System Covers the Design, Manufacture and Sales of PCBs, as well as the related Facilities, Infrastructure and Personnel for these Activities. This is in accordance with the Statement of Applicability, Version V1.0</p> <p>IAF CNAS</p>
<p>ISO/IEC 27001:2022 UKAS Certification</p>	<p>ISO/IEC 27001:2013 CNAS Certification</p>

## Information Security Management Measures

Seyond applies a full-lifecycle approach to data security across all data assets, including business data, network systems, host data and application data. The Group processes data according to seven core principles: legality, authorisation, desensitisation, data isolation, localisation of storage, security and accountability.

The Group classifies data into six categories: personal information, business data, important data, surveying and mapping data, national core data and national secrets, each with specific control requirements. It further grades data into four levels: public, internal, sensitive and confidential, and requires mandatory marking, access restrictions, storage rules, distribution controls and destruction procedures. Key measures include:

- clear security-level marking on data creation (physical labels or electronic indicators);
- encryption for transmission and processing of important or sensitive data;
- regular backups using local, off-site or multi-medium methods to guarantee recoverability;
- secure handling of mobile storage media (physical locking, encryption for sensitive data, secure deletion or degaussing);
- need-to-know access based on approved user accounts and passwords;
- authorised use of sensitive and confidential data only by personnel who sign confidentiality agreements and complete training.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For third-party data, Seyond follows the principles of compliance, necessity and traceability. The Group obtains and archives written customer authorisation before using client data. It requires prior legal and security assessment and approval for any outbound data provision. Upon contract termination or project completion, the Group ensures recipients delete the data unless law or contract requires otherwise.

### *Information Security Training*

Seyond delivers systematic network and data security training to all personnel. The Group makes training mandatory upon onboarding and at least annually thereafter, supplemented by departmental and role-specific sessions.

The Legal Department and IT Department design the content, which covers laws and regulations, internal policies, common operational risks and best practices. Training occurs in person or online; the Group retains records and conducts post-training assessments. It considers assessment results in recruitment, promotion and disciplinary decisions. In addition to formal training, the Group runs daily education initiatives to strengthen awareness across the organisation.

### *Personal Privacy Protection*

Seyond embeds personal privacy protection throughout its data security framework. The Group classifies personal information separately and applies enhanced controls. It processes personal information in accordance with the principles of lawfulness, purpose limitation and minimisation. When clients provide personal information, the Group obtains explicit written authorisation and archives it. Any entrustment to third parties, provision to third parties or cross-border transfer triggers a Personal Information Protection Impact Assessment under the Personal Information Protection Law.

During the Reporting Period, no cross-border transfer of important data is involved.

The Group never treats personal information as ordinary business data; when it overlaps with other categories, it always assigns the higher protection level. Seyond maintains records of processing activities and responds promptly to data-subject requests.

### *Emergency Response*

The *Network and Information Security Incident Emergency Response Plan* covers all network security events, data security events and personal-information security events. The Group classifies incidents into four levels: general, larger, major and particularly major, according to business impact, duration of disruption, scale of data affected and number of individuals impacted.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Upon detection, the emergency response team activates immediately. The process includes:

- immediate internal reporting to the emergency leadership group using a standardised template;
- severity assessment and containment;
- root-cause analysis, evidence preservation and mitigation to limit damage;
- system recovery and restoration of normal operations;
- post-incident investigation, documentation and lessons-learned review;
- regulatory notification when thresholds are met.

The Group conducts annual drills to test the plan's effectiveness, records the results and uses them to refine procedures. It retains all records securely and applies strict access controls.

During the Reporting Period, there were no information security or privacy breaches in the Group.

### Intellectual Property

Seyond recognises intellectual property as a vital asset that drives innovation and strengthens its competitive advantage in the LiDAR industry. The Group maintains systematic practices to protect its own intellectual property rights and to respect the rights of third parties.

#### *Protect our Intellectual Property*

The Group files patent, trademark and copyright applications immediately for any new inventions, brands or creative works before public disclosure. The Group safeguards core technologies and confidential commercial information through strict access controls, secure storage and confidentiality agreements signed by all relevant personnel, consultants and partners. Seyond conducts regular market monitoring to detect any copying, counterfeiting or unauthorised use of its products and technologies. In addition, the Group educates employees on the importance of intellectual property assets and their personal responsibility to prevent unauthorised disclosure or misuse.

To standardise our patent work, promote technological innovation, and establish independent intellectual property rights, the Invention Reward Policy is developed to encourage inventions by our employees and raise awareness of the importance of developing intellectual property. Central to our IP protection efforts is the Invention Disclosure Form (IDF) process. The IDF serves as an internal tool that allows our employees to report their inventions to the Group. It is the first step in helping us assess the novelty, potential market value, and overall significance of an invention. Once an IDF is submitted, our Patent Committee reviews it to determine the most suitable course of action. This may include filing a patent application to obtain exclusive rights over the invention, protecting it as a trade secret, or strategically publishing the invention to prevent others from patenting it.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Respect for Third-Party Intellectual Property*

Seyond fully respects the intellectual property rights of others. Before using any third-party software, images, fonts, technologies or materials, the Group obtains appropriate licences or explicit authorisation. Employees review licence terms carefully and comply strictly with all restrictions, including permitted uses and commercial limitations. Seyond prohibits the installation of pirated software and the use of unauthorised online content on its systems. The Group retains complete records of all purchase agreements, licences and supporting documents for verification and audit purposes.

Seyond has built a strong global patent portfolio. By the end of the Reporting Period, the Group holds 156 granted patents worldwide, including 66 granted patents in China and 72 granted patents in the United States. The portfolio also includes 11 granted patents in the Republic of Korea, 3 granted patents in Japan and 4 granted patents in Europe.

In addition, Seyond has approximately 200 patent applications pending across key jurisdictions, including 74 pending applications in the United States and 63 pending applications in China.

## EXCELLENT PRODUCT AND SERVICES

### R&D Development

#### *R&D Strategies*

Seyond drives innovation to shape the future of intelligent perception. The Group builds its research and development strategy in line with our vision. Seyond advances high-performance LiDAR perception systems across all domains, focuses on precise detection of three-dimensional world information and constructs a diversified 3D vision perception ecosystem. As a global leading provider of image-grade LiDAR solutions, Seyond empowers all things with intelligent perception capabilities through reliable and outstanding products and services.

Our core values of “Emerging, Dynamic, Genuine and Excellence” guide the R&D team in its pursuit of continuous breakthrough.

Emerging	Embodies a global perspective and growth mindset
Dynamic	Highlights the spirit of bold innovation
Genuine	Reflects the philosophy of collaborative win-win outcomes and customer priority
Excellence	Means a relentless pursuit of perfection in products and technology

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *R&D Capabilities*

### Global R&D Centres and Team

Seyond operates a global R&D network with centres in Silicon Valley, Suzhou and Shanghai. These centres integrate expertise in optics, electronics, software and systems engineering. The Group adopts a platform-based R&D strategy in which all the teams share core hardware technology stacks, enabling efficient collaborative innovation.

By the end of the Reporting Period, the Group employed 354 R&D personnel, of whom more than 80% hold core technical positions. Core R&D talent retention exceeds 90% and key-position skill compliance reaches 98%. This strong talent foundation supports sustained technological innovation and product iteration.

The R&D system covers the entire product development lifecycle, from prototype fabrication and validation to mass-production introduction. The R&D testing centre, new product introduction team and process engineering team work closely to ensure rapid conversion of R&D outcomes into scalable production capabilities.

### R&D Talent Development and Retention

The Group actively recruits top talent globally from leading universities and maintains a shared R&D knowledge repository to promote knowledge transfer and experience inheritance.

The Group rewards teams that achieve major technological breakthroughs and encourages patent applications to foster a culture of innovation. From the moment an employee submits an IDF, they become eligible for a range of incentives. Our Distinguished Inventor Recognition program further praises significant milestones in an employee's inventive journey, with tiered levels of recognition based on the number of patent applications they are named on.

## *R&D and Innovation Process*

### Full Product Lifecycle

Seyond follows a structured, standardised product development lifecycle based on the Advanced Product Quality Planning framework. The process ensures rigorous planning and verification at every stage from concept to mass production. The Group organises projects around five key milestones defined in its *Project Management Procedure*: Project Planning, Concept Verification, Design Verification, Product and Process Verification and Production Launch. Cross-functional teams conduct technical reviews at each milestone to assess project health and adjust plans accordingly.

The Group implements and strictly adheres to internal standards including the *Project Management Procedure* and the *Hardware Development and Verification Management Standard*. These standards guarantee traceability and controlled management from requirements input through to final deliverables, laying a solid foundation for high-quality product delivery.

### R&D Project Governance

Seyond has established a robust and clearly defined governance framework for all R&D projects. This structure ensures strong accountability, efficient decision-making and proactive risk control throughout the development process.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- **Technology Committee**

The Technology Committee, comprising the Group’s senior technical leaders, sets major technology directions, defines platform strategies and allocates critical resources, ensuring full alignment between technological innovation and business objectives.

- **Four-Horse Carriage Coordination Mechanism**

Seeyond employs a robust project management mechanism known as the “Four-Horse Carriage” model, comprising the Project Manager (PM), Technical Project Manager (TPM), Technical Leader (TL) and Advanced Quality Engineer (AQE). These roles collaborate closely throughout the project lifecycle:

Role	Core Responsibilities
PM	Oversees overall schedule and resources, coordinates cross-functional collaboration and ensures milestone achievement
TPM	Clarifies technical requirements, conducts scheme reviews and manages technical risks to align solutions with customer needs
TL	Leads core technology design and decision-making, drives resolution of technical challenges and maintains product competitiveness
AQE	Participates in quality planning and control at every stage, leads issue closure and drives continuous quality improvement

- **Responsible Team**

Risk management is systematically embedded at project level. Every team maintains a dynamic risk register that identifies technical, scheduling, resource and other potential risks, formulates targeted mitigation strategies and updates them on an ongoing basis to ensure smooth project execution.

This integrated governance framework enables highly efficient cross-functional collaboration and effective risk control, providing a solid organisational foundation for continuous technological innovation and successful product industrialisation.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Breakthroughs and Innovations

### Key Achievements

#### “Falcon” Series – 1550 nm High-Performance Flagship

The “Falcon” series adopts 1550 nm technology and targets premium vehicle applications with ultra-long-range detection. The “Falcon K3”, a flagship product launched in 2025, achieves a standard detection range of 350 metres and a maximum range of 600 metres. It reliably identifies distant vehicles at highway speeds and detects small obstacles such as tyres and cartons, providing ample decision time for highway pilot and emergency avoidance functions.

As at the end of the Reporting Period, the “Falcon” series had cumulatively delivered exceeding 600,000 units.

		
Falcon K1	Falcon K2	Falcon K3

#### “Robin” Series – 905 nm/940 nm Cost-Effective Mainstream Solutions

The “Robin” series serves urban low-to-medium-speed forward and side-view scenarios.

“Robin E1X”: Launched into mass production in 2025, the “Robin E1X” offers a maximum detection range of 250 metres while consuming only 6W of power. This ultra-low power consumption makes it ideal for volume-production vehicles. The first collaborative model is scheduled to enter production in 2026.

“Robin E2X”: The “Robin E2X” has completed platform development and entered the mass-production introduction phase. The model continues to undergo targeted performance optimisation to meet urban and suburban application requirements.

“Robin E2”: Unveiled at the Shanghai International Auto Show 2025, the “Robin E2” is a high-resolution digital forward-looking LiDAR. Equipped with a digital architecture and SPAD-SoC chip, it delivers high-fidelity point-cloud output.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

“Robin W”: The “Robin W” wide field-of-view LiDAR has achieved large-scale production. It pairs with the “Falcon” series in a “1+2” configuration which creates a full-scene perception matrix that seamlessly covers long-range to close-range, and from primary vision to blind-spot.

		
Robin E1X	Robin E2	Robin W

“Hummingbird” Series – Pure Solid-State Technology Roadmap

“Hummingbird HD1” is an automotive-grade fully solid-state FLASH LiDAR designed for L2 to L4 autonomous driving, robotics and industrial automation. Its sensor employs pure electronic scanning with no mechanical moving parts, delivering advantages in environmental adaptability, production consistency and long-term reliability. It provides a 140° × 100° ultra-wide field of view and detects obstacles as low as 10 cm, supporting flexible mounting positions such as fenders and bumpers.

Built on the “Hummingbird HD1” architecture, the “HD1-R” is a dedicated robotic variant optimised specifically for non-automotive scenarios. It could be deployed in logistics, warehousing and industrial automation fields. This model establishes a strong foundation for Seyond’s expansion into the non-vehicle market.

The “Hummingbird HD1X” is a pure solid-state LiDAR that adopts a 1D VCSEL solution. Targeted at cost-sensitive applications, this model forms an important part of Seyond’s ongoing exploration of diversified technology roadmaps.


Hummingbird HD1

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Green Products and Technologies

Seyond integrates green design principles across its entire product portfolio to minimise energy consumption and reduce environmental impact throughout the product lifecycle.

- **Ultra-low power consumption:** The “Robin E1X” achieves industry-leading efficiency with only 6W power consumption while delivering strong performance, perfectly meeting the energy-saving requirements of volume-production vehicles.
- **Optimised thermal management:** Through embedded heat-sink designs and copper-filled thermal vias, the Group significantly improves PCB thermal conductivity and heat dissipation efficiency, thereby reducing overall energy use.
- **Lightweight design:** Chip-level integration and structural optimisation reduce the number of components, lowering the product’s weight and its full-lifecycle environmental footprint.
- **Circular economy practices:** Seyond actively promotes the use of recycled materials and has set a clear target of achieving at least 30% recycled material utilisation in its products.

## Support for Communication

### Exchange and Communication

Seyond actively contributes to industry standardisation through participation in associations, customer forums and partner exchanges. The Group shares technical insights and best practices to advance LiDAR technology adoption.

### Shanghai International Auto Show 2025

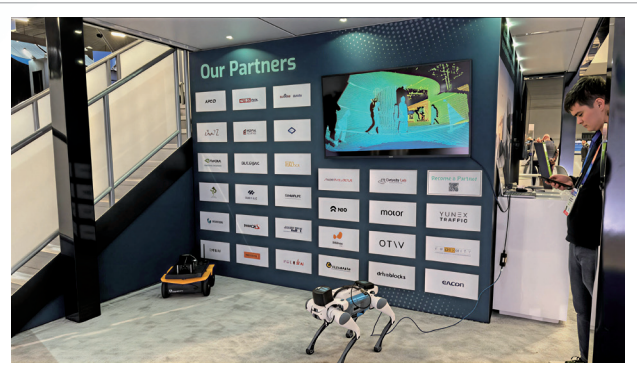
Seyond presented three breakthrough LiDAR products — the “Falcon K3”, “Robin E2” and “Hummingbird D1” — offering comprehensive solutions for L2/L3 assisted driving. The stand attracted widespread attention from domestic and international OEMs, industry partners and media, deepening collaboration with existing partners and generating preliminary cooperation intentions with several potential customers.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Consumer Electronics Show (CES) 2025

In Las Vegas, US, Seeyond highlighted its high-performance LiDAR portfolio, including the “Falcon K” series, “Robin W”, and the intelligent traffic management platform SIMPL. The Group officially launched the new long-range “Robin E1X” at the show. Live demonstrations of the “Robin W” integrated into a robotic dog and unmanned ground vehicle vividly illustrated its wide-angle perception capabilities for advanced navigation and precise obstacle avoidance.



## IAA Mobility 2025

In Germany, Seeyond exhibited its core product lineup, including the “Falcon K2”, “Robin W”, “Robin E1X” and “Hummingbird D1”. The display attracted strong interest from European OEMs, mobility technology companies and industry organisations, highlighting the differentiated advantages of its solutions in intelligent mobility applications.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Intelligent Transportation Systems (ITS) World Congress 2025

At the ITS World Congress 2025, Seyond focused on image-grade LiDAR and AI-powered solutions under the themes of “real-time high-resolution detection”, “precise multi-modal traffic control”, and “scalable solutions for intersections and highways”. The Group demonstrated how its SIMPL platform seamlessly integrates with existing ITS infrastructure to optimise traffic flow and support the development of safer, more efficient and intelligent urban transportation systems.



## Cross-Industry Collaboration

As one of the few companies with proven commercial deployments in both automotive and non-automotive sectors, Seyond has successfully extended its LiDAR solutions into a wide range of diversified applications. These include robotics, unmanned delivery, smart cities, intelligent highways, smart rail transit, smart sanitation, low-altitude economy and industrial automation.

By leveraging the technological advantages and large-scale manufacturing capabilities accumulated from its automotive business, Seyond has broadened its growth horizons and unlocked new momentum. This approach has enabled the Group to establish a complete closed loop of “technological breakthrough — scenario implementation — industrial upgrading”, fully demonstrating the strong capability of its three-dimensional perception technology to deliver core value across multiple application domains.



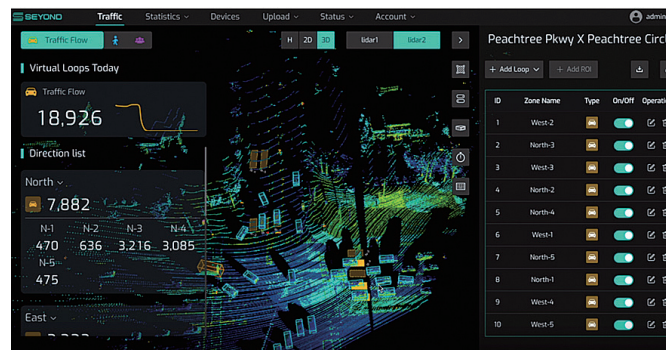
Diversified Applications of our LiDAR Solutions

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

*Case: Collaboration with Aventi Sweden*

During the Reporting Period, the Group signed a strategic cooperation agreement with Aventi Sweden, a leading Nordic provider of ITS infrastructure. The project, valued at approximately USD2.6 million, will see Seyond’s SIMPL intelligent traffic management platform fully integrated into Aventi Sweden’s product portfolio and deployed at multiple key traffic intersections across Sweden.

Powered by Seyond’s image-grade LiDAR technology and advanced AI algorithms, the SIMPL platform delivers reliable, high-precision, all-weather real-time traffic data collection and analysis. This enables enhanced road safety, optimised toll management efficiency and more effective infrastructure maintenance planning, with strong applicability across intersections, highways and other complex traffic scenarios.



Interface of SIMPL

## Product Quality & Safety

Seyond has always implemented the strategy of “quality first” and is committed to delivering consistent, high-quality LiDAR products and solutions that meet or exceed customer expectations while complying with all applicable regulatory and industry requirements. The Group fully complies with the Product Quality Law of the People’s Republic of China, the Standardization Law of the People’s Republic of China, relevant local laws and regulations, and applicable industry standards in all operating regions, in particular relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.






During the Reporting Period, Seyond recorded no product or service safety violations and no product recalls.

### Quality Management System

Seyond has established and maintains a comprehensive quality management system. This system is documented in the Group’s *Quality Manual*, which serves as the top-level guiding document for quality management across all subsidiaries and manufacturing sites.

Seyond has obtained multiple internationally recognised certifications that demonstrate the maturity and robustness of its quality and safety systems:

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	
<p>ISO 26262:2018 Functional Safety Management System Certification</p>	<p>IATF 16949:2016 Automotive Quality Management System Certification</p>
	
<p>ISO/SAE 21434:2021 Automotive Cybersecurity Management System Certification</p>	<p>ISO 9001:2015 Quality Management System Certification</p>
	
<p>ISO 21448:2022 SOTIF (Safety of the Intended Functionally) Management Process Certification</p>	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Quality Management Principles and Approach*

Our quality management principles guide every aspect of Seyond's operations and decision-making, ensuring that quality is embedded throughout the organisation.

- Customer focus
- Leadership
- Engagement of people
- Process approach
- Improvement
- Evidence-based decision making
- Relationship management

Seyond adopts the process approach as the foundation of its quality management system. All key activities, from product design and development through procurement, manufacturing, verification, delivery, and after-sales support are managed as interconnected processes. The Group defines clear inputs, outputs, sequence, interaction, and performance criteria for each process to achieve planned results and enhance overall system effectiveness.

Continuous improvement is driven by the PDCA cycle (Plan-Do-Check-Act), which is systematically applied to individual processes and the quality management system as a whole:

- **Plan:** Establish quality objectives, identify risks and opportunities, determine resources, and plan processes aligned with the Group's strategic direction and customer requirements.
- **Do:** Implement the planned processes under controlled conditions.
- **Check:** Monitor, measure, and analyse process performance, product conformity, customer satisfaction, and system effectiveness, using data and objective evidence.
- **Act:** Take corrective actions, implement improvements, and update processes to prevent undesired outcomes and capitalise on opportunities for enhancement.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk-based thinking is integrated at every level of planning and execution. Seyond proactively identifies potential risks and opportunities that could affect product quality, process stability, customer satisfaction, and regulatory compliance. Through structured risk analysis, preventive controls, and contingency planning, the Group minimises adverse impacts while maximising positive outcomes.

### *Product Safety & Conformity*

Seyond places the highest priority on product safety and has established a dedicated *Product Safety Control Procedure*. All Seyond LiDAR products strictly comply with Class 1 laser safety standards, ensuring no harm to human eyes or skin under normal operating conditions. Our Product Safety & Conformity Representative (PSCR) is formally appointed and empowered to lead and coordinate all activities related to safety-critical products and manufacturing processes, ensuring proactive prevention of safety defects throughout the entire product lifecycle.

The key responsibilities of the PSCR include:

- Participation in design and process Failure Mode and Effect Analysis (FMEA) to identify and mitigate safety-related risks.
- Regular verification of safety-critical characteristics.
- Training and awareness programs for personnel involved in safety-related activities.
- Defined escalation and notification procedures for potential safety issues.

We ensure that all personnel involved in product safety-related activities receive appropriate training. This includes training on customer requirements, the consequences of nonconforming product to customers, and specific safety-related procedures. Training records are maintained as evidence of competence.

### *Nonconforming Product Management*

Seyond has established robust processes for managing product nonconformities and customer notifications, ensuring prompt and effective response to any quality or safety issues that may arise.

We have implemented a comprehensive *Nonconforming Product Control Procedure* that governs the identification, segregation, and disposition of nonconforming products. When we detect nonconformities, we take immediate action to identify and segregate affected products, evaluate the nature and extent of the issue, determine appropriate disposition including rework, repair, concession, or scrap, and implement corrective actions to prevent recurrence.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group maintains a comprehensive traceability system that enables accurate identification and isolation of nonconforming or suspect products. Our system allows us to precisely identify affected products, quarantine them within our organisation, meet customer and regulatory response time requirements, and maintain documented information in accessible formats. We analyse all internal, customer, and regulatory traceability requirements and develop documented traceability plans based on risk levels and failure severity. Where required, we extend these requirements to externally provided products with safety or regulatory characteristics.

We have established a *Product Recall Control Procedure* to ensure that, when products delivered contain critical nonconformities (including safety hazards), timely notification could be provided to relevant stakeholders, followed by immediate initiation of a product recall. This process secures swift and complete control of affected products to prevent or mitigate customer losses. During the Reporting Period, Seeyond didn't have product recall.

## Customer Services

### *Customer Orientation and Requirements Management*

The Sales Department and Marketing Department serves as the primary customer interface, collecting feedback, complaints, and expectations while conveying customer special requirements to internal teams. Before accepting any order, we conduct thorough reviews to ensure we fully understand and can meet all customer specifications, including product characteristics, delivery terms, and applicable regulatory requirements. Where customers specify special characteristics, we ensure these are documented, controlled, and monitored throughout our processes. The Business Development and Field Application Engineering team maintains regular engagement with customers through scheduled visits, using standardised questionnaires updated annually to reflect market developments.

### *Customer Satisfaction Measurement*

Seeyond continuously monitors customer satisfaction through structured evaluation of both internal and external performance indicators. Every December, we conduct a formal customer satisfaction survey to gather direct feedback through email invitations. We review all feedback received throughout the year and calculates average satisfaction scores. We combine monthly performance data with annual survey results to produce a comprehensive customer satisfaction report.

### *Issue Resolution and Continuous Improvement*

The Group considers the full product lifecycle in our customer service approach, including applicable regulatory requirements, product characteristics and intended lifespan, and potential adverse consequences associated with product use, ensuring we provide appropriate support throughout the product's service life and maintain our commitment to customer satisfaction beyond initial delivery.

When quality or safety issues arise, we have clear protocols for notifying affected customers immediately with detailed documentation. We apply structured problem-solving methodologies to investigate complaints and field failures, including analysis of returned parts. Upon receiving any customer feedback, responsible teams must provide an initial response within 24 hours, complete a root cause analysis within five working days, verify improvement measures within 14 days, and deploy comprehensive solutions within 30 days.

During the Reporting Period, we did not receive any material products and service related complaints.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Responsible Marketing

Seyond is committed to marketing products and services in a manner that is truthful, transparent, and aligned with our core values of integrity and customer focus. Our responsible marketing practices ensure that all communications accurately represent our products' capabilities and comply with applicable laws and regulations.

The Group ensures that all marketing materials, technical documentation, and product claims accurately reflect the verified performance and specifications of our LiDAR products. Our Sales and Marketing Department serves as the primary interface with customers, ensuring that all product information, technical specifications, and commercial terms are communicated clearly and accurately. Before accepting any customer order, we conduct thorough reviews to ensure alignment between our marketing representations and our ability to deliver as promised.

## Supply Chain Management

The Group recognises that a responsible and resilient supply chain is essential to delivering high-quality products and maintaining our commitment to ethical business practices. We manage our supply chain through a structured framework encompassing supplier access and evaluation, ESG management, and ongoing performance monitoring.

### *Supplier Evaluation*

Seyond maintains a rigorous process for selecting and qualifying suppliers to ensure they meet our quality, compliance, and business requirements. Our supplier selection process includes comprehensive risk assessments that evaluate product conformity and the supplier's ability to ensure uninterrupted supply. We assess suppliers based on multiple criteria, including quality and delivery performance, financial stability, manufacturing capacity, technical capability, and management systems.

Suppliers are required to demonstrate compliance with applicable laws and regulations, including those related to product safety, environmental protection, and labour practices. Where suppliers provide automotive products or components, we require them to maintain a certified quality management system. For suppliers of products with embedded software, we require them to implement and maintain a software quality assurance process appropriate to the risks involved.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Supplier ESG Management*

We expect all suppliers to conduct their operations in a socially responsible and environmentally sustainable manner. Our *Partner Code of Conduct* sets out clear requirements across three key areas:

- **Social Responsibility:** Suppliers must respect human rights and dignity, adhering to principles concerning child labour, forced labour, freedom of association, non-discrimination, and safe working conditions. They are expected to provide fair compensation and benefits that at least meet applicable legal requirements.
- **Environmental Protection:** Suppliers must implement environmental management programmes that minimise resource consumption and environmental impact. We expect specific efforts to reduce air emissions including greenhouse gases, minimise waste and water use, and implement sustainable resource recovery and management processes.
- **Business Integrity:** Suppliers must comply with all applicable competition and anti-corruption laws, including prohibitions on bribery and improper payments. Our zero-tolerance policy extends to any form of corruption, fraud, or deceit, and we require suppliers to refrain from offering or accepting any undue advantage in connection with Seyond business.

## *Supplier Monitoring*

Continuous monitoring is central to ensuring ongoing supplier compliance and driving improvement. Key performance indicators, including delivered product quality, on-time delivery rates, and any disruptions to Seyond's operations, are consistently tracked.

To verify adherence to the *Partner Code of Conduct*, Seyond reserves the right to conduct internal audits and investigations at supplier facilities. With reasonable notice, suppliers must provide access to their premises and relevant records. When issues are identified, suppliers are required to employ structured problem-solving methods, including root cause analysis, to implement corrective actions and prevent recurrence.

Should a supplier fail to meet our requirements, consequences may range from corrective action plans and increased monitoring to suspension or termination of the business relationship. In cases involving fraud, corruption, or other serious misconduct, Seyond reserves the right to pursue all available legal remedies. Through this comprehensive approach, Seyond seeks to cultivate long-term partnerships with suppliers who share its dedication to quality, integrity, and sustainability.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## GROWING WITH EMPLOYEES

### Employee and Labour Practices

Seyond is committed to fostering a respectful, inclusive, and supportive workplace where all individuals are treated fairly, have access to opportunities for growth, and feel valued for their contributions. The Group's employment practices are built upon a foundation of legal compliance, a commitment to diversity and inclusion, and a comprehensive approach to employee benefits and welfare, as detailed in the *Employee Handbook* and related policies.

#### *Labour Compliance*

Seyond strictly complies with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, and other relevant laws and regulations, in particular relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity and other benefits and welfare as well as child or forced labour. We formulated internal policies, such as the *Recruitment Management System* and the *Employee Handbook*, to ensure legal compliance of our employment practices.

We guarantee that the recruitment process is fair and transparent, and the promotion and dismissal processes are clear and consistent, thereby protecting the legal rights of our employees. With the candidates' consent, their identification documents and personal information are carefully verified to ensure compliance with the statutory minimum working age, preventing the employment of child labour. During employment, we ensure that our employees are engaging in work activities voluntarily without any forced labour. If any violations of employment regulations are discovered, immediate investigation will be launched, and corrective measures are taken.

During the Reporting Period, no incidents of forced labour or child labour have occurred.

#### *Diversity, Equality and Inclusion*

Seyond is an equal opportunity employer and is committed to creating a diverse and inclusive work environment where all employees can thrive. The Group's recruitment principles explicitly prohibit discrimination based on gender, region, ethnicity, belief, height, or any other characteristic, ensuring that all candidates and employees receive fair and unbiased treatment. *The Employee Handbook* reinforces this commitment, stating that employees will not face discrimination or unjust treatment during the application, interview, or employment process.

For our offices in US, the Group ensures accessibility by providing facilities that comply with the Americans with Disabilities Act, including wheelchair-accessible pathways and designated nursing rooms for new parents, demonstrating its commitment to inclusivity and respect for individual needs.

#### *Benefit and Welfare*

Seyond offers a comprehensive compensation and benefits package designed to attract, retain, and motivate our talented workforce. Our compensation structure includes a fixed salary, performance bonus, various welfare benefits (such as seniority allowance), and a 13th-month payment for both non-frontline and frontline employees, with the addition of a skill-based wage and a full attendance bonus for frontline staff. The seniority allowance is based on an employee's length of service and job level, while performance bonuses are discretionary and depend on various factors, including our financial indicators, performance targets, and strategic direction. In addition to competitive compensation, we provide our employees with a range of statutory welfare benefits, including social insurance, housing provident fund, and paid statutory holidays, to ensure compliance with legal requirements and to support our employees' overall well-being.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To foster team cohesion and a positive workplace culture, the Group organises regular social events and activities for all employees, including tailored celebrations for holidays.



Celebrating International Women's Day



Holiday Party



Halloween Party



Pottery



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Employee Training and Development

At Seyond, fostering a culture of continuous learning and professional growth is essential to the Group's success. Seyond has established a comprehensive *Training Management System* designed to enhance employee knowledge, develop practical skills, and support career progression, ensuring that the workforce remains capable of meeting evolving business challenges and quality standards.

### *Training Framework*

Seyond's training framework operates at both Group and departmental levels to address strategic objectives and specific operational needs. The Human Resources Department (HR) leads the development and implementation of group-level training plans, conducting annual training needs surveys to identify common requirements that support the Group's strategic direction. Based on these findings, HR formulates an annual training plan, which is approved by management and subsequently rolled out across the organisation. Departmental training, focusing on role-specific skills and technical competencies, is organised by individual business units with support from HR Business Partners. This structured approach ensures that training efforts are aligned with business goals while remaining responsive to the practical needs of each team.

The Group's training programmes span four core areas:

- Knowledge training to build foundational expertise;
- Skills training to enhance practical application;
- Quality training to instil professional values and company culture;
- Quality system training to embed a thorough understanding of Seyond's quality management processes.

### *Employee Development Pathways*

Seyond provides diverse learning opportunities through internal and external channels to support employees at every stage of their careers.

All new hires participate in a structured induction programme that covers company policies, product knowledge, safety standards, and quality systems, enabling them to integrate smoothly into the organisation. For existing employees, ongoing internal training is delivered through lectures, workshops, and expert sessions, fostering knowledge sharing and professional growth across teams. The Group also maintains an online learning platform, offering flexible access to a wide range of resources for self-directed development.

To strengthen internal capabilities, Seyond encourages subject matter experts and experienced professionals to serve as internal instructors. Department heads bear primary responsibility for developing their teams, and technical experts contribute by designing and delivering training courses. Internal instructors are formally certified through a process that assesses teaching effectiveness, subject matter expertise, and instructional techniques, with outstanding instructors recognised through regular certificate presentation ceremonies.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For specialised development needs, external training is available to high-potential employees and those in critical roles, covering advanced technical knowledge, management skills, and leadership competencies. External training requires approval through a structured process, and participants are expected to share their learning with colleagues upon completion, thereby multiplying the value of the investment. The Group also ensures that employees in legally mandated roles, such as electricians and internal auditors, obtain and maintain the necessary certifications through ongoing training and recertification programmes.

### *Performance Management*

Seyond has established a comprehensive performance management system to strengthen strategic alignment and performance orientation, motivating employees to continuously improve their work effectiveness and professional capabilities while enhancing overall organizational efficiency.

The Performance Management Committee, consisting of a leadership group and an assessment team, provides oversight for performance-related matters. Performance targets are set through collaboration between employees and their supervisors at company, departmental, and individual levels, with ongoing monitoring, feedback, and structured performance review discussions conducted throughout the year.

Performance evaluation outcomes serve as a key basis for talent development and organizational management. Outstanding performance is prioritized for career progression and is integrated with the Group's qualification management system to support promotion decisions. Results also inform compensation adjustments, incentive schemes, the identification of training needs, and role optimization. A formal appeal process is in place to ensure fairness and transparency in evaluations.

### **Occupational Health and Safety**

Seyond is committed to providing a safe and healthy working environment for all employees. The Group adheres strictly to the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Work Safety Law of the People's Republic of China, and other relevant regulations, in particular relating to providing a safe working environment and protecting employees from occupational hazards. Guided by its *Occupational Health and Safety Management Policy*, Seyond Prioritises "Safety First, People-centred, Risk Control, and Healthy Development" to eliminate occupational hazards and achieve zero workplace accidents.

### *Management System*

Seyond has established a comprehensive occupational health and safety (OHS) management system, documented in procedures such as the *Environment and Occupational Health and Safety Operation Control Procedure* and the *Environmental Health and Safety (EHS) Responsibility System for All Employees*. The Manufacturing and EHS Department leads OHS activities, with clear responsibilities assigned at all levels:

- Senior management oversees strategic direction, resource allocation, and policy implementation, ensuring OHS integration into business operations.
- Department heads identify hazards, conduct risk assessments, and enforce controls in their areas.
- All employees participate in hazard reporting, safety training, and compliance, fostering a culture of shared accountability.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



### Hazard Identification and Risk Management

Seyond implements a structured process for hazard identification and risk evaluation, as outlined in the *Control Procedure for Hazard Identification and Evaluation*. The Group systematically identifies potential hazards across routine and non-routine activities, including physical, chemical, biological, ergonomic, and psychosocial factors. Risks are evaluated using qualitative and quantitative methods, prioritised by severity, and mitigated through engineering controls, administrative measures, and personal protective equipment (PPE).

The *Occupational Health and Safety Hidden Danger Investigation and Governance Management System* requires regular inspections, with hidden dangers classified by level and addressed promptly. Major hazards trigger immediate escalation and corrective action plans. For high-risk operations, the *Management System for Dangerous Operations* mandates permit-to-work systems, pre-job risk assessments, and on-site supervision.

Special equipment and personnel are managed under the *Safety Management System for Special Equipment and Special Personnel*, including regular inspections, maintenance, and certification for operators. The Group maintains detailed records of all hazard assessments and controls to ensure traceability and continuous improvement.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Monitoring, Measurement, and Performance Evaluation*

Seeyond monitors OHS performance through the *Environment and Occupational Health and Safety Monitoring and Measurement Control Procedure* and *Occupational Health and Safety Monitoring and Evaluation Management System*. Key metrics include incident rates, near-misses, hazard resolution times, and employee health indicators. Regular workplace inspections, noise/vibration/dust monitoring, and health check-ups are conducted by qualified third-party agencies.

Non-conformances are addressed via the *EHS Non-conformance and Corrective Action Control Procedure*, with root-cause analysis and preventive measures implemented promptly. Performance data informs annual management reviews, driving continual improvement.



### *Training and Awareness*

Seeyond fosters OHS awareness through mandatory training programmes, as detailed in the *Occupational Health and Safety Education System*. All employees receive three-level training: company-wide induction, departmental safety protocols, and role-specific skills. Training covers hazard recognition, emergency response, PPE usage, and safe work practices, with a minimum of 24 hours annually for general staff and additional specialised sessions for high-risk roles.

Qualification is verified through assessments, with only certified employees assigned to safety-critical tasks. The Group promotes a culture of safety by encouraging hazard reporting and recognising proactive contributions, ensuring full employee engagement in OHS initiatives.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



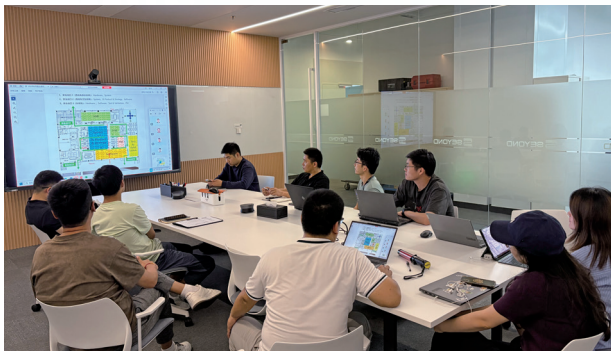
Seyond's OHS Training Program

### *Emergency Preparedness and Response*

The *Emergency Preparation and Response Control Procedure* outlines Seyond's approach to potential incidents. The Group identifies emergency scenarios through risk assessments and develops tailored response plans, including evacuation procedures, first aid, and communication protocols. Regular drills are conducted at least annually, with post-drill evaluations to refine plans.

For occupational hazard accidents, the *Emergency Rescue and Management System for Occupational Hazard Accidents* requires immediate reporting, investigation, and corrective actions. All incidents are analysed for root causes, with lessons incorporated into training and preventive measures.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Flood Prevention & Earthquake Drill Simulation



Emergency Drill

During the Reporting Period, Seyond reported zero work-related fatalities and zero occupational disease cases. The Group achieved 100% compliance with OHS training requirements and resolved all identified hazards within targeted timelines.

<b>Occupational Health and Safety</b>	<b>FY2025</b>	<b>FY2024</b>	<b>FY2023</b>
No. of work-related fatalities	0	0	0
Rate of work-related fatalities	0	0	0

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## GREEN DEVELOPMENT

### Environmental Management

Seyond is committed to environmental protection and sustainable development. We established an Environmental and Occupational Health and Safety Management System certified to ISO 14001:2015. We strictly comply with related laws and regulations, including but not limited to the Environmental Protection Law of the People’s Republic of China, the Energy Conservation Law of the People’s Republic of China, and the Water Law of the People’s Republic of China.

Given the nature of our business, the direct impacts on the environment and natural resources are minimal. Seyond has no significant impact on biodiversity, deforestation, or depletion of natural resources.

Seyond’s environmental policy is clearly stated as “Compliance, Environment Protection, Full Participation, and Sustainable Development”. We actively explore opportunities to reduce energy consumption and emissions across our operations, standardise and implement management processes and measures for emission, energy, resource and climate response, striving to create eco-friendly and resource-efficient workplaces.

By the end of the Reporting Period, we did not receive any notifications or warnings and were not subject to any fines or penalties in relation to any breach of any applicable environmental laws or regulations, in particular, relating to air emissions, discharges into water and land and generation of hazardous and non-hazardous wastes that could have a material adverse effect on our production.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Resource Utilisation

### *Energy Management*

Seyond actively promotes the efficient use of resources through its *Energy Management System* and daily operational controls.

The Group drives energy efficiency with the following key measures:

- Transitioned company vehicles to electric models and actively encourages public transport for business travel;
- Installed industrial fans in production and testing workshops to reduce air-conditioning and ventilation loads;
- Implementing strict air-conditioning protocols and keeps doors and windows closed to prevent energy loss;
- Prioritising natural lighting, automatically switches off idle equipment after 20 minutes of non-use (except pre-heating devices), and powers down all non-essential office equipment after work or during breaks;
- Prioritising photovoltaic electricity.

By 2028, the Group aims to reduce energy consumption per unit product by 7%.

### *Water Management*

Seyond attaches importance to the conservation and recycling of water resources, actively practices water-saving measures and make every effort to improve water efficiency.

We actively promote water-saving awareness among employees, fostering a culture of collective resource conservation. We also conduct regular inspections of the water pipelines, facilities, and fixtures, and upgrade outdated fixtures to minimize water loss from leaks.

Our water mainly comes from the municipal water supply, the Group encountered no challenges in sourcing water during the Reporting Period. As our operations are not water-intensive, the Group has not set specific quantitative water efficiency targets at this stage. We will continue to monitor water usage and will consider setting appropriate quantitative targets in future reporting periods.

### *Raw Material Management*

Seyond is committed to the efficient and sustainable use of raw materials. Guided by the Product Material Cost Control Management System, we set clear cost targets at project initiation, optimise designs, drive engineering changes, and waste reduction throughout development and mass production. Cross-functional teams collaborate to minimise raw material consumption while maintaining performance and quality, thereby reducing environmental impact.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Waste Management

### *Waste Management*

Seyond has established a comprehensive Waste Management System, clarified the division of responsibilities of each department, and ensured that waste is properly collected, stored, transferred, and disposed of. The EHS Department is responsible for preparing the hazardous waste management plan, clarifying the categories, generation areas, collection methods, disposal processes, and destinations of annual hazardous waste, and supervising the legal disposal of hazardous waste.

To strengthen waste management, the EHS Department regularly inspects the collection, transfer, storage, and disposal of hazardous waste to promptly identify and correct problems. Each department conducts monthly inspections on the classified management of waste within its scope of responsibility to ensure the effective implementation of the management system.

Non-hazardous waste includes general industrial solid waste and domestic waste. General industrial solid waste is classified, collected, and stored by respective departments and the warehouse, then transferred to qualified units for recycling or disposal. Domestic waste is managed by the Administration Department through classified collection and handed over to qualified sanitation companies or park property management.

In the process of waste disposal, we follow the principles of reduction, resource utilisation, and harmlessness. Priority is given to the recycling of waste to reduce the burden on the environment. For waste that cannot be directly utilised in the factory, we look for legal recycling channels. We require that the disposal process should not cause secondary pollution to the environment and give priority to recycling by material manufacturers or suppliers.

By 2028, the Group aims to decrease waste generation per unit product by 10%. To achieve this target, we will optimise production processes and material usage to reduce waste at source, and strengthen classified collection, recycling, and resource utilisation.

### *Wastewater Management*

The Group manages wastewater in strict accordance with its Wastewater Management System. Seyond discharges all domestic wastewater into municipal sewerage systems and fully complies with the relevant regional discharge standards, environmental impact assessment approvals, and pollutant discharge permit requirements.

EHS Department coordinates with local environmental and water authorities for regular monitoring and ensures that discharge volume and key indicators meet regulatory limits. Our wastewater is strictly discharged in accordance with procedures and are strictly prohibited from mixing any non-domestic wastewater into the system.

### *Noise Management*

We have established a comprehensive *Noise Management System* and clarified the division of responsibilities among various departments to ensure effective noise control. Each department is responsible for monitoring and managing the noise sources in their department, taking timely improvement measures for workstations that exceed the standard, and providing necessary labour protection for employees at those workstations. The Equipment Management Department regularly inspects and maintains equipment to reduce friction and noise. The EHS Department entrusts a qualified third-party agency to monitor boundary noise and workstation noise every year to ensure compliance with emission standards and properly retain the monitoring reports.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Product Packaging*

Some of our products require packaging to comply with the internal and customer requirements. We closely adhere to the requirements of our *Finished Product Packaging Development Management Standard* in order to reduce unnecessary packaging material consumption.

## **Response to Climate Change**

### *Governance*

The Company has established a clear three-tier governance structure for oversight of climate-related risks and opportunities, integrated within its broader ESG framework as disclosed in the section headed “ESG Governance Structure” of this report.

The Board receive updates on climate-related risks and opportunities at least annually. When overseeing strategy, major transactions and risk management processes, the Board and ESG Committee explicitly consider climate-related risks and opportunities, including potential trade-offs between short-term costs and long-term resilience.

To ensure the Board has appropriate skills and competencies available to oversee strategies designed to respond to climate-related risks and opportunities, we plan to provide training programmes on climate-related topics. Climate-related considerations are not currently factored into the Remuneration Policy.

### *Strategy*

In advancing its low-carbon transformation, the Group continuously monitors the potential impacts of climate change, systematically identifying related risks and opportunities to provide a basis for formulating response measures.

In accordance with our strategic planning cycle, the time frame of social low-carbon development goals and climate-related disclosure standards, the time horizons are defined as follows:

- **Short term:** up to 2028 (Foundation Building phase)
- **Medium term:** up to 2030 (Peak & Decarbonization phase)
- **Long term:** up to 2060 (Net-Zero phase)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Climate-related Risks:

Type of Risk	Potential Impact to Business Model and Value Chain	Qualitative Financial Impact	Impact Level	Time Horizon	Response Measures
<b>Physical Risks</b>					
<b>Acute Risks</b>					
Extreme Weather Events	<ul style="list-style-type: none"> <li>Disruptions to upstream logistics and component supply</li> <li>Impact on employee safety and disruptions to work arrangements, potentially affecting business operations</li> </ul>	Higher operating expenses Decline in asset value Decrease in operating income	Mid	Short, Medium and Long	<ul style="list-style-type: none"> <li>Promote localised procurement</li> <li>Establish clear policies on work arrangements during adverse weather conditions to mitigate disruptions and prioritise employee safety</li> </ul>
<b>Chronic Risks</b>					
Rising Average Temperatures	<ul style="list-style-type: none"> <li>Increased energy and water consumption in manufacturing facilities</li> </ul>	Higher operating expenses Higher capital expenditure	Low	Long	<ul style="list-style-type: none"> <li>Transition to renewable energy sources to offset increased energy costs</li> </ul>
<b>Transition Risks</b>					
<b>Policy and Legal Risks</b>					
Evolving Climate-related Regulations	<ul style="list-style-type: none"> <li>Increasing requirements for the accuracy of carbon emission data disclosed</li> <li>Stricter climate-related regulations may generate compliance risks</li> </ul>	Higher compliance costs	Mid	Short, Medium and Long	<ul style="list-style-type: none"> <li>Conduct ongoing research on policies to manage risks</li> <li>Strengthen communication with stakeholders and actively respond to their requirements</li> </ul>
<b>Market Risks</b>					
Shifting Demand Patterns	<ul style="list-style-type: none"> <li>Risk of losing market share if competitors offer more advanced decarbonisation products</li> <li>Need to accelerate green product development to maintain market position</li> </ul>	Decrease in financing sources Increased R&D expenditure	Low	Medium to Long	<ul style="list-style-type: none"> <li>Proactively monitor climate-related market trends</li> <li>Integrate sustainability factors into strategic planning processes and products</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Type of Risk	Potential Impact to Business Model and Value Chain	Qualitative Financial Impact	Impact Level	Time Horizon	Response Measures
<b>Technology Risks</b>					
Rapid Advancement in Low-carbon Materials and Energy Technologies	<ul style="list-style-type: none"> <li>Additional investment required to upgrade technology</li> <li>Materials and manufacturing obsolescence</li> </ul>	Higher operating expenses Higher capital expenditure	Low	Medium to Long	<ul style="list-style-type: none"> <li>Examine the viability of new technology investments and their compatibility with our business</li> </ul>
<b>Reputation Risks</b>					
Increased Concerns from Stakeholders on the Sustainability	<ul style="list-style-type: none"> <li>Failure to fulfil environmental commitments or insufficient disclosure on relevant information may lead to a decline in consumer trust, affecting brand reputation and business partnerships</li> </ul>	Decrease in financing sources	Low	Medium to Long	<ul style="list-style-type: none"> <li>Actively engage stakeholders to understand evolving expectations and continually update sustainability practices</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Climate-related Opportunities:

Type of Opportunities	Potential Impact to Business Model and Value Chain	Qualitative Financial Impact	Impact Level	Time Horizon	Response Measures
Growing Demand for Low-Carbon Autonomous Driving Solutions	<ul style="list-style-type: none"> <li>Accelerates shift to low-carbon product design and full lifecycle carbon management</li> </ul>	Increase in operating income	Mid	Short, Medium and Long	<ul style="list-style-type: none"> <li>Conduct full product carbon footprint LCA</li> <li>Prioritise low-carbon materials and high-energy-efficiency LiDAR</li> </ul>
High Supply Chain Resilience	<ul style="list-style-type: none"> <li>Enhances upstream value chain resilience through low-carbon procurement and vehicle upgrade</li> </ul>	Lower procurement and logistics costs	Low	Medium to Long	<ul style="list-style-type: none"> <li>Promote localised procurement and electrified/hydrogenised logistics</li> <li>Set climate-related KPIs when selecting suppliers</li> </ul>
Energy Structure Transition	<ul style="list-style-type: none"> <li>Transforms toward renewable energy reduces reliance on fossil fuels across production facilities</li> </ul>	Reduce energy cost	Low	Medium to Long	<ul style="list-style-type: none"> <li>Procure green electricity and install photovoltaic (PV) equipment</li> </ul>

For the climate-related risks and opportunities identified in the table above, there is no significant risk of a material adjustment within the next reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

Given the Group's scale and business nature, both current and anticipated financial effects of climate-related risks and opportunities are not considered material to the Group's overall financial position. Furthermore, where effects may exist, the level of measurement uncertainty is high and isolating specific impacts is difficult. The Group is also developing internal capabilities for preparing disclosures on anticipated financial effects. Accordingly, the Group has therefore applied the Financial Effects Relief and the Capabilities Relief (where applicable) as provided under the ESG Code. These reliefs allow the Group to omit detailed quantitative disclosures on the current and anticipated financial effects of climate-related risks and opportunities. The Group has therefore not provided such disclosures. Regarding the combined financial effects of climate-related risks and opportunities, the Group has assessed that quantitative information about these combined effects would not be useful at this stage.

The Group also recognises the importance of scenario analysis in assessing strategy resilience, identifying climate-related risks and conducting business continuity plan each year, but has not yet completed formal climate-related scenario analysis. The Group is developing internal capabilities and gathering the required data to conduct reliable scenario modelling. Accordingly, the Group has applied the Capabilities Relief and Reasonable Information Relief as provided under the ESG Code for use of climate-related scenario analysis.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Transition Plan

The Group has embedded a comprehensive climate-related transition plan into its core business strategy and decision-making processes. This plan is formally documented in the *Carbon Management Planning and Control* and serves as the Group's primary roadmap for addressing climate-related risks and opportunities.

The Company assumes that:

- Its climate-related targets are achievable through the implementation of the above pathways, supported by ongoing technological advancements and internal operational improvements.
- Current and anticipated climate policies and regulations will maintain a similar or gradually increasing level of stringency, without sudden disruptive changes that could materially alter compliance costs.
- The continued availability of sufficient capital and funding, allocated consistently with the Company's financial planning and investment decisions.

Dependencies identified in the transition plan include:

- External factors such as reliable access to green electricity supplies, advancements in low-carbon technologies from suppliers, and supportive policy frameworks.
- Internal dependencies on successful supplier engagement and capacity building across the value chain, as well as the Company's ability to secure necessary funding and skilled resources.

The Group plans to achieve its climate-related targets through the following four integrated pathways:

- **Energy structure transition:** improving manufacturing energy efficiency through hardware upgrades and process optimisation, while advancing renewable energy adoption via rooftop PV, green electricity procurement and waste heat recovery
- **Technological and process innovation:** driving low-carbon technology development, designing high-efficiency products, adopting recycled and bio-based materials, and optimising production processes
- **Supply chain coordination:** incorporating carbon performance into supplier selection, requiring science-based targets, providing training and technical support, and promoting localised procurement to reduce transportation emissions
- **Resource recycling and waste management:** designing products for easy disassembly and repair, establishing waste recycling systems that generate revenue, and optimising packaging materials to minimise waste generation

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Risk Management*

Climate-related risks and opportunities are fully integrated into the Group's risk management framework. They are recorded and assessed under the unified EHS risk assessment procedure and reviewed by the ESG Committee. This integrated structure ensures that climate considerations directly inform strategic decision-making, resource allocation and internal controls at both management and Board levels.

## *Identification and Assessment*

Seyond uses a structured risk and opportunities identification process that incorporates internal operational data, external climate science reports and industry data as key inputs and parameters. The process covers all of Seyond's owned and operated facilities, as well as material elements of its upstream supply chain, including key suppliers of components and raw materials. Risks and opportunities are assessed based on their nature, likelihood and magnitude, together with materiality thresholds such as high/medium/low ratings for likelihood and impact rather than quantitative modelling or numerical forecasts. We have not yet incorporated climate-related scenario analysis. Climate-related risks are prioritised alongside other types of risks, such as operational and financial risks, based on their potential financial impact and likelihood of occurrence.

## *Monitoring and Control*

Based on identification and assessment, we formulate management measures to prevent, avoid or mitigate risks and to pursue opportunities. All staff have the responsibility for the continuous monitoring of risks, depending on the subsequent risk rating and the strength of controls to treat the risks and realise the opportunities, and operation of controls within their area of responsibility.

## **Reporting and Decision-making**

Reporting follows a bottom-up approach with a defined cadence, departmental inputs are consolidated and escalated upward for review and decision-making on both risks and opportunities.

## *Metrics and Targets*

Seyond has established a phased target framework to monitor progress towards its strategic decarbonisation goals. The targets were developed internally, with input from senior management and operational teams, taking into account the Group's actual carbon footprint, technological feasibility, cost implications and alignment with national and international climate commitments. These targets are structured across short-term (2028), medium-term (2030), and long-term (2060) horizons, with 2025 serving as the base year for measuring progress against all targets. The Group will disclose its performance against these climate-related targets annually in the ESG report, including trend analysis and explanations of any material changes or challenges encountered.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In the short term, the Group aims to build a solid foundation for carbon management. Key objectives include completing a full ISO 14064-compliant greenhouse gas (GHG) inventory covering Scope 1 and Scope 2 emissions, establishing carbon footprint data collection mechanisms for major suppliers (such as PCB, chips, and housings), achieving at least 30% rooftop photovoltaic coverage or equivalent renewable electricity procurement, replacing adhesives and cleaning agents with low-carbon alternatives. These measures primarily serve as foundational steps for mitigation and data infrastructure development.

By 2030, the medium-term targets focus on achieving carbon peaking and accelerating decarbonisation across operations and the supply chain. These include reaching at least 60% electrification or hydrogenisation in core material logistics, achieving 70% renewable electricity usage for production through self-generated photovoltaic power, energy storage systems and green certificates, replacing refrigerants with low global warming potential alternatives. These medium-term goals also function as key interim milestones toward the 2060 net-zero vision. For the gross GHG target, we plan to achieve 10% Scope 1 and Scope 2 emissions reduction by 2030.

The long-term vision is to achieve net-zero by 2060. The Group targets net-zero emissions for Scope 1 and Scope 2, which will reduce 60% Scope 1 and Scope 2 emissions compared to the baseline year. Due to our business nature, the sectoral decarbonisation approach is not applicable.

Additional long-term goals include full adoption of hydrogen-based high-temperature welding production lines, replacing at least 95% of petrochemical plastics with bio-based alternatives, and implementing an AI-driven real-time carbon management platform across the entire Group.

Our targets have not yet been externally validated by a third party. The Group will review and disclose its performance against these climate-related targets annually in the ESG report, including trend analysis and explanations of any material changes or challenges encountered. Progress is monitored through the key metrics such as absolute GHG emissions (tCO<sub>2</sub>e), percentage of renewable electricity usage and other relevant KPIs. The Group currently has no plan to use carbon credits to achieve its emissions reduction objectives. Any future planned use of carbon credits will be disclosed in accordance with ESG Code requirements. Information about the Group's performance against the relevant climate-related target and an analysis of the same shall be provided in the future ESG reports.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## COMMUNITY ENGAGEMENT

Seyond is committed to being a responsible corporate citizen and contributing positively to the communities in which it operates. Through volunteer initiatives and partnerships with local organisations, the Group seeks to make a meaningful impact while encouraging employee participation in community-building activities. During the Reporting Period, our community contributions focus primarily on environmental protection and community welfare support.

In California, Seyond participated in the Caltrans Adopt-A-Highway Programme, assuming responsibility for maintaining a section of highway near the Company's office. Four employee volunteers dedicated two hours to litter clean-up along the adopted stretch, contributing a total of eight service hours to keeping local roadways clean and environmentally sustainable.



Adopt-A-Highway Programme

We also collaborated with a community centre in the Sunnyvale to support families in need. The Company donated approximately US\$500 worth of toys to the centre's holiday programme. On 16 December 2025, four Seyond volunteers spent two and a half hours assisting families with toy collection and distribution, contributing a total of ten service hours to ensure that local children could experience the joy of the holiday season.



Community Centre Service in Sunnyvale

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## HKEX ESG REPORTING CODE KPIS TABLE

### Environmental KPIs Table

Category	Unit	2025
<b>Air Emissions</b>		
NOX	kg	1.62
SOX	kg	0.03
PM	kg	0.12
<b>Waste</b>		
<b>Non-hazardous Waste</b>		
Households Solid Waste	tonnes	168.85
Industrial Solid Waste	tonnes	96.30
Total Non-hazardous Waste	tonnes	265.15
Total Non-hazardous Waste Intensity	tonnes/USD'000	0.002
<b>Hazardous Waste</b>		
Adhesive/glue wastes	kg	593.00
Waste oil	kg	100.00
Contaminated Rags & Wipes	kg	117.00
Spent Activated Carbon	kg	175.00
Contaminated Containers	kg	2,162.00
Total Hazardous Waste	kg	3,147.00
Total Hazardous Waste Intensity	kg/USD'000	0.02
<b>Wastewater Emissions</b>		
COD	kg	377.12
NH3-N	kg	140.29
Others	kg	145.96
<b>Packaging material</b>		
Paper	kg	24,623.00
Plastics	kg	11,873.00
<b>Resource Consumption</b>		
<b>Water Consumption</b>		
Water	m <sup>3</sup>	14,903.20
<b>Energy Consumption</b>		
Electricity	kWh	9,091,617.09
Gasoline	kWh	18,748.41
Total Energy Consumption	kWh	9,110,365.50
Total Energy Consumption Intensity	kWh/USD'000	59.08
<b>Greenhouse Gas Emission<sup>1</sup></b>		
Scope 1 Emission	tCO <sub>2</sub> e	4.89
Scope 2 Emission	tCO <sub>2</sub> e	4,872.95
Scope 3 Emission <sup>2</sup>	tCO <sub>2</sub> e	244.42
Total GHG Emissions	tCO <sub>2</sub> e	5,122.26
Total GHG Emissions Intensity	tCO <sub>2</sub> e/USD'000	0.03

1 The Group calculates its Scope 1 and Scope 2 GHG emissions using activity data multiplied by appropriate emission factors. The emission factors applied are sourced from the following reliable and recognised references: GHG Emission Factors Hub 2025, National Greenhouse Gas Emission Factor Database of China and Greenhouse gas emission intensity of electricity generation in Europe (European Environment Agency).

2 For Scope 3 emissions, the Group utilises the International Civil Aviation Organization (ICAO) Carbon Emissions Calculator to determine emissions from business travel, which is the Category 6: Business Travel in GHG Protocol.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Social KPIs Table

Category	Unit	2025
<b>Employment</b>		
Total Employee Number	person	654
<b>By Gender</b>		
Male	person	503
Female	person	151
<b>By Employment Type</b>		
Full-time	person	649
Part-time	person	5
<b>By Employment Level</b>		
Senior Management	person	5
Middle Management	person	295
Frontline Employee	person	354
<b>By Age Group</b>		
Below 31	person	180
31-40	person	392
41-50	person	63
Above 50	person	19
<b>By Geographical Regions</b>		
Mainland China	person	603
United States	person	43
Others	person	8
<b>Turnover</b>		
Overall Turnover Rate	%	16%
<b>By Gender</b>		
Male	%	17%
Female	%	13%
<b>By Age Group</b>		
Below 31	%	17%
31-40	%	18%
41-50	%	3%
Above 50	%	16%
<b>By Geographical Regions</b>		
Mainland China	%	15%
United States	%	26%
Others	%	38%

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Category	Unit	2025
<b>Training</b>		
Percentage of Employees Trained	%	100%
<b>By Gender</b>		
Male	%	100%
Female	%	100%
<b>By Employment Level</b>		
Senior Management	%	100%
Middle Management	%	100%
Frontline Employee	%	100%
Average Number of Training Hours	hours	5.00
<b>By Gender</b>		
Male	hours	2,515
Female	hours	755
<b>By Employment Level</b>		
Senior Management	hours	25
Middle Management	hours	1,475
Frontline Employee	hours	1,770
<b>Health and Safety</b>		
Occupation Health Check-up Coverage	%	100%
Number of work-related fatalities	person	0
Rate of work-related fatalities	%	0%
Lost days due to work injury	days	0
<b>Suppliers</b>		
Total Number of Suppliers	/	394
<b>By Geographical Regions</b>		
Mainland China	/	385
Hong Kong, Macau & Taiwan	/	1
Others	/	8

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## HKEX ESG REPORTING CODE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Corresponding Section
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Development
KPI A1.1	The types of emissions and respective emissions data.	Environmental KPIs Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental KPIs Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental KPIs Table
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Resource Utilisation Waste Management
KPI 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.	Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource Utilisation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental KPIs Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental KPIs Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resource Utilisation

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs	Description	Corresponding Section
KPI 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.	Resource Utilisation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Waste Management
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Environmental Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management
B.Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Growing with Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social KPIs Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social KPIs Table

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<b>Subject Areas, Aspects, General Disclosures and KPIs</b>	<b>Description</b>	<b>Corresponding Section</b>
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social KPIs Table
KPI B2.2	Lost days due to work injury.	Social KPIs Table
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social KPIs Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social KPIs Table
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employee and Labour Practices
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee and Labour Practices
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employee and Labour Practices

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs	Description	Corresponding Section
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Social KPIs Table
KPI 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.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Quality & Safety
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Quality & Safety
KPI B6.2	Number of products and service related complaints received and how they are deal with.	Customer Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality & Safety
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Data Protection

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs	Description	Corresponding Section
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
KPI 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.	Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Engagement

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CLIMATE-RELATED DISCLOSURE CONTENT INDEX

Category	Subcategory	Descriptions	Corresponding Section/ Implementation Reliefs Applied
Governance		Information about the governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities.	ESG Governance Structure Response to Climate Change – Governance
Governance		Information about the management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	ESG Governance Structure Response to Climate Change – Governance
Strategy	Climate-related risks and opportunities	Description of the reasonably expected climate-related risks and opportunities that could affect the issuer’s cash flows, financing channels or cost of capital in the short, medium, or long term.	Response to Climate Change – Strategy
		For each climate-related risk identified by the issuer, explanation of whether the issuer considers the risk to be related to climate-related physical factors or climate-related transitional factors.	
		Specification of the time frame (short term, medium term or long term) during which each identified climate-related risk and opportunity is reasonably expected to impact the issuer.	
		Explanation of how the issuer defines short term, medium term and long term and how these definitions are linked to the scope of its strategic decision-making planning.	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Category	Subcategory	Descriptions	Corresponding Section/ Implementation Reliefs Applied
Strategy	Business model and value chain	Description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	Response to Climate Change – Strategy
		Description of where climate-related risks and opportunities are concentrated within the issuer's business model and value chain (e.g., geographical regions, facilities and types of assets).	
Strategy	Strategy and decision-making	Information about how the issuer has addressed and plans to address significant climate related risks and opportunities in its strategies and decisions, including how the issuer plans to achieve any climate-related targets it has set and any targets required by law or regulation.	Response to Climate Change – Strategy
		Information about how the issuer currently plans to provide resources for its actions to address significant climate-related risks and opportunities, both presently and in the future.	Response to Climate Change – Strategy
Strategy	Current financial effect	Information about how climate-related risks and opportunities affect an issuer's financial position, financial performance and cash flows during the reporting period.	Response to Climate Change – Strategy Financial Effects Relief
		The climate-related risks and opportunities identified above for which there is a significant risk that will cause significant adjustments to the carrying amounts of assets and liabilities in the relevant financial statements for the next reporting year.	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Category	Subcategory	Descriptions	Corresponding Section/ Implementation Reliefs Applied
Strategy	Anticipated financial effect	Disclosure of 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	Financial Effects Relief Capabilities Relief
		Disclosure of 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.	
Strategy	Climate resilience	Disclosure of the issuer’s assessment of its climate resilience as at the reporting date.	Reasonable Information Relief Capabilities Relief
		Disclosure of how and when to conduct climate-related scenario analysis	
Risk Management		Information about the processes and related policies used by issuers to identify, assess, prioritise and monitor climate-related risks.	Response to Climate Change – Risk Management
Risk Management		Information about the processes used by issuers 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).	Response to Climate Change – Risk Management
Risk Management		Information about the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring of climate-related risks and opportunities are integrated and inform the issuer’s overall risk management process.	Response to Climate Change – Risk Management

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Category	Subcategory	Descriptions	Corresponding Section/ Implementation Reliefs Applied
Metrics and Targets	GHG emissions	Disclosure of the absolute gross GHG emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent.	Environmental KPIs Table Reasonable Information Relief
		An issuer shall measure its greenhouse gas emissions in accordance with the Greenhouse Gas 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 greenhouse gas emissions.	The Group measures and discloses its GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011), with location-based methodology for Scope 2 GHG emissions.  Region-specific emission factors are adopted for each operating location to enhance the accuracy and credibility of the overall GHG calculations, also to satisfy the disclosure requirement in the ESG Code.
		Disclose the approach to measure greenhouse gas emissions.	
		Disclose location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions.	
		Disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Category	Subcategory	Descriptions	Corresponding Section/ Implementation Reliefs Applied
Metrics and Targets	Climate-related transition risks	Disclosure of the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Given the Group’s current scale, the nature of its operations and the early stage of its climate data collection systems, the quantitative information required for these metrics is not yet available with sufficient reliability or granularity. The Group is actively developing its internal data collection processes and capabilities and intends to provide these disclosures in future ESG reports when the information becomes reasonably obtainable.
Metrics and Targets	Climate-related physical risks	Disclosure of the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
Metrics and Targets	Climate-related opportunities	Disclosure of the amount and percentage of assets or business activities aligned with climate-related opportunities.	
Metrics and Targets	Capital deployment	Disclosure of the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	During the Reporting Period, the Group did not undertake any capital expenditure, financing or investments related to climate-related risks and opportunities.
Metrics and Targets	Internal carbon prices	Disclosure of: (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; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	By the end of the Reporting Period, the Group had not yet applied an internal carbon pricing mechanism in its internal decision-making processes.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Category	Subcategory	Descriptions	Corresponding Section/ Implementation Reliefs Applied
Metrics and Targets	Remuneration	Disclosure of whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	By the end of the Reporting Period, under the Remuneration Policy, the remuneration of the senior management was primarily linked to the Group's overall financial performance, operational objectives and individual performance. Specific climate-related performance metrics have not yet been directly incorporated into the Group's remuneration assessment system.
Metrics and Targets	Industry-based metrics	Encouragement 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.	During the Reporting Period, the Group had not yet referenced other industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in our industry.
Metrics and Targets	Climate-related targets	Disclosure of (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.	Response to Climate Change – Metrics and Targets
Metrics and Targets	Climate-related targets	Information about the issuer's approach to setting and reviewing each target, and how the issuer monitors progress against each target.	Response to Climate Change – Metrics and Targets

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Category	Subcategory	Descriptions	Corresponding Section/ Implementation Reliefs Applied
Metrics and Targets	Climate-related targets	Information about its performance against each climate-related target and an analysis of trends or changes in the issuer’s performance.	Response to Climate Change – Metrics and Targets
Metrics and Targets	Climate-related targets	<p>For each GHG emissions target disclosed, disclosure of:</p> <ul style="list-style-type: none"> <li>which GHG are covered by the target;</li> <li>whether Scope 1, Scope 2 or Scope 3 GHG emissions are covered by the target;</li> <li>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;</li> <li>whether the target was derived using a sectoral decarbonisation approach; and</li> <li>the issuer’s planned use of carbon credits to offset GHG emissions to achieve any net GHG emissions target.</li> </ul>	Response to Climate Change – Metrics and Targets

# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of Seyond Holdings Ltd.

*(incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Seyond Holdings Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 141 to 240, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 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 ("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 International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

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

## INDEPENDENT AUDITOR'S REPORT

### Key audit matter

### How our audit addressed the key audit matter

#### Revenue recognition

The Group's revenue principally comprises sales of LiDAR sensors.

For the year ended December 31, 2025, revenue from sales of LiDAR sensors amounted to US\$153,831,000, representing approximately 99.76% of the Group's total revenue. Details of revenue are set out in Note 5 to the consolidated financial statements.

Revenue from sales of LiDAR sensors is recognised when control of the goods has been transferred, generally occurring upon customer acceptance according to the terms of the underlying contracts.

We identified the occurrence assertion of the Group's revenue recognition as a key audit matter because revenue is a key performance indicator of the Group and its significance to the Group's consolidated financial statements which increase the risk of misstatement of revenue recognition.

Our procedures in relation to revenue recognition included:

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls in relation to revenue recognition;
- inspecting, on a sample basis, sales contracts with customers to identify terms and conditions relating to the transfer of control and assessing the Group's policies in respect of the recognition of revenue with reference to the requirements of the prevailing accounting standards;
- testing sales transactions, on a sample basis, by examining relevant supporting documents including sales orders, goods logistic records, and invoices, etc.;
- performing confirmation procedures on sales transactions with key customers and performing alternative procedures on uncollected confirmations;
- comparing the revenue from the key customer recorded by the Group with the total amount directly exported from the customer's supplier portal, and reconciling any identified discrepancies; and
- performing reasonableness analysis of the revenue from the key customer, supported by publicly available information.

# INDEPENDENT AUDITOR'S REPORT

## OTHER INFORMATION

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

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

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

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

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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.

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

## INDEPENDENT AUDITOR'S REPORT

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

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

The engagement partner on the audit resulting in this independent auditor's report is Jacky Wong Suk Hung.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*

Hong Kong  
March 31, 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	Notes	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
Revenue	5	154,208	159,575
Cost of sales		(141,954)	(173,481)
Gross profit (loss)		12,254	(13,906)
Other income	7	5,202	2,458
Other gains and losses	8	(1,537)	(262)
Selling and marketing expenses		(12,603)	(8,213)
Administrative expenses		(25,980)	(21,357)
Research and development ("R&D") expenses	10	(40,361)	(36,958)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets		183	(1,625)
Impairment losses recognised on property and equipment	18	(3,602)	–
Fair value changes of financial liabilities at fair value through profit or loss ("FVTPL")	29	(188,861)	(312,025)
Professional fees and expenses related to De-SPAC Transaction		(7,106)	(2,485)
De-SPAC Transaction expenses arising from capital reorganisation	32	(57,085)	–
Other expenses		–	(424)
Finance costs	9	(8,551)	(2,657)
Loss before tax	10	(328,047)	(397,454)
Income tax expense	11	(3)	(741)
<b>Loss for the year</b>		<b>(328,050)</b>	<b>(398,195)</b>
<b>Other comprehensive income (expense)</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		414	(34)
<b>Total comprehensive expense for the year</b>		<b>(327,636)</b>	<b>(398,229)</b>
Loss per share (US\$)			
– Basic and diluted	13	(1.10)	(1.67)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

	<i>Notes</i>	<b>12/31/2025</b> <b>US\$'000</b>	12/31/2024 US\$'000
<b>NON-CURRENT ASSETS</b>			
Property and equipment	15	27,647	30,899
Right-of-use assets	16	4,239	7,710
Intangible assets	17	2,743	2,428
Other non-current assets	20	1,885	533
Restricted bank balances	23	–	8,393
		<b>36,514</b>	49,963
<b>CURRENT ASSETS</b>			
Inventories	19	25,501	20,478
Trade and other receivables and prepayment	20	68,967	62,089
Financial assets at FVTPL	21	9,906	1,000
Receivables at fair value through other comprehensive income (“FVTOCI”)	22	3,678	–
Restricted bank balances	23	13,613	130
Cash and cash equivalents	23	105,870	43,010
		<b>227,535</b>	126,707
<b>CURRENT LIABILITIES</b>			
Trade and other payables	24	107,255	77,020
Borrowings	25	65,426	29,573
Lease liabilities	26	3,616	2,696
Financial liabilities at FVTPL	29	19,151	–
Warranty liabilities	30	2,794	2,124
Other current liabilities	27	3,745	13,784
Contract liabilities		429	102
		<b>202,416</b>	125,299
<b>NET CURRENT ASSETS</b>		<b>25,119</b>	1,408
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>61,633</b>	51,371

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

	<i>Notes</i>	<b>12/31/2025</b> <b>US\$'000</b>	12/31/2024 US\$'000
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	25	–	7,000
Long term payables	27	<b>1,063</b>	27,567
Lease liabilities	26	<b>1,977</b>	4,729
Financial liabilities at FVTPL	29	<b>11,379</b>	982,136
Warranty liabilities	30	<b>2,047</b>	1,962
		<b>16,466</b>	1,023,394
<b>NET ASSETS (LIABILITIES)</b>			
		<b>45,167</b>	(972,023)
<b>CAPITAL AND RESERVES</b>			
Share capital	28	<b>1,299</b>	13
Treasury shares	28	<b>(15)</b>	(1)
Share premium		<b>1,352,958</b>	11,667
Reserves		<b>(1,309,075)</b>	(983,702)
<b>TOTAL EQUITY (DEFICIT)</b>			
		<b>45,167</b>	(972,023)

The financial statements on pages 141 to 240 were approved and authorised for issue by the Board of Directors on March 31, 2026 and are signed on its behalf by:

**Bao, Junwei**  
EXECUTIVE DIRECTOR

**Li, Yimin**  
EXECUTIVE DIRECTOR

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

	Share capital US\$'000	Treasury shares US\$'000	Share premium US\$'000	Other reserve US\$'000	Share-based payments reserve US\$'000	Accumulated losses US\$'000	Total (deficit) equity US\$'000
<b>At January 1, 2024</b>	13	(1)	11,624	(1,055)	5,425	(590,629)	(574,623)
Loss for the year	-	-	-	-	-	(398,195)	(398,195)
Other comprehensive expense for the year	-	-	-	(34)	-	-	(34)
Total comprehensive expense for the year	-	-	-	(34)	-	(398,195)	(398,229)
Recognition of equity-settled share-based payment expenses (Note 31)	-	-	-	-	786	-	786
Exercise of common stock warrants (Note 28)	-*	-	-*	-	-	-	-
Vesting of early exercised stock options (Note 31)	-	-	43	-	-	-	43
<b>At December 31, 2024</b>	13	(1)	11,667	(1,089)	6,211	(988,824)	(972,023)
Loss for the year	-	-	-	-	-	(328,050)	(328,050)
Other comprehensive income for the year	-	-	-	414	-	-	414
Total comprehensive income (expense) for the year	-	-	-	414	-	(328,050)	(327,636)
Recognition of equity-settled share-based payment expenses (Note 31)	-	-	-	-	8,384	-	8,384
Exercise of share options and vesting of early exercised stock options (Note 31)	-*	-	71	-	(61)	-	10
Conversion of preference shares (Note 29)	916	-	1,176,058	-	-	-	1,176,974
Shares issued to private investment in public equity ("PIPE") and permitted equity financing ("PEF") investors	92	-	118,383	-	-	-	118,475
Shares and bonus shares issued to non-redeeming Class A shareholders (Note 32)	12	-	14,902	-	-	-	14,914
Shares issued to promoters (Note 32)	25	-	32,104	-	-	-	32,129
Capitalization issue to existing shareholders (Note 28)	241	(14)	(227)	-	-	-	-
Transaction costs directly attributable to issue of new shares to PIPE and PEF investors	-	-	-	(6,060)	-	-	(6,060)
<b>At December 31, 2025</b>	1,299	(15)	1,352,958	(6,735)	14,534	(1,316,874)	45,167

\* Amount less than US\$1,000.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
<b>OPERATING ACTIVITIES</b>		
Loss for the year	(328,050)	(398,195)
Adjustments for:		
Depreciation of property and equipment	7,137	5,572
Depreciation of right-of-use assets	2,716	2,779
Amortization of intangible assets	1,412	1,298
Net loss on disposal of property and equipment	838	647
Net (gain) loss on early termination of right-of-use assets	(86)	67
Impairment loss (including reversals of impairment losses or impairment gains) on financial assets	(183)	1,625
Impairment loss on property and equipment	3,602	–
Interest income	(1,509)	(1,191)
Write-down of inventories	1,588	4,516
Warranty provision	2,474	2,681
Finance costs	8,551	2,657
Share-based payment expenses	8,384	786
Fair value changes of financial liabilities at FVTPL	188,861	312,025
Loss (gain) from changes in fair value of financial assets at FVTPL	71	(119)
De-SPAC Transaction expense	57,085	–
Net foreign exchange loss (gain)	1,476	(191)
Operating cash flows before movements in working capital	(45,633)	(65,043)
Decrease (increase) in trade and other receivables and prepayment	2,691	(10,223)
Increase in receivables at FVTOCI	(3,678)	–
(Increase) decrease in inventories	(5,701)	11,499
Increase in other non-current assets	(773)	(192)
Increase in trade and other payables	26,079	17,899
Decrease in other current liabilities and long term payables	(43,190)	–
Increase (decrease) in contract liabilities	328	(38)
Decrease in warranty liabilities	(1,719)	(1,077)
Cash used in operations	(71,596)	(47,175)
Interest received	1,509	1,228
Income tax paid	–	(509)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(70,087)</b>	<b>(46,456)</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(6,622)	(14,357)
Purchase of intangible assets	(1,623)	(984)
Received government grants related to assets	369	–
Withdrawal of time deposits	–	16,000
Purchase of financial assets at FVTPL	(11,337)	(6,000)
Withdrawal of financial assets at FVTPL	2,360	5,119
Placement of restricted bank deposits for bank acceptance bills and borrowings	(5,008)	(7,000)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(21,861)</b>	<b>(7,222)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of borrowings	(27,300)	(60,319)
New borrowings raised	54,837	55,479
Repayments of lease liabilities	(1,002)	(3,190)
Interest paid	(9,289)	(1,908)
Payment of accrued issue costs	(6,513)	(24)
Proceeds from issuance of redeemable preferred equity financing	11,285	–
Receipts arising from net settlement of sale and leaseback transactions	5,532	–
Repayment of sale and leaseback transactions	(724)	–
Proceeds from PIPE and PEF investors, net of transaction costs directly attributable to issue of new shares	112,415	–
Net cashflow from Capital Reorganisation (Note 32)	15,241	–
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>154,482</b>	<b>(9,962)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>62,534</b>	<b>(63,640)</b>
<b>CASH AND CASH EQUIVALENTS AT JANUARY 1, 2025</b>	<b>43,010</b>	<b>107,306</b>
<b>Effect of foreign exchange rate changes</b>	<b>326</b>	<b>(656)</b>
<b>CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2025</b>	<b>105,870</b>	<b>43,010</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 1. GENERAL INFORMATION

Seeyond Holdings Ltd. (the “Company”) was incorporated in the Cayman Islands on November 4, 2016 as an exempted company with limited liability under the laws of the Cayman Islands, and its shares have been listed by way of De-SPAC Transaction on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on December 10, 2025. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are engaged in developing and manufacturing of high-performance LiDAR (Light Detection and Ranging) solutions. The Group’s products can be widely applied in smart transportation, smart highway, rail as well as smart mining, etc.

The consolidated financial statements are presented in United states dollar (“US\$”), which is also the function currency of the Company.

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

### Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the IASB for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
----------------------	-------------------------

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

### New and amendments to IFRS Accounting Standards in issue but not yet effective

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

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

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2026

<sup>3</sup> Effective for annual periods beginning on or after January 1, 2027

Except for the new and amendment to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### IFRS 18 Presentation and Disclosure in Financial Statements

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

### 3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

#### **De-SPAC Transaction**

A business combination agreement (“Business Combination Agreement”) was entered into on December 20, 2024 and amended on September 25, 2025 and November 6, 2025 among the Company, Seyond Merger Sub Limited, a wholly-owned subsidiary of the Company (the “Merger Sub”) and TechStar Acquisition Corporation (the “TechStar”) as part of the De-SPAC Transaction (as defined below). TechStar was a special purpose acquisition company (“SPAC”) incorporated on April 11, 2022 in Cayman Islands with limited liability company formed for the purpose of acquiring a suitable target that results in the listing of a successor company (referred to as a “De-SPAC Transaction”) within the time limits required by the Listing Rules on the Stock Exchange. TechStar completed its public offering on December 23, 2022.

Upon completion of the De-SPAC Transaction on December 10, 2025 (the “Closing Date”):

- a) the Merger Sub and TechStar amalgamated and continue as one company, following which the separate existence of Merger Sub will cease and TechStar will continue as the surviving entity and become a directly wholly-owned subsidiary of the Company;
- b) each preferred share of the Company (other than the preferred shares of the Company designated as Series A preferred shares) that was issued and outstanding immediately prior to the Closing Date was converted into ordinary shares of the Company on a 1:1 basis in accordance with the Company’s Articles; and each preferred share of the Company designated as a Series A preferred share that was issued and outstanding immediately prior to the Closing Date was converted into ordinary shares of the Company on a 1:3.57929 basis in accordance with the Company’s Articles (the “Company Shares Conversion”);

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.1 Basis of preparation of consolidated financial statements (continued)

#### **De-SPAC Transaction (continued)**

- c) the Company allotted and issued such number of fully paid shares of the Company at par value by way of capitalizing all or any part of any amount for the time being standing to the credit of the share premium account of the Company, on a pro rata basis to all shareholders of the Company that appear on the register of members of the Company immediately prior to the Closing Date and after having completing the Company Shares Conversion (the "Capitalization Issue"), such that immediately after the Capitalization Issue, the share capital of the Company (on an outstanding share basis) will consist of 1,170,000,000 ordinary shares of the Company;
- d) each option and restricted share units ("RSUs") outstanding of the Company as of the effective time of the Capitalization Issue was, automatically and without any action on the part of any holder of such option or RSU of the Company or beneficiary thereof, continued to be an option to purchase ordinary shares of the Company and a restricted share unit covering ordinary shares of the Company respectively, subject to substantially the same terms and conditions as were applicable immediately before the effective time of the Capitalization Issue, except with proportionate adjustments as required as a result of the Capitalization Issue;
- e) 11,605,000 shares of the Company were issued to the non-redeeming TechStar shareholders pursuant to the Business Combination Agreement.

The results of TechStar have been consolidated to the Group's consolidated financial statements since the Closing Date of the De-SPAC Transaction and further details of the De-SPAC Transaction are set out in Note 32 to the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### **Acquisition of a subsidiary not constituting a business and settle through allotment of Company's shares**

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

The issue of equity is accounted for as an equity-settled share-based payment transaction and measured indirectly by reference to the fair value of the equity instruments issued in accordance IFRS 2 *Share-based Payment*, any excess of the fair value of the Company's share issued over the fair value of the SPAC's identifiable net assets represents a listing service received by the Company and is recognised in profit or loss as De-SPAC Transaction expenses arising from capital reorganisation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Revenue from contracts with customers**

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Note 5.

#### **Leases**

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

#### ***The Group as a lessee***

##### **Allocation of consideration to components of a contract**

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

##### **Short-term lease**

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

##### **Right-of-use assets**

The cost of right-of-use assets includes the amounts of the initial measurement of the lease liabilities.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### Leases (continued)

##### *The Group as a lessee (continued)*

#### **Refundable rental deposits**

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

#### **Lease liabilities**

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Leases (continued)**

##### ***The Group as a lessee (continued)***

##### **Lease modifications**

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

##### ***Sale and leaseback transactions***

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

##### ***The Group as a seller-lessee***

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as long-term payables within the scope of IFRS 9.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Foreign currencies**

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. US\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

#### **Borrowing costs**

All borrowing costs not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred.

#### **Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants are presented under "other income".

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Employee benefits**

##### ***Retirement benefit costs***

Payments to government managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

##### ***Short-term employee benefits***

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

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

#### **Share-based payments**

##### ***Equity-settled share-based payment transactions***

##### **Restricted share units/Share options granted to employees**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date, the amount previously recognised in share-based payments reserve will continue to be held in share-based payments reserve.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Property and equipment**

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property and equipment assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### **Intangible assets**

##### ***Intangible assets acquired separately***

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

##### ***Internally-generated intangible assets – research and development expenditure***

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Intangible assets (continued)**

#### ***Internally-generated intangible assets – research and development expenditure (continued)***

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

#### **Impairment on property and equipment, right-of-use assets and intangible assets**

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Impairment on property and equipment, right-of-use assets and intangible assets (continued)**

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are 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 a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated on a pro-rata basis based on the carrying amount of each asset in the unit of the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents presented on the consolidated statements of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less). Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Cash and cash equivalents (continued)**

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 23.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

#### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sales of LiDARs are recognised at the date of sale of the relevant products, at the directors of the Company's best estimate of the expenditure required to settle the Group's obligation.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Financial instruments (continued)**

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **Classification and subsequent measurement of financial assets**

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Financial instruments (continued)**

#### **Financial assets (continued)**

#### **Classification and subsequent measurement of financial assets (continued)**

All other financial assets are subsequently measured at FVTPL.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Receivables at FVTOCI

Subsequent changes in the carrying amounts for receivables at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these receivables had been measured at amortised cost. All other changes in the carrying amount of these receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial assets and is included in the "other gains and losses" line item.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Financial instruments (continued)**

##### ***Financial assets (continued)***

#### **Impairment of financial assets subject to impairment assessment under IFRS 9**

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, receivables at FVTOCI, restricted bank balances, other non-current assets and cash and cash equivalents) which are subjected to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed on an individual basis for customers with significant balances and credit-impaired and the remaining is collectively using provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Financial instruments (continued)**

#### **Financial assets (continued)**

#### **Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)**

##### (i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Financial instruments (continued)**

##### ***Financial assets (continued)***

#### **Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)**

##### (ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

##### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Financial instruments (continued)**

##### ***Financial assets (continued)***

#### **Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)**

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by the management of the Group to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amounts of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Financial instruments (continued)**

##### **Financial assets (continued)**

##### **Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)**

##### (v) Measurement and recognition of ECL (continued)

Except for receivables that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account. For receivables that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

##### **Foreign exchange gains and losses**

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (Note 8) as part of the net foreign exchange gains/(losses);
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the gain/(loss) on changes in fair value of derivative financial instruments (Note 8).

##### **Derecognition of financial assets**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Financial instruments (continued)**

##### ***Financial assets (continued)***

##### **Derecognition of financial assets (continued)**

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of the receivables that are measured at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

##### ***Financial liabilities or equity***

##### **Classification as debt or equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

##### **Financial liabilities at amortised cost**

Financial liabilities including trade and other payables, other current liabilities, long term payables and borrowings are subsequently measured at amortised cost, using the effective interest method.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (continued)

#### **Financial instruments (continued)**

#### ***Financial liabilities or equity (continued)***

#### **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is designated as at FVTPL.

For financial liabilities that are designated at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as convertible loan notes and preferred shares, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

#### **Redeemable convertible preferred shares**

The Group's issued redeemable convertible preferred shares are initially recognised at fair value. The Group does not account for the embedded derivatives separately from the host contract and designates the entire redeemable convertible preferred shares as financial liabilities at FVTPL with fair value change recognised in "fair value changes of financial liabilities at FVTPL" in profit or loss.

#### **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (Note 8) as part of net foreign exchange gain/(loss) for financial liabilities that are not part of a designated hedging relationship.

#### **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised 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.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that has a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

### Provision of ECL for trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually.

Details on how ECL were measured should be consistent to the internal credit risk management of the Group in Note 35.

In addition, the Group uses practical expedient in estimating ECL on trade receivables, which are not assessed individually, using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Note 35.

### Estimation of provision for warranty claims

Provision for product warranties granted by the Group in respect of certain products are recognised based on sales volume and past experience of the level of repair and returns, discounted to their present values as appropriate. Factors that affect the Group's warranty liability include the number of products sold under warranty, historical and anticipated rates of warranty claim on those products, and cost per claim to satisfy the warranty obligation. The estimation basis is reviewed on an on-going basis and revised where appropriate.

The Company typically provides a three years warranty on its products. Estimated future warranty costs are accrued and charged to cost of sales in the period that the related revenue is recognised. These estimates are based on historical warranty experience and any known or expected changes in warranty exposure, such as trends of product reliability and costs of repairing and replacing defective products. The Company periodically assesses the accuracy of its recorded warranty liabilities and adjusts the amounts as necessary.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### Estimation of provision for warranty claims (continued)

The portion of the warranty reserve expected to be incurred within the next 12 months is included within warranty liabilities, while the remaining balance is included within non-current warranty liabilities on the consolidated balance sheets. Warranty expenses is recorded as a component of cost of sales in the consolidated statements of profit or loss and other comprehensive income.

The information about the provision for warranty claims and the Group's warranty liabilities are disclosed in Note 30.

### Estimated impairment of property and equipment, intangible asset and right-of-use assets

Property and equipment, intangible asset and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belong, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

Details of the impairment of property and equipment, intangible assets and right-of-use assets are disclosed in Note 18.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 5. REVENUE

### (i) Disaggregation of revenue

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
<b>Revenue from:</b>		
Products		
For advanced driving assistance system ("ADAS")	133,075	150,110
For robotics and others	18,912	8,233
	151,987	158,343
Solutions	1,883	928
Services and others	338	304
	154,208	159,575

Timing of revenue recognition for the years ended December 31, 2025 and 2024 are as follows:

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
Revenue recognised at a point in time	153,824	159,271
Revenue recognised over time	384	304
	154,208	159,575

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 5. REVENUE (CONTINUED)

### (ii) Performance obligations for contracts with customers and revenue recognition policies

#### Sales of products

Sales of products are derived from sales of LiDAR sensors to direct customers. Revenue from LiDAR sensors is recognised at a point in time when control of the goods has been transferred, generally occurring upon customer acceptance according to the terms of the underlying contract. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities and are included in revenue. The transaction price received by the Group is recognised as a contract liability until when revenue is recognised.

The customers have a right to return products if the products do not meet the contract's specifications. The Group uses its accumulated historical experience to estimate the number of exchange on a portfolio level using the expected value method. Product returns were not material during the years ended December 31, 2024 and 2025. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur.

The Group generally grant a 3-year assurance type warranty in relation to its sales of LiDAR sensors to customers. The sales-related warranties associated with LiDAR sensors cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 and disclosed in Note 30.

#### Sales of solutions

The Group also generates revenue from sales of solutions, which usually include multiple elements of hardware, software and associated services. The Group mainly provides solutions the customer with a combination of hardware, software, deployment and professional services. As the Group provides significant integration services to integrate the hardware and the software to meet customers' unique specifications, the solutions are accounted for as one performance obligation.

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

#### Services and others

The Company occasionally provides technology development services to customers to develop features that are not currently in the Company's internal product roadmap but requested by the customer. Revenue is usually recognised over time using input method based on the stage of completion of the contract given that the Group has an enforceable right to payment for performance completed to date.

### (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied as the Group's contract has an original expected duration of less than one year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 6. SEGMENT INFORMATION

For the purpose of resource allocation and assessment of segment performance, the chief executive officer (“CEO”) of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies set out above. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

### Entity-wide disclosures

#### Geographical information

The Group’s revenue from external customers is presented based on the locations of the end customers which are detailed below:

	<b>Year ended 12/31/2025 US\$’000</b>	Year ended 12/31/2024 US\$’000
<b>Revenue from external customers</b>		
PRC	<b>147,225</b>	155,646
Others	<b>6,983</b>	3,929
	<b>154,208</b>	159,575

The Group’s non-current assets are presented based on the geographic locations of the Company’s subsidiaries which are detailed below:

	<b>12/31/2025 US\$’000</b>	12/31/2024 US\$’000
<b>Non-current assets</b>		
PRC	<b>33,200</b>	39,016
Overseas	<b>2,007</b>	2,021
	<b>35,207</b>	41,037

*Note:* Non-current assets excluded financial instruments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 6. SEGMENT INFORMATION (CONTINUED)

### Entity-wide disclosures (continued)

#### Information about major customers

Revenue from a customer of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
Customer A	126,051	146,110

## 7. OTHER INCOME

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
Interest income	1,509	1,191
Government grants (note)	3,693	1,267
	5,202	2,458

*Note:* The government grants were mainly unconditional incentives provided by local government authorities in the PRC, including various forms of government financial incentives rewarding the Group's support and contribution for the development of local economies.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 8. OTHER GAINS AND LOSSES

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
Net foreign exchange loss (gain)	1,476	(191)
Loss (gain) from changes in fair value of financial assets at FVTPL	71	(119)
(Gain) loss related to early termination of leases	(86)	635
Others	76	(63)
	<b>1,537</b>	262

## 9. FINANCE COSTS

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
Interest expenses on borrowings	2,842	1,562
Interest expenses on long term payables	5,459	749
Interest expenses on lease liabilities	250	346
	<b>8,551</b>	2,657

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 10. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
Depreciation of property and equipment	7,137	5,572
Depreciation of right-of-use assets	2,716	2,779
Amortisation of intangible assets	1,412	1,298
	<b>11,265</b>	9,649
Capitalised in inventories	<b>(7,855)</b>	(6,900)
	<b>3,410</b>	2,749
Impairment losses recognised on property and equipment	3,602	–
De-SPAC Transaction expenses arising from capital reorganisation	57,085	–
Professional fees and expenses related to De-SPAC Transaction	7,106	2,485
Auditor's remuneration	379	10
Cost of inventories recognised as cost of sales	137,765	166,108
Warranty provision (included in cost of sales)	2,474	2,681
Allowance for inventories (included in cost of sales)	1,588	4,516
Staff costs, including directors' remuneration		
Salaries and other benefits	40,434	35,722
Retirement benefit scheme contributions	7,165	7,660
Discretionary performance related bonus	3,673	3,989
Share-based payment expenses (Note 31)	8,384	786
Severance fee	523	3,061
	<b>60,179</b>	51,218
Capitalised in inventories	<b>(8,999)</b>	(5,996)
	<b>51,180</b>	45,222
Research and development expenses		
Staff costs	28,725	29,732
Depreciation and amortisation	1,655	1,472
Materials consumed	5,362	6,849
Consultancy fee	2,933	4,245
Compensation for R&D expenses (note)	(867)	(7,727)
Others	2,553	2,387
	<b>40,361</b>	36,958

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 10. LOSS BEFORE TAX (CONTINUED)

*Note:* The compensation amount pertained to compensation from NIO Co., Ltd. (“NIO”), the key customer of the Group, for R&D expenses already incurred by the Group related to R&D work on certain product in accordance with an agreement entered into between the Group and NIO in December 2024. During the year ended December 31, 2025, NIO confirmed the acceptance of side LiDAR therefore the Group recognised the compensation of US\$867,000 considering the increased probability of collectability of other receivables (2024: US\$7,727,000). The compensation is accounted for as a reduction of research and development expenses upon NIO’s acceptance of the deliverables.

## 11. INCOME TAX EXPENSE

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
Current Tax		
United States	–	1
Mainland China	3	740
	3	741
Deferred tax expense	–	–
	3	741

No provision of Hong Kong Profits Tax was made in the consolidated financial statements as the Group had no assessable profit subject to Hong Kong Profits Tax for both years.

The subsidiaries in China are companies incorporated under PRC law and, as such, are subjected to PRC enterprise income tax on their taxable income in accordance with the relevant PRC income tax laws. Pursuant to the PRC Enterprise Income Tax Law, or PRC EIT Law, which became effective on January 1, 2008, a uniform 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies.

Tudatong (Suzhou) Co., Ltd. (“Tudatong Suzhou”) has been accredited as a “High and New Technology Enterprise” by the Science and Technology Bureau of Suzhou City and relevant authorities on November 6, 2023 and has been registered with the local tax authorities for enjoying the reduced 15% Enterprise Income Tax (“EIT”) rate from 2023 to 2025.

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2023 onwards, enterprises engaged in R&D activities are entitled to claim an additional tax deduction amounting to 100% of the qualified R&D expenses incurred in determining its tax assessable profits for that year (“Super Deduction”).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 11. INCOME TAX EXPENSE (CONTINUED)

Certain subsidiaries of the Company in the PRC are qualified as “Small Low-Profit Enterprise”. The entitled subsidiaries are subjected to a preferential income tax rate as 20% for both years.

The Company’s subsidiary in the United States is subjected to 21% federal tax rate. The operations in the United States could be also subject to state and local taxes.

The Company’s subsidiaries in United States that sell goods and/or provide certain services to the Company’s subsidiaries in the PRC would be subject to a withholding tax of 10%.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group’s consolidated annual revenue is expected to be less than Euro 750 million in at least two of the four fiscal years preceding the tested year, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

Income tax expense for the year can be reconciled to loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
Loss before tax	(328,047)	(397,454)
Tax at PRC statutory rate of 25%	(82,012)	(99,364)
Tax effect of income not taxable for tax purpose	(310)	(467)
Tax effect of expenses not deductible for tax purpose	65,315	79,526
Tax effect of deductible temporary differences and tax losses not recognised	29,692	23,182
Tax effect attributable to the additional qualified tax deduction relating to research and development costs	(2,440)	(2,877)
Tax effect of utilisation of tax losses not previously recognised	(10,245)	–
Withholding tax	3	741
Income tax expense	3	741

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 11. INCOME TAX EXPENSE (CONTINUED)

At December 31, 2025, the Group has unrecognised tax losses of US\$433,060,000 (2024: US\$462,176,000). At December 31, 2025, the Group recognised the deferred tax assets related to lease liabilities of US\$1,007,000 (2024: US\$1,510,000), and deferred tax liabilities related to right-of-use assets US\$1,018,000 (2024: US\$1,574,000), on a gross basis, which have been offset for the purpose of presentation in consolidated statement of financial position. No deferred tax assets have been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams.

At the end of the reporting period, the Group has deductible temporary differences of US\$1,892,000 (2024: US\$738,000) related to impairment losses on long-term assets, inventory provision, accrued bonus, and accrued share-based payment. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The unrecognised tax losses will be carried forward and expire in years as follows:

	12/31/2025 US\$'000	12/31/2024 US\$'000
2025	–	1,873
2026	2,104	24,608
2027	62,451	106,325
2028	132,829	132,829
After 2029	149,637	123,446
Indefinite	86,039	73,095
	<b>433,060</b>	462,176

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 12. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

For the year ended December 31, 2025

	Fees US\$'000	Salaries and other benefits US\$'000	Retirement benefit scheme contributions US\$'000	Discretionary performance based bonus US\$'000	Share-based payment expenses US\$'000	Total US\$'000
<b>A) EXECUTIVE DIRECTORS</b>						
Mr. Bao (Mr. Junwei Bao) (chief executive officer)	-	450	-	68	198	716
Mr. Li (Mr. Yimin Li)	-	350	-	52	23	425
Sub-total	-	800	-	120	221	1,141

	Fees US\$'000	Salaries and other benefits US\$'000	Retirement benefit scheme contributions US\$'000	Discretionary performance based bonus US\$'000	Share-based payment expenses US\$'000	Total US\$'000
<b>B) INDEPENDENT NON-EXECUTIVE DIRECTORS</b>						
Ms. Chen (Ms. Changling Chen) <sup>i</sup>	-	1	-	-	-	1
Mr. Spanos (Mr. Costas John Spanos) <sup>ii</sup>	-	1	-	-	-	1
Mr. Ibel (Mr. Maximilian Ibel) <sup>iii</sup>	-	1	-	-	-	1
Sub-total	-	3	-	-	-	3

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 12. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS (CONTINUED)

For the year ended December 31, 2024

	Fees US\$'000	Salaries and other benefits US\$'000	Retirement benefit scheme contributions US\$'000	Discretionary performance based bonus US\$'000	Share-based payment expenses US\$'000	Total US\$'000
<b>A) EXECUTIVE DIRECTORS</b>						
Mr. Bao (Mr. Junwei Bao) (chief executive officer)	–	270	9	–	228	507
Mr. Li (Mr. Yimin Li)	–	257	9	26	26	318
Sub-total	–	527	18	26	254	825

	Fees US\$'000	Salaries and other benefits US\$'000	Retirement benefit scheme contributions US\$'000	Discretionary performance based bonus US\$'000	Share-based payment expenses US\$'000	Total US\$'000
<b>B) NON-EXECUTIVE DIRECTOR</b>						
Mr. Zhu (Mr. Yan Zhu) <sup>iv</sup>	–	–	–	–	–	–
Mr. Shen (Mr. Xiao Shen) <sup>v</sup>	–	–	–	–	–	–
Sub-total	–	–	–	–	–	–

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

The non-executive director's emoluments shown above were for the services as directors of the Group, if applicable.

The independent non-executive directors' emoluments shown above were paid for their services as directors of the Company.

Notes:

- (i) Mr. Chen was appointed as the director of the Group on December 10, 2025.
- (ii) Mr. Spanos was appointed as the director of the Group on December 10, 2025.
- (iii) Mr. Ibel was appointed as the director of the Group on December 10, 2025.
- (iv) Mr. Zhu ceased to be the director of the Group on December 20, 2024.
- (v) Mr. Shen ceased to be the director of the Group on December 21, 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 12. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS (CONTINUED)

The five highest paid employees of the Group include two (2024: two) director of the Company for the year. Details of their emoluments are set out above. The emoluments of the remaining three (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
Salaries and other benefits	828	672
Retirement benefit scheme contributions	38	21
Discretionary performance-based bonus	45	174
Share-based payment expenses	2,038	214
	<b>2,949</b>	1,081

The number of these employees (excluding the directors) are within the following bands presented in Hong Kong Dollar ("HK\$"):

	Year ended 12/31/2025	Year ended 12/31/2024
HK\$2,500,001 to HK\$3,000,000	–	2
HK\$3,000,001 to HK\$3,500,000	–	1
HK\$5,500,001 to HK\$6,000,000	1	–
HK\$8,000,001 to HK\$8,500,000	1	–
HK\$8,500,001 to HK\$9,000,000	1	–
	<b>3</b>	3

During the year, certain non-director and non-chief executive highest paid employees were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in Note 31 to the consolidated financial statements.

During both years, there was no arrangement under which a director or the chief executive or the five highest employees waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 13. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Year ended 12/31/2025	Year ended 12/31/2024
Loss (US\$'000):		
Loss for the year attributable to owners of the Company	<b>328,050</b>	398,195
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<b>299,411</b>	238,620

The weighted average number of ordinary shares for the purpose of basic loss per share for the years ended December 31, 2025 and 2024 has been adjusted retrospectively after taking into impact of capitalisation issue (as disclosed in Note 28) to the existing shareholders of 227,004,069 units of ordinary shares. The early exercise of share options has potential shares of 26,527 and 1,348 as of December 31, 2024 and 2025, respectively.

During the year ended December 31, 2024, the computation of diluted loss per share does not assume the conversion of the Company's redeemable convertible preferred shares (as disclosed in Note 29) and the effect of share options granted under the 2016 Share Incentive Plan (as disclosed in Note 31) as these would be anti-dilutive.

During the year ended December 31, 2025, the computation of diluted loss per share does not assume the effect of share options granted under the 2016 Share Incentive Plan (as disclosed in Note 31), and the Company's Listed Warrants and Promoter Warrants (defined in Note 29) as these would be anti-dilutive.

## 14. DIVIDENDS

No dividend was paid or declared by the Company during the current year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 15. PROPERTY AND EQUIPMENT

	Machinery and production equipment US\$'000	Leasehold improvement US\$'000	Electronic, vehicle and office equipment US\$'000	Construction in progress US\$'000	Total US\$'000
<b>COST</b>					
At January 1, 2024	18,316	5,367	3,157	4,306	31,146
Additions	29	6	55	14,122	14,212
Transfers from construction in progress	8,793	5,736	290	(14,819)	–
Disposals	(131)	(1,181)	(482)	–	(1,794)
Exchange adjustment	(543)	(156)	(80)	(129)	(908)
At December 31, 2024	26,464	9,772	2,940	3,480	42,656
Additions	9	–	170	7,170	7,349
Transfers from construction in progress	4,793	286	889	(5,968)	–
Disposals	(1,903)	–	(89)	–	(1,992)
Deduction due to government subsidy	–	(369)	–	–	(369)
Exchange adjustment	1,160	435	119	155	1,869
At December 31, 2025	30,523	10,124	4,029	4,837	49,513
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>					
At January 1, 2024	4,773	1,248	1,514	–	7,535
Provided for the year	3,005	1,716	851	–	5,572
Eliminated on disposals	(20)	(727)	(400)	–	(1,147)
Exchange adjustment	(137)	(33)	(33)	–	(203)
At December 31, 2024	7,621	2,204	1,932	–	11,757
Provided for the year	4,024	2,450	663	–	7,137
Impairment loss recognised in profit or loss	3,186	412	4	–	3,602
Eliminated on disposals	(1,117)	–	(37)	–	(1,154)
Exchange adjustment	349	98	77	–	524
At December 31, 2025	14,063	5,164	2,639	–	21,866
<b>CARRYING VALUE</b>					
At December 31, 2024	18,843	7,568	1,008	3,480	30,899
At December 31, 2025	16,460	4,960	1,390	4,837	27,647

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 15. PROPERTY AND EQUIPMENT (CONTINUED)

The above items of property and equipment, other than construction in progress, are depreciated on a straight-line basis over the following estimated useful lives after taking into account their estimated residual values:

	<b>Useful lives Years</b>
Machinery and production equipment	5-7
Leasehold improvement	Over the shorter of the term of the lease, or 3 years
Electronic, vehicle and office equipment	3-4

Details of the impairment assessment are set out in Note 18.

### Sale and leaseback transactions – seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. During the year ended 31 December 2025, the Group has raised US\$5,532,000 long-term payable in respect of such sale and leaseback arrangements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 16. RIGHT-OF-USE ASSETS

	<b>Buildings US\$'000</b>
<b>COST</b>	
At January 1, 2024	12,740
Additions	1,341
Lease termination	(1,595)
Exchange adjustment	(309)
At December 31, 2024	12,177
Lease termination	<b>(2,520)</b>
Exchange adjustment	<b>429</b>
At December 31, 2025	<b>10,086</b>
<b>ACCUMULATED DEPRECIATION</b>	
At January 1, 2024	2,787
Charge for the year	2,779
Lease termination	(1,015)
Exchange adjustment	(84)
At December 31, 2024	4,467
Charge for the year	<b>2,716</b>
Lease termination	<b>(1,518)</b>
Exchange adjustment	<b>182</b>
At December 31, 2025	<b>5,847</b>
<b>CARRYING VALUE</b>	
At December 31, 2024	7,710
At December 31, 2025	<b>4,239</b>

Details of the impairment assessment are set out in Note 18.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 16. RIGHT-OF-USE ASSETS (CONTINUED)

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
Expenses relating to short-term leases	156	126
Total cash outflow for leases	1,408	3,662

For both years, the Group leases buildings for its operations. Lease contracts are entered into for fixed term of 1 year to 6 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for offices. At December 31, 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

### Restrictions or covenants on leases

In addition, lease liabilities of US\$5,593,000 are recognised with related right-of-use assets of US\$4,239,000 at December 31, 2025 (2024: lease liabilities of US\$7,425,000 and related right-of-use assets of US\$7,710,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 17. INTANGIBLE ASSETS

	Software US\$'000	Assets under installation US\$'000	Total US\$'000
<b>COST</b>			
At January 1, 2024	3,280	219	3,499
Additions	287	697	984
Transfers from assets under installation	743	(743)	–
Exchange adjustment	(92)	(7)	(99)
At December 31, 2024	4,218	166	4,384
Additions	–	1,623	1,623
Transfers from assets under installation	1,062	(1,062)	–
Exchange adjustment	178	7	185
At December 31, 2025	5,458	734	6,192
<b>ACCUMULATED AMORTISATION</b>			
At January 1, 2024	677	–	677
Provided for the year	1,298	–	1,298
Exchange adjustment	(19)	–	(19)
At December 31, 2024	1,956	–	1,956
Provided for the year	1,412	–	1,412
Exchange adjustment	81	–	81
At December 31, 2025	3,449	–	3,449
<b>CARRYING VALUE</b>			
At December 31, 2024	2,262	166	2,428
At December 31, 2025	2,009	734	2,743

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 17. INTANGIBLE ASSETS (CONTINUED)

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Software	2-3 years
----------	-----------

Details of the impairment assessment are set out in Note 18.

## 18. IMPAIRMENT ASSESSMENT ON NON-CURRENT ASSETS

In 2025, in view that certain product series related facilities ("Facilities") ceased the operation, the directors of the Company concluded there was indication for impairment and conducted impairment assessment on Facilities, with carrying amounts of US\$3,602,000 (2024: US\$5,078,000). The recoverable amount of Facilities are estimated individually.

The recoverable amounts of the Facilities have been determined based on their fair value less costs of disposal. The impairment losses of the Facilities amounting to US\$3,602,000 (2024: Nil) have been recognised in profit or loss during the year.

In addition, in view of the continuing losses and gross loss of LiDAR sensors sold for the year ended December 31, 2025, the management of the Group concluded that there was indication for impairment and conducted impairment assessment on recoverable amounts on remaining property and equipment, intangible assets and right-of-use assets with carrying amounts of US\$34,629,000 (2024: US\$41,037,000). The Group have estimated the recoverable amount of the remaining property and equipment, intangible assets and right-of-use assets higher of fair value less costs of disposal and value in use. The carrying amount of the remaining relevant assets does not exceed the recoverable amount based on value in use and no impairment has been recognised.

For the purpose of impairment testing, the management consider the Group as a cash-generating unit ("CGU"). The basis of the recoverable amounts of the current business and its major underlying assumptions are summarised below:

The recoverable amount has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period. The values to the assigned key assumptions were based on the historical performance of products and the management's expectation of future operation. Pre-tax discount rate of 12% (2024: 12%) was used to reflect market assessment of time value and the specific risks relating to the operation for the impairment review as at December 31, 2025. The revenue growth rate from 2% to 112% (2024: 8% to 62%) which used in the cash flow projections is based on the relevant industry growth forecasts and future business plan. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted costs and expenses, such estimation is based on the Group's past performance and management's expectations for the market development.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 18. IMPAIRMENT ASSESSMENT ON NON-CURRENT ASSETS (CONTINUED)

Based on the result of the assessment, the directors of the Group determined that the recoverable amount of the CGU is higher than the carrying amount of remaining property and equipment, intangible assets and right-of-use assets and concluded that except for Facilities mentioned above, there was no further impairment loss being recognised as at December 31, 2025.

If the cash flow projection of the abovementioned property and equipment, intangible assets, and right-of-use assets was reduced by 10%, while other parameters remain constant. The recoverable amount of the property and equipment, intangible assets and right-of-use assets could be above its carrying amount and no impairment loss would be recognised.

## 19. INVENTORIES

	12/31/2025 US\$'000	12/31/2024 US\$'000
Raw materials	14,313	10,882
Work-in-progress	41	–
Finished goods	11,147	9,596
	<b>25,501</b>	20,478

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 20. TRADE AND OTHER RECEIVABLES AND PREPAYMENT/OTHER NON-CURRENT ASSETS

	12/31/2025 US\$'000	12/31/2024 US\$'000
Trade receivables	49,981	31,945
Less: Impairment loss allowance for trade receivables	(1,451)	(1,575)
	<b>48,530</b>	30,370
Other receivables and prepayment and other non-current assets		
Prepaid expenses	4,445	2,683
Value added tax receivable	16,236	20,606
Compensation for R&D expense	–	8,191
Deferred issue cost	–	115
Rental deposits (non-current)	1,307	497
Others	334	160
	<b>22,322</b>	32,252
	<b>70,852</b>	62,622
Analysed as:		
Non-current	1,885	533
Current	68,967	62,089
	<b>70,852</b>	62,622

As at January 1, 2024, trade receivables from contracts with customers amounted to US\$32,365,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

### 20. TRADE AND OTHER RECEIVABLES AND PREPAYMENT/OTHER NON-CURRENT ASSETS (CONTINUED)

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice dates.

	12/31/2025 US\$'000	12/31/2024 US\$'000
0 to 6 months	46,613	28,825
6 months to 1 year	627	1,268
1 to 2 years	1,075	277
Over 2 years	215	–
	<b>48,530</b>	30,370

At December 31, 2025, the Group's trade receivables of US\$8,738,000 (2024: US\$4,853,000) are past due. Out of the past due balances, US\$8,125,000 (2024: US\$3,609,000) are not considered as in default because the management of the Group, according to the historical settlement pattern, industry practice and the Group's historical actual loss experience, had assessed that the probability of settlement from their customers was high. The remaining past due balances with the amount of US\$613,000 (2024: US\$1,244,000) are considered as in default due to the sign of significant financial difficulty of the issuers, and the Group have recognised full impairment loss allowance on the gross amount.

Details of impairment assessment of trade and other receivables are set out in Note 35(b).

### 21. FINANCIAL ASSET AT FVTPL

	12/31/2025 US\$'000	12/31/2024 US\$'000
Equity investments (note)	9,906	–
Bond fund investment	–	1,000
	<b>9,906</b>	1,000

*Note:* In December 2025, the Group equity invested in a certain partnership enterprise amounting to US\$9,906,000 (2024: Nil) as a limited partner and has no influence over the operation and this equity investment is accounted for financial assets at FVTPL. As at December 31, 2025, the directors consider that the fair value changes were insignificant. The investment was redeemed US\$9,906,000 on March 16, 2026.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 22. RECEIVABLES AT FVTOCI

	12/31/2025 US\$'000	12/31/2024 US\$'000
Bills receivables	3,678	–

During the year ended December 31, 2025, the fair value change of receivables at FVTOCI was immaterial.

At 31 December 2025, the Group had derecognised bills discounted to banks or endorsed to certain suppliers on a full recourse basis amounting to US\$71,626,000 (2024: US\$332,000). These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group pay off the outstanding balance. Therefore, the Group continued involve in them.

The Group's receivables at FVTOCI were bill receivables with the following maturity:

	12/31/2025 US\$'000	12/31/2024 US\$'000
Within 90 days	3,678	–

Details of impairment assessment of bill receivables are set out in Note 35(b).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 23. CASH AND CASH EQUIVALENTS/RESTRICTED BANK BALANCES

### Cash and cash equivalents

As at December 31, 2025, cash and cash equivalents held by the Group comprised of bank balances and short term bank deposits with an original maturity of three months or less. The bank balances and short term bank deposits carry interest at market rates ranging from nil to 3.50% (2024: nil to 3.50%) per annum.

The Group's cash and cash equivalents that are denominated in currency other than the functional currency of the relevant group entities are set out below:

	12/31/2025 US\$'000	12/31/2024 US\$'000
US\$	15,755	179
Renminbi ("RMB")	517	15,218
HK\$	30,518	–
	<b>46,790</b>	15,397

### Restricted bank balances

As of December 31, 2025, the Group pledged certain of its bank deposits as security for bank acceptance bills and borrowings, to withdraw or use under the terms of certain contractual agreements. The pledged bank deposits carry fixed interest rates ranging from nil to 3.22% (2024: nil to 4.06%) per annum. The pledged bank deposits will be released upon the maturity of relevant bills and the terms of certain contractual agreements. No pledged bank deposits (2024: US\$8,393,000) will be released within the next 12 months as of December 31, 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 24. TRADE AND OTHER PAYABLES

	12/31/2025 US\$'000	12/31/2024 US\$'000
Trade payables	82,642	62,653
Bill payables	4,293	–
Other payables		
Salary and bonus payables	10,977	6,545
Accrued legal and professional expenses	3,042	1,944
Accrued issue cost	169	91
Accrued listing expense	2,002	1,962
Current income tax payables	–	729
Payables for acquisition of property and equipment	3,078	1,772
Other tax payables	894	494
Interest payables	53	781
Others	105	49
	<b>20,320</b>	14,367
	<b>107,255</b>	77,020

The Group is normally granted a credit period ranging from 30 to 90 days from its creditors.

The following is an aging analysis of trade payables presented based on the invoice dates at the end of each reporting period:

	12/31/2025 US\$'000	12/31/2024 US\$'000
0 – 30 days	57,418	31,544
31 – 180 days	22,143	31,064
181 – 365 days	3,081	45
	<b>82,642</b>	62,653

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 24. TRADE AND OTHER PAYABLES (CONTINUED)

At the end of each reporting period, the Group had bills payable issued by banks with the following maturity:

	12/31/2025 US\$'000	12/31/2024 US\$'000
0 – 180 days	4,293	–

## 25. BORROWINGS

	12/31/2025 US\$'000	12/31/2024 US\$'000
Bank loans	49,848	21,659
Financial institution loans (note a)	15,578	14,914
	<b>65,426</b>	36,573
Unsecured and unguaranteed	42,848	14,659
Secured and guaranteed	22,578	21,914
	<b>65,426</b>	36,573
Carrying amount repayable* as follows:		
– within one year	65,426	29,573
– more than one year but not more than two years	–	7,000
	<b>65,426</b>	36,573
Less: Amounts due for settlement within one year shown under current liabilities	<b>(65,426)</b>	(29,573)
Amounts shown under non-current liabilities (note b)	–	7,000

\* The amounts due are based on scheduled repayment dates set out in the loan agreements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 25. BORROWINGS (CONTINUED)

Notes:

- (a) On November 26, 2024, the Group entered into a two-year term loan facility agreement in the principal amount of US\$30,000,000. As security for the loan, the Group pledged all of the shares in a wholly-owned subsidiary, Tudatong (Chongqing) Co., Ltd.. On December 19, 2024, US\$15,000,000 was drawn down under the facility. Pursuant to the loan facility agreement, the Group is obliged to prepay the loan, unless otherwise agreed in writing by the lender, if the proposed listing of the Company's shares on the main board of the Stock Exchange (or another exchange approved by the lender) has not been approved by the China Securities Regulatory Commission, the Stock Exchange, or any other relevant regulatory authority by December 19, 2025, which is 12 months from the date of drawdown. On December 10, 2025, the Group has been listed on the Main Board of the Stock Exchange, the maturity date of the loan has been changed to December 18, 2026.
- (b) The bank requires the Group to provide a 100% cash-secured collateral for the US\$7,000,000 loan, hence the Group classified the withdrawal of US\$7,000,000 as restricted bank balances. At the year ended December 31, 2025, the borrowings will be repayable within one year and therefore classified as current liabilities.

The exposure of the Group's bank borrowings is as follows:

	<b>12/31/2025</b> <b>US\$'000</b>	12/31/2024 US\$'000
Fixed-rate borrowings	<b>62,564</b>	34,518
Variable-rate borrowings	<b>2,862</b>	2,055
	<b>65,426</b>	36,573

The range of effective interest rates per annum (which are equal to contractual interest rates) on the Group's bank borrowings are as follows:

	<b>Year ended</b> <b>12/31/2025</b>	Year ended 12/31/2024
Fixed-rate borrowings	<b>2.60% to 6.25%</b>	2.80% to 7.50%
Variable-rate borrowings	<b>2.80%</b>	3.00%

The variable-rate borrowings as at December 31, 2025 were denominated in US\$2,862,000 (2024: US\$2,055,000) which carried the floating rates at Loan Prime Rate ("LPR") (2024: LPR).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 26. LEASE LIABILITIES

	12/31/2025 US\$'000	12/31/2024 US\$'000
Lease liabilities payable:		
Within one year	3,616	2,696
Within a period of more than one year but not exceeding two years	1,576	2,471
Within a period of more than two years but not exceeding five years	401	2,258
	<b>5,593</b>	7,425
Less: Amounts due for settlement within 12 months shown under current liabilities	<b>(3,616)</b>	(2,696)
Amounts due for settlement after 12 months shown under non-current liabilities	<b>1,977</b>	4,729

The Group's incremental borrowing rates applied to lease liabilities ranged from 3.40% to 4.83% (2024: 3.40% to 4.83%) per annum.

## 27. OTHER CURRENT LIABILITIES/LONG TERM PAYABLES

	12/31/2025 US\$'000	12/31/2024 US\$'000
Research and development payables (note a)	–	41,351
Sale and leaseback payables (note b)	4,808	–
	<b>4,808</b>	41,351
Less: Amounts due for settlement within 12 months shown under current liabilities	<b>(3,745)</b>	(13,784)
Amounts due for settlement after 12 months shown under non-current liabilities	<b>1,063</b>	27,567

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 27. OTHER CURRENT LIABILITIES/LONG TERM PAYABLES (CONTINUED)

*Notes:*

- (a) On October 15, 2022, the Group entered into a Cooperative Research and Development Agreement with NIO, one of the major customers of the Group, to develop ASIC chip used in LiDAR sensor. The total contract amount related to the development of ASIC chip is RMB289,255,000 (equivalent to US\$40,150,000). On July 16, 2024, the Group entered into a supplementary agreement with NIO on future payment schedule, under which the Group is required to pay twelve instalments of RMB24,105,000 (equivalent to US\$3,346,000) and interest amount of RMB3,677,000 (equivalent to US\$510,000) at each quarter end starting from March 31, 2025.

On February 26, 2025, the Group entered into a second supplementary agreement with NIO related to the Agreement to further extend the payment schedule with an additional interest of RMB4,865,000 (equivalent to US\$675,000). The supplementary agreement required the Group to pay RMB27,782,000 (equivalent to US\$3,856,000) on March 31, 2026, RMB115,991,000 (equivalent to US\$16,095,000) on April 30, 2026 and seven instalments in the amount of RMB27,782,000 (equivalent to US\$3,856,000) at each quarter end starting from June 30, 2026.

On November 13, 2025, the Group entered into a third supplementary agreement to settle all outstanding payables, including accrued interest, ahead of schedule, amounting to RMB278,981,000 (equivalent to US\$39,920,000). As of December 31, 2025, all contractual payment obligations under the agreement had been fully settled.

- (b) During the year 2025, the Group entered into several sale and leaseback contracts with certain independent third leasing companies (the "Leasing Companies"), respectively, pursuant to which the Group sold certain leased assets to the Leasing Companies and lease back those assets for continued use. The Group will pay rental payments to the Leasing Companies throughout the lease term, respectively.

These arrangements are designed to optimize the Group's asset structure, unlock cash flow, and strengthen liquidity, while ensuring uninterrupted use of core operational equipment. All transactions were conducted on normal commercial terms and are not considered connected or related-party transactions.

As of December 31, 2025, the payment of principal within one year amounted to US\$3,745,000 is recorded as other current liabilities, and the payment of principal over one year amounted to US\$1,063,000 is recorded as long term payables.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 28. SHARE CAPITAL/TREASURY SHARES

### Ordinary shares and treasury shares

Ordinary shares of US\$0.001 each:

			Number of shares		Number of shares in thousand
<b>Authorised</b>					
At January 1, and December 31, 2024			154,473,718		154
Increase in 2025			1,845,526,282		1,846
At December 31, 2025			<b>2,000,000,000</b>		<b>2,000</b>
	Number of shares	Share capital US\$	Presented as US\$'000	Treasury shares US\$	Presented as US\$'000
<b>Issued</b>					
At January 1, 2024	12,778,839	12,779	13	(766)	(1)
Issuance of common stock upon exercise of common stock warrants	462,907	463	–*	–	–
At December 31, 2024	13,241,746	13,242	13	(766)	(1)
Issuance of common stock upon exercise of stock options and vesting of early exercised stock options	45,974	46	–*	–	–
Conversion of preference shares (Note 29)	915,828,146	915,828	916	–	–
Capitalisation issue to existing shareholders (note)	240,884,134	240,884	241	(13,880)	(14)
Shares issued to promoters (Note 32)	25,000,000	25,000	25	–	–
Shares issued to PIPE and PEF investors (Note 32)	92,211,637	92,212	92	–	–
Shares and bonus shares issued to non- redeeming TechStar's Class A shareholders (Note 32)	11,605,000	11,605	12	–	–
At December 31, 2025	<b>1,298,816,637</b>	<b>1,298,817</b>	<b>1,299</b>	<b>(14,646)</b>	<b>(15)</b>

\* Amount less than US\$1,000.

Note:

The capitalisation issue of 240,884,134 shares is calculated at the ratio of approximately 1:19.12833, which is derived from the ratio of converting 13,287,720 ordinary shares immediately before completion of the De-SPAC Transaction into 254,171,854 ordinary shares immediately after completion of the De-SPAC Transaction.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29. FINANCIAL LIABILITIES AT FVTPL

	12/31/2025 US\$'000	12/31/2024 US\$'000
Current liabilities:		
Listed Warrant Liabilities	2,122	–
Promoter Warrant Liabilities	17,029	–
	<b>19,151</b>	–
Non-current liabilities:		
Redeemable convertible preferred shares	–	982,136
Redeemable preferred equity	11,379	–
	<b>30,530</b>	982,136

	Redeemable convertible preferred shares US\$'000	Redeemable preferred equity US\$'000	Listed Warrant Liabilities US\$'000	Promoter Warrant Liabilities US\$'000	Total US\$'000
Carrying amounts:					
As at January 1, 2024	670,111	–	–	–	670,111
Change in fair value	312,025	–	–	–	312,025
As at December 31, 2024	982,136	–	–	–	982,136
Additions during the year	–	11,285	–	–	11,285
Capital Reorganisation (Note 32)	–	–	682	24,540	25,222
Change in fair value	194,838	94	1,440	(7,511)	188,861
Conversion into ordinary shares of the Company	(1,176,974)	–	–	–	(1,176,974)
As at December 31, 2025	–	11,379	2,122	17,029	30,530

Listed Warrants and Promoter Warrants are defined and further explained below.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

### Redeemable convertible preferred shares

The Company entered into share purchase agreements with some investors and issued seven series of redeemable convertible preferred shares as follows:

	Date of subscription	Number of investors	Subscription price per share US\$	Total consideration US\$'000	Total number of shares of the Company subscribed
Series Seed	November 22, 2016	3	1.0000	2,750	2,750,000
Series A (note i)	August 21, 2018 and September 10, 2018	15	10.3030	29,300	2,843,824
Series A-1 (note ii)	December 1, 2020 and December 29, 2020	5	2.9320	6,200	2,114,596
Series A-1 (note ii)	January 8, 2021	2	2.9320	2,360	804,911
Series B (note iii)	April 9, 2021	11	7.5897	56,036	7,383,207
Series B+	July 9, 2021 and December 17, 2021	9	12.1967	75,610	6,199,212
Series C	January 17, 2022, March 7, 2022, March 15, 2022, May 4, 2022, May 16, 2022, May 17, 2022 and May 23, 2022	14	19.1123	121,268	6,345,018
Series D	July 3, 2023, September 15, 2023, October 10, 2023 and December 28, 2023	4	22.8446	142,165	6,223,143

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

### Redeemable convertible preferred shares (continued)

The outstanding redeemable convertible preferred shares as at December 31, 2024 are as below:

	<b>12/31/2024</b>
Series Seed	2,750,000
Series A (note i)	2,741,913
Series A-1 (note ii)	8,080,188
Series B (note iii)	8,466,446
Series B+	6,199,212
Series C	6,345,018
Series D	6,223,143

*Notes:*

- (i) In the month of July 2021 and September 2021, the Company entered into share repurchase agreement with certain shareholder to repurchase total of 101,911 shares of Series A redeemable convertible preferred shares.
- (ii) In December 2020, the Company issued 2,623,165 shares of Series A-1 redeemable convertible preferred shares upon conversion of convertible notes. In December 2021, 2,537,516 shares of Series A-1 redeemable convertible preferred shares were issued in relation to the exercise of Series A-1 warrants.
- (iii) In April 2021, the Company issued 1,083,239 shares of Series B redeemable convertible preferred shares upon conversion of convertible notes.

The rights, preferences and privileges of Series Seed redeemable convertible preferred shares, Series A redeemable convertible preferred shares, Series A-1 redeemable convertible preferred shares, Series B redeemable convertible preferred shares, Series B+ redeemable convertible preferred shares, Series C redeemable convertible preferred shares and Series D redeemable convertible preferred shares (collectively, "Preferred Shares") are as follows:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

### Redeemable convertible preferred shares (continued)

#### **Liquidation**

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any sale of the Company (each a "liquidation event"), the holder of shares of each series of redeemable convertible preferred shares, prior and in preference to any distribution of proceeds from such liquidation event to the holders of a preceding series of redeemable convertible preferred shares and of common stock, an amount equal to the 100% of issue price of the respective series of redeemable convertible preferred shares in respect of each share plus any declared and unpaid dividends, as applicable, proportionately adjusted for share splits, share dividends, combinations, recapitalizations, and similar events. The remaining assets and funds of the Company, if any, available for distribution shall be distributed ratably among all shareholders according to the relative number of the shares of common stock held by such shareholder on a shareholder diluted basis to the extent permitted by applicable laws.

#### **Dividend**

Holders of redeemable convertible preferred shares are entitled to receive non-cumulative dividends prior and in preference to dividends declared on common stock at an annual rate of 8% of the original issuance price per share, adjusted for any stock splits, stock dividends, combinations, recapitalizations, and similar events when and if declared by the Board of Directors. The right of the holders of every next series of redeemable convertible preferred shares then outstanding to receive such dividends shall rank senior and prior to and in preference to the dividend rights of the holders of the other previous series of redeemable convertible preferred shares. After all redeemable convertible preferred shares dividends have been paid, the holders of common stock and redeemable convertible preferred shares will be entitled to receive dividends, when and if declared by the Board of Directors, in proportion to the number of shares of common stock held by them, on an as-converted basis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

### Redeemable convertible preferred shares (continued)

#### Conversion

Each share of redeemable convertible preferred shares may, at the option of the holder, be converted at any time into shares of the Company's common stock based on the ratio obtained by dividing the issue price of such redeemable convertible preferred shares by the conversion price of US\$22.84 for Series D redeemable convertible preferred shares, US\$19.11 for Series C redeemable convertible preferred shares, US\$12.20 for Series B+ redeemable convertible preferred shares, US\$7.59 for Series B redeemable convertible preferred shares, US\$2.93 for Series A-1 redeemable convertible preferred shares, US\$2.88 for Series A redeemable convertible preferred shares (a 1:3.57929 initial conversation ratio), US\$1.0 for Series Seed redeemable convertible preferred shares, as adjusted for any stock splits, stock dividends, combinations, recapitalizations, and similar events. The conversion prices are also subject to adjustment upon issuance of additional common stock for a consideration per share less than the applicable conversion price of a series of redeemable convertible preferred shares. In addition, each share of redeemable convertible preferred shares will automatically be converted into shares of common stock either (i) upon the listing of the Company's common stock on an internationally recognised stock exchange, or the closing of a firm commitment underwritten public offering of the Company's common stock on an internationally recognised stock exchange with a market capitalization of the Company increased of US\$2.0 billion with aggregate gross proceeds to the Company of US\$200.0 million ("Qualified IPO"), or (ii) upon written consent of the holders of at least 60% of the shares of Series Seed redeemable convertible preferred shares (voting on an as-converted basis), the holders of at least 60% of the shares of Series A redeemable convertible preferred shares (voting on an as-converted basis), the holders of at least 60% of the shares of Series A-1 redeemable convertible preferred (voting on an as-converted basis), the holders of at least 70% of the shares of Series B redeemable convertible preferred shares, the holders of at least 70% of the shares of Series B+ redeemable convertible preferred shares, the holders of at least 60% of the shares of Series C redeemable convertible preferred shares, and the holders of at least 60% of the shares of Series D redeemable convertible preferred shares.

#### Voting rights

The holders of each share of redeemable convertible preferred shares are entitled to the number of votes equal to the number of shares of common stock into which such shares of redeemable convertible preferred shares could be converted. With respect to such vote, the holders have full voting rights and powers equal to the voting rights and powers of common stock.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

### Redeemable convertible preferred shares (continued)

#### Redemption

Each holder of shares of redeemable convertible preferred shares may, by written request to the Company, require that the Company redeem any or all of the outstanding shares of redeemable convertible preferred shares held by such holder (i) on December 31, 2026, a Qualified IPO has not occurred, or (ii) if the Company or any of its subsidiaries has committed a material breach of any agreements related to issuance of the redeemable convertible preferred shares, or (iii) any holder of shares of redeemable convertible preferred shares duly submits to the Company a notice for the redemption of any shares of the redeemable convertible preferred shares pursuant to the foregoing clauses (i) or (ii).

The redemption price of the redeemable convertible preferred shares is as follows:

- Each share of Series Seed redeemable convertible preferred shares shall be redeemed at the amount equal to issue price of Series Seed redeemable convertible preferred shares, plus an amount that would accrue at a rate of 10% per annum, compounding annually, calculated from the closing date of Series Seed redeemable convertible preferred shares and ending on its redemption date, and all dividends declared but unpaid on such shares of Series Seed redeemable convertible preferred shares.
- Each share of Series A redeemable convertible preferred shares, Series A-1 redeemable convertible preferred shares, Series B redeemable convertible preferred shares, Series B+ redeemable convertible preferred shares, Series C redeemable convertible preferred shares and Series D redeemable convertible preferred shares shall be redeemed at the greater of (i) the amount equal to the applicable issue price of Series A, Series A-1, Series B, Series B+, Series C or Series D redeemable convertible preferred shares, plus an amount that would accrue at a rate of 10% per annum, compounding annually, calculated from the date of purchase of such Series A redeemable convertible preferred shares, Series A-1 redeemable convertible preferred shares, Series B redeemable convertible preferred shares, Series B+ redeemable convertible preferred shares, Series C redeemable convertible preferred shares, Series D redeemable convertible preferred shares (as the case may be) and ending on its redemption date, and all dividends declared but unpaid on such share or (ii) the fair market value of a Series A redeemable convertible preferred shares, Series A-1 redeemable convertible preferred shares, Series B redeemable convertible preferred shares, Series B+ redeemable convertible preferred shares, Series C redeemable convertible preferred shares or Series D redeemable convertible preferred shares (as the case may be) on the date on which the redemption notice is given.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

### Redeemable convertible preferred shares (continued)

#### Anti-dilution protection

If at any time, in the event that after June 30, 2023, the Company shall issue or sell additional ordinary shares without consideration or for a per share consideration less than the applicable conversion price with respect to a series of redeemable convertible preferred shares in effect on the date of and immediately prior to such issue, then and in such event, the applicable Conversion Price for such series of redeemable convertible preferred shares shall be reduced in order to ensure that its overall ownership is not diminished by the sale of the new ordinal shares.

#### Presentation and Classification

The redeemable convertible preferred shares are regarded as financial liabilities measured at FVTPL. The directors of the Company considered that the changes in the fair value of the Preferred Shares attributable to the change in credit risk of the Group is minimal. Changes in fair value of the redeemable convertible preferred shares are charged to profit or loss and included in "fair value changes of financial liabilities at FVTPL". For the year ended December 31, 2025, the Company recognised fair value changes of financial liabilities at FVTPL on redeemable convertible preferred shares of US\$194,838,000 (2024: US\$312,025,000).

Prior to the conversion into ordinary shares of the Company, the redeemable convertible preferred shares were valued by the directors of the Company with reference to valuation reports carried out by independent qualified professional valuer, ValueLink Management Consultants Limited, which has appropriate qualifications and experiences in valuation of similar instruments. The address of ValueLink Management Consultants Limited which valuation report was referenced to for the prior reporting period is Room 1201, Jing Guang Centre Business Building, 1 Chaoyangmen Outer Street, Chaoyang District, Beijing, the PRC.

The Company used the back-solve method to determine the underlying share value of the Company and performed an equity allocation based on option pricing model ("OPM") to arrive the fair value of the redeemable convertible preferred shares as of the dates of issuance and at the end of current and prior reporting periods.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

### Redeemable convertible preferred shares (continued)

#### Presentation and Classification (continued)

In addition to the underlying share value of the Company determined by back-solve method, other key valuation assumptions used in OPM to determine the fair value are as follows:

	<b>12/31/2024</b>
Time to liquidation	2.00 years
Risk-free rate	4.24%
Expected volatility	54.55%
Expected dividend yield	–
Possibilities under liquidation scenario	25.00%
Possibilities under redemption scenario	25.00%
Possibilities under IPO scenario	50.00%

The directors of the Company estimated the risk-free interest rate based on the yield of the United States Treasury Bonds with a maturity life close to period from the respective valuation dates to the expected liquidation dates. Volatility was estimated on each valuation date based on average of historical volatilities of the comparable companies in the same industry for a period from the respective valuation dates to expected liquidation dates. Dividend yield is based on management estimate at the valuation date.

Following the listing of the Company's shares on December 10, 2025, the redeemable convertible preferred shares of the Company have been automatically converted into the ordinary shares of the Company and the number of ordinary shares are further increased at the ratio of approximately 1:19.12833 pursuant to capitalization issue as disclosed in Note 28. On the listing date, all the redeemable convertible preferred shares were converted into ordinary shares in the fair value of the ordinary shares of the Company at the offer price of HK\$10.00 (equivalent US\$1.29).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

### Redeemable convertible preferred shares (continued)

#### Presentation and Classification (continued)

The movement of the fair value of the redeemable convertible preferred shares is set out as below:

	Series Seed	Series A	Series A-1	Series B	Series B+	Series C	Series D	Total redeemable convertible preferred shares
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At January 1, 2024	5,418	98,064	80,901	99,561	95,027	145,089	146,051	670,111
Changes in fair value	543	88,250	72,542	72,899	43,029	15,340	19,422	312,025
At December 31, 2024	5,961	186,314	153,443	172,460	138,056	160,429	165,473	982,136
Changes in fair value	61,642	54,944	45,190	35,667	14,337	(4,451)	(12,491)	194,838
Conversion into ordinary shares of the Company	(67,603)	(241,258)	(198,633)	(208,127)	(152,393)	(155,978)	(152,982)	(1,176,974)
At December 31, 2025	-	-	-	-	-	-	-	-

#### Redeemable preferred equity

During the year 2025, Tudatong Pinghu entered into definitive agreements with independent third party investors (the "Pinghu's Investors") and issued redeemable preferred equity for cash consideration of RMB30,000,000 (equivalent to US\$4,130,000), RMB25,000,000 (equivalent to US\$3,577,300) and RMB25,000,000 (equivalent to US\$3,577,300) on March 31, 2025, December 18, 2025 and December 25, 2025, respectively.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

### Redeemable preferred equity (continued)

The primary preference rights of the redeemable preferred equity are as follows:

#### Anti-dilution protection

If Tudatong Pinghu issues additional shares for consideration per share ("New Issue Price") less than the consideration per share paid by the Pinghu's Investors ("Investment Price") after December 31, 2025, the Investment Price shall be adjusted to the New Issue Price according to the full ratchet clause. Tudatong Pinghu and the existing shareholders of Tudatong Pinghu may choose at their discretion, either to issue equity to the Pinghu's Investors at a nominal zero consideration or the lowest price permitted by relevant law, or to transfer the necessary equity to the Pinghu's Investors at a nominal zero consideration or the lowest price permitted by relevant law.

#### Liquidation

In the event of the liquidation, dissolution, termination or any single transaction or series of transactions that may result in, (a) a merger, acquisition, transfer, issuance, purchase, business integration, or other form of transaction involving Tudatong Pinghu, leading to the combined shareholding ratio or voting power ratio of all shareholders of Tudatong Pinghu at the time being less than 50% in the surviving entity after the transaction, or (b) the sale, transfer, or other disposition of all or substantially all of the assets or business of Tudatong Pinghu to a third party, or winding-up of Tudatong Pinghu, whether voluntary or involuntary, (each a "liquidation event"), after the settlement of liquidation related expenses, employees' wages, social securities and statutory compensation and tax arrears, the amount to be received by the Investor for each dollar of the Tudatong Pinghu's registered capital corresponding to the equity interests in Tudatong Pinghu held by the Pinghu's Investors at that time, calculated in accordance with the following manner, the unit price per share of this investment plus a fixed return calculated at 8% per annum simple interest over the life of the investor's investment (the life of such investor's investment being calculated as the days over the consecutive period starting from December 31, 2025 until the date on which the amount has been paid out in full divided by 365, calculated to two decimal places), plus any declared and unpaid dividends, as applicable. The remaining assets and funds of the Tudatong Pinghu, if any, available for distribution shall be distributed ratably among all shareholders according to the shareholders contribution ratio.

#### Redemption

The Pinghu's Investors may require that Tudatong Pinghu redeem any or all of the outstanding shares of redeemable preferred equity held by the Pinghu's Investors in the event of, (a) if Tudatong Pinghu fails to qualify for listing by March 31, 2029, for any reason, or (b) if Tudatong Pinghu is acquired by a non-affiliated party before qualifying for listing, at an amount of the unit price per share of this investment plus a fixed return calculated at 8% per annum simple interest over the life of the investor's investment (the life of such investor's investment being calculated as the days over the consecutive period starting from December 31, 2025 until the date on which the amount has been paid out in full divided by 365, calculated to two decimal places), plus any declared and unpaid dividends, as applicable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

### Redeemable preferred equity (continued)

#### Presentation and Classification

The redeemable preferred equity are regarded as financial liabilities measured at FVTPL. The directors of the Company considered that the changes in the fair value of the redeemable preferred equity attributable to the change in credit risk of the Group is minimal. Changes in fair value of the redeemable preferred equity are charged to profit or loss and included in "fair value changes of financial liabilities at FVTPL".

The Company used the recent transaction price method to arrive the fair value of the redeemable preferred equity.

The movement of the fair value of the redeemable preferred shares is set out as below:

	Year ended 12/31/2025 US\$'000
At January 1, 2025	–
Additions during the year	11,285
Changes in fair value	94
At December 31, 2025	11,379

### Listed and Promoter Warrants

#### Listed Warrants

Pursuant to the De-SPAC Transaction as detailed in Note 32, the Company assumed the obligations of TechStar’s listed warrants outstanding immediately prior to the Closing Date. As part of the Capital Reorganisation, these warrants were exchanged for the Company’s Listed Warrants and continue to be listed on the Stock Exchange under warrant code 2673. This Listed Warrant gives the holder the right to subscribe for one share of the Company upon completion of the De-SPAC Transaction at HK\$11.50 per share when the average closing price of the ordinary shares of the Company for the 10 trading days immediately prior to the date on which the notice of exercise is received by the registrar (the "Fair Market Value") is at least HK\$11.50 per share, provided that if the Fair Market Value is HK\$20.00 or higher, the Fair Market Value will be deemed to be HK\$20.00 for the purpose of calculating the number of shares to be issued upon exercise of any Listed Warrants. Such exercise will be conducted on a cashless basis by the holders surrendering the Listed Warrants for that number of ordinary shares of the Company, subject to adjustment, equal to the product of the number of ordinary shares of the Company underlying the Listed Warrants, multiplied by a quotient equal to the excess of the Fair Market Value of an ordinary share of the Company over HK\$11.50 divided by the Fair Market Value of the ordinary share of the Company. The Listed Warrants are exercisable 30 days after the completion of the De-SPAC Transaction up to the date immediately preceding the fifth anniversary of the date of the completion of the De-SPAC Transaction, both days inclusive.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

### Listed and Promoter Warrants (continued)

#### Promoter Warrants

Pursuant to the Business Combination Agreement, the Company issued 40,000,000 promoter warrants ("Promoter Warrants") exchanged for TechStar's promoter warrant upon listing. Each Promoter Warrant gives the holder the right to subscribe for one ordinary share of the Company at HK\$11.50 per share. The Promoter Warrants are exercisable 12 months after the completion of the De-SPAC Transaction. The contractual life of the Promoter Warrants is until December 10, 2030.

For the Promoter Warrants issued, those warrant holders will not be serving as employees of the Group nor will they provide services to the Group after the De-SPAC Transaction. Therefore, the TechStar's promoter warrants were assumed by the Company and the Promoter Warrants are regarded as part of the De-SPAC Transactions and IFRS 9 is applied in accounting for them.

#### Presentation and Classification

The directors of the Company considered that the Listed Warrants and Promoter Warrants are accounted for as financial liabilities measured at FVTPL. The directors of the Company also considered that the changes in the fair value of the Listed Warrants and Promoter Warrants attributable to the change in credit risk of these financial liabilities are minimal. Changes in fair value of the Listed Warrants and Promoter Warrants not attributable to the change in credit risk of the financial liabilities are charged to profit or loss and presented as "fair value changes of financial liabilities at FVTPL". The Listed Warrants were valued by the directors with reference to market price and the Promoter Warrants were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer, ValueLink, which has appropriate qualifications and experiences in valuation of similar instruments. The directors of the Company arrived the fair value of the Promoter Warrants using monte carlo simulation model as at Closing Date and December 31, 2025. Key valuation assumptions used to determine the fair value of Promoter Warrants are as follows:

	<b>At December 31, 2025</b>
Time to redemption	<b>4.94 years</b>
Risk-free rate	<b>2.59%</b>
Expected volatility	<b>54.00%</b>
Expected dividend yield	<b>–</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 30. WARRANTY LIABILITIES

The warranty provision represents management's best estimate of the Group's liability under 3-year assurance-type warranty granted on LiDAR sensors, based on prior experience and industry averages for defective products. The estimation is reviewed on an ongoing basis and is revised when appropriate.

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

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
At the beginning of the year	4,086	2,482
Provisions	2,474	2,681
Amount utilized	(1,719)	(1,077)
At the end of the year	4,841	4,086
Current portion of warrant liability	2,794	2,124
Non-current portion of warrant liability	2,047	1,962

## 31. SHARE-BASED PAYMENT TRANSACTION

### Equity-settled share rewards scheme of the Company

In 2016, the Company adopted its 2016 Share Incentive Plan (the "2016 Share Incentive Plan"). Under the 2016 Share Incentive Plan the Company may grant stock options, stock appreciation rights, restricted shares, RSUs and other rights to employees, directors, and consultants of the Company. Incentive stock options and RSU may only be granted to employees, whereas all other stock awards may be granted to employees, directors, consultants and other key persons. At December 31, 2025, the number of remaining shares of common stock reserved for issuance under the 2016 Share Incentive Plan was 40,478 (2024: 193,326).

### Stock options

Stock options under the 2016 Share Incentive Plan generally expire 10 years from the date of grant, or earlier if services are terminated. Stock options granted generally vest over four years and either at a rate of 25% upon the first anniversary of the issuance date and 1/48th per month thereafter or with a monthly vesting of 1/48th from the vesting start date. Other stock options granted would vest over two years at a rate of 50% upon the first anniversary of the issuance date and 1/24th per month thereafter or over one year with a monthly vesting of 1/12th from the vesting start date. The exercise price of stock options is determined by the directors of the Company, and will not be less than 100% of the estimated fair value of the shares on the grant date, with the exception of options granted to a 10% stockholder which shall be no less than 110% of the fair market value of shares on the grant date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 31. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

### Equity-settled share rewards scheme of the Company (continued)

#### **Stock options (continued)**

The 2016 Share Incentive Plan allows for the early exercise of stock options for certain individual as determined by the Company's board of directors. Stock options that are early exercised are subject to a repurchase option that allows the Company to repurchase any unvested shares. Early exercises of stock options are not deemed to be outstanding shares for accounting purposes until those shares vest according to their respective vesting schedules. Accordingly, the consideration received for early exercises of stock options are initially recorded as a liability and reclassified to share capital and share premium as the underlying awards vest. At December 31, 2025, liabilities for unvested shares related to early exercises of stock options amounted to nil (2024: US\$10,000).

Certain awards granted to employees in PRC cannot be exercised and employees cannot benefit from the vested options in any other way before consummation of an initial public offering of Company's shares or certain corporation transaction as defined in 2016 Share Incentive Plan ("Liquidity Event"). The Liquidity Event is in substance a performance condition. The Group recognised total expense of approximately US\$4,596,000 for the year ended December 31, 2025 (2024: nil) for awards granted to employees in the PRC until a Liquidity Event become probably to occur. In March 2022, 765,656 common stocks were issued to Enlighting Limited ("Share Incentive Plan Trust"), a trust established for a portion of the PRC employees' options, based on early exercise agreements with certain of the PRC employees. The vesting of such share options will continue to be subject to satisfaction of the service and consummation of a Liquidity Event. If the aforementioned service and Liquidity Event are not satisfied, or the exercise price are not paid, the holders of the share options will not be entitled to the common stocks held by the Share Incentive Plan Trust. Thus, the Company still consider the equity award as share options from accounting perspective. In the opinion of the directors of the Company, there is no incremental fair value change immediately before and after the modification of the aforementioned 765,656 share options. The 765,656 common stocks issued for early exercise were recorded as treasury shares at December 31, 2025 and 2024. The Group recognised total expense of approximately nil for the year ended December 31, 2025 (2024: nil) for the aforementioned awards granted to employees in the PRC until a Liquidity Event become probably to occur.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 31. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

### Equity-settled share rewards scheme of the Company (continued)

#### Stock options (continued)

Details of the share options outstanding during the year are as follows:

	December 31, 2025		December 31, 2024	
	Number of share options	Weighted average exercise price (in US\$)	Number of share options	Weighted average exercise price (in US\$)
Outstanding at beginning of year	7,208,367	2.68	6,673,611	1.83
Granted during the year	–	–	1,069,521	8.59
Forfeited during the year	(131,234)	7.39	(534,765)	4.26
Exercised during the year	(45,974)	1.64	–	–
Adjustment for capitalisation issue (note)	127,654,469	–	–	–
Outstanding at the end of the year	134,685,628	0.14	7,208,367	2.68
– The range of exercise prices	0.07-9.72	–	0.07-9.72	–
Exercisable at the end of the year	5,284,011	2.70	4,910,251	2.04

*Note:* Pursuant to the Capitalisation Issue as detailed in Note 28, the number of underlying shares and the exercise price of each outstanding option were adjusted by the ratio of approximately 19.12833:1. The weighted average exercise price of outstanding options was adjusted from US\$2.61 to US\$0.14 accordingly.

The share options outstanding at December 31, 2025 had a weighted average remaining contractual life of 5.76 years (2024: 6.77 years).

The Black-Scholes OPM has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' of the Company best estimate. Changes in variables and assumptions may result in changes in the fair value of the options. The inputs into the model were as follows:

	Year ended 12/31/2024
Expected term (years)	5.1 – 6.1
Expected volatility	54.4% – 57.1%
Risk-free rate	3.67% – 4.27%
Exercise price of common stock	\$8.55 – \$9.72
Fair value of common stock	\$8.55 – \$16.14
Expected dividend yield	–

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 31. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

### Equity-settled share rewards scheme of the Company (continued)

#### RSUs

RSUs under the 2016 Share Incentive Plan generally expire 10 years from the date of grant, or earlier if services are terminated. RSUs granted generally vest over four years and either at a rate of 25% upon the first anniversary of the issuance date and 1/48th per month thereafter. As soon as practicable following any date that the RSUs vest (but in no event later than March 15 of the year following the year in which such vesting date occurs), the Company shall issue to the Participant the number of ordinary shares equal to the aggregate number of RSUs that have satisfied the vesting conditions. The amount of the vested portion is determined by the market value of the common stock on the date the RSUs vest.

Certain awards granted to employees in PRC cannot be exercised and employees cannot benefit from the vested RSUs in any other way before consummation of an initial public offering of Company's shares or certain corporation transaction as defined in Liquidity Event. The Liquidity Event is in substance a performance condition. The Group recognised total expense of approximately US\$1,431,000 for the year ended December 31, 2025 (2024: nil) for awards granted to employees in the PRC until a Liquidity Event become probably to occur.

Details of the RSUs outstanding during the year are as follows:

	<b>Weighted average fair value (in US\$)</b>	<b>Number of RSUs</b>
At January 1, 2024	–	–
Granted	4.82	30,000
At December 31, 2024 and January 1, 2025	4.82	30,000
Forfeited	<b>17.99</b>	<b>(9,600)</b>
Granted	<b>17.21</b>	<b>293,682</b>
Adjustment for capitalisation issue	–	<b>5,502,500</b>
At December 31, 2025	<b>0.90</b>	<b>5,816,582</b>

The estimated fair values of the RSUs granted on March 31, 2025, June 30, 2025, and December 31, 2025 are US\$2,446,000, US\$1,513,000, and US\$1,094,000, respectively (During the year ended December 31, 2024, options were granted on March 31, 2024, June 30, 2024, September 30, 2024 and December 31, 2024. The estimated fair values of the options granted on those dates are US\$294,000, US\$1,752,000, US\$2,868,000 and US\$1,609,000, respectively).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 31. SHARE-BASED PAYMENT TRANSACTION (CONTINUED)

### Equity-settled share rewards scheme of the Company (continued)

#### RSUs (continued)

The back-solve method and OPM has been used to estimate the fair value of the RSUs granted during the year ended December 31, 2025, and key valuation assumptions used in the OPM to determine the fair value are consistent with those used to assess the fair value of redeemable convertible preferred shares at relevant measurement dates, including December 10, 2025. The inputs into the model were as follows:

	Year ended 12/31/2025
Expected volatility	53.9% – 59.7%
Risk-free rate	3.62% – 3.99%
Exercise price of common stock	\$17.51 – \$17.56
Fair value of common stock	\$17.84 – \$18.06
Expected dividend yield	–

For the year ended December 31, 2025, the Group’s total share-based payment expenses recognised in the consolidated statements of profit or loss and other comprehensive income in relation to share option granted by the Company is US\$8,384,000 (2024: US\$786,000).

## 32. CAPITAL REORGANISATION

Capital reorganisation as part of the De-SPAC Transaction (“Capital Reorganisation”) is accounted for as share-based payment transaction under IFRS 2 and the shares allotted and issued to effect the Capital Reorganisation are measured at fair value of the equity consideration issued to the former owners of TechStar.

Since the Company has issued shares with a fair value in excess of the net assets of TechStar acquired, the difference is recognised in profit or loss as De-SPAC Transaction expenses arising from capital reorganisation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 32. CAPITAL REORGANISATION (CONTINUED)

The fair value of the consideration was determined as follows:

- (i) Based on the number of non-redeeming shares of TechStar outstanding immediately prior to the Capital Reorganisation, plus the bonus share issued immediately prior to the Capital Reorganisation, totalling 11,605,000 shares after considering capitalisation, with a share price of HK\$10 per share; and
- (ii) Based on the number of TechStar's promoter shares outstanding immediately prior to the Capital Reorganisation, totalling 25,000,000 shares after considering capitalisation, also at a share price of HK\$10 per share.

Accordingly, the deemed consideration amounts to approximately US\$47,043,000.

The fair value hierarchy of the input (i.e. share price of TechStar) to determine De-SPAC Transaction expense is categorised under Level 1 by reference to the quoted bid prices in an active market.

The carrying amount of the identifiable assets and liabilities of TechStar acquired or assumed upon the Capital Reorganisation in exchange for the issued share capital of the Company and the De-SPAC Transaction expense arising from the capital reorganisation are set out as follows:

	US\$'000
Ordinary shares of the Company issued:	
– In exchange of non-redeeming TechStar's Class A shareholders	13,558
– As bonus shares issue to non-redeeming TechStar's Class A shareholders	1,356
– As promoter shares	32,129
	47,043
Less:	
Fair value of TechStar's identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	15,241
Accrued payable	(61)
	15,180
Excess of net assets	31,863
Other liabilities arising from the Capital Reorganisation:	
Listed warrants Liabilities	682
Promoter Warrants Liabilities	24,540
	57,085
De-SPAC Transaction expense arising from capital reorganisation	57,085

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 32. CAPITAL REORGANISATION (CONTINUED)

US\$'000

Net cash inflow from Capital Reorganisation:  
Cash and cash equivalent balances acquired

15,241

## 33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities US\$'000	Financial liabilities at FVTPL US\$'000	Borrowings US\$'000	Other current liabilities and long term payables US\$'000	Other payables US\$'000	Total US\$'000
At January 1, 2024	10,010	670,111	42,704	–	–	722,825
Financing cash flows	(3,536)	–	(6,402)	–	(24)	(9,962)
Non-cash changes						
New leases entered	1,341	–	–	–	–	1,341
Lease termination	(513)	–	–	–	–	(513)
Interest expenses	346	–	1,562	–	749	2,657
Loss on changes in fair value of financial liabilities at FVTPL	–	312,025	–	–	–	312,025
Deferred issue cost	–	–	–	–	115	115
Exchange adjustments	(223)	–	(1,291)	–	–	(1,514)
At December 31, 2024	7,425	982,136	36,573	–	840	1,026,974
Financing cash flows	<b>(1,252)</b>	<b>11,285</b>	<b>24,695</b>	<b>4,754</b>	<b>(6,143)</b>	<b>33,339</b>
Non-cash changes						
Lease termination	<b>(1,618)</b>	–	–	–	–	<b>(1,618)</b>
Interest expenses	<b>250</b>	–	<b>2,842</b>	<b>54</b>	<b>5,405</b>	<b>8,551</b>
Loss on changes in fair value of financial liabilities at FVTPL	–	<b>188,861</b>	–	–	–	<b>188,861</b>
Conversion into ordinary shares of the Company	–	<b>(1,176,974)</b>	–	–	–	<b>(1,176,974)</b>
Capital Reorganisation (Note 32)	–	<b>25,222</b>	–	–	–	<b>25,222</b>
Exchange adjustments	<b>788</b>	–	<b>1,316</b>	–	<b>(102)</b>	<b>2,002</b>
At December 31, 2025	<b>5,593</b>	<b>30,530</b>	<b>65,426</b>	<b>4,808</b>	–	<b>106,357</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximizing the return to owners of the Company through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt, which includes the borrowings, lease liabilities, long-term payables and financial liabilities at FVTPL disclosed in Notes 25, 26, 27 and 29 respectively, net of cash and cash equivalents and equity of the Group, comprising issued share capital and reserves.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

## 35. FINANCIAL INSTRUMENTS

### a. Categories of financial instruments

	12/31/2025 US\$'000	12/31/2024 US\$'000
<b>Financial assets at</b>		
Amortised cost	169,654	90,751
FVTOCI	3,678	–
FVTPL	9,906	1,000
	<b>183,238</b>	91,751
<b>Financial liabilities at</b>		
Amortised cost	165,618	147,176
FVTPL	30,530	982,136
	<b>196,148</b>	1,129,312
<b>Lease liabilities</b>	<b>5,593</b>	7,425

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### b. Financial risk management objectives and policies

The Group's major financial instruments include financial liabilities at FVTPL, financial assets at FVTPL, receivables at FVTOCI, trade and other receivables, other non-current assets, cash and cash equivalents, restricted bank balances, trade and other payables, other current liabilities, long term payables and borrowings.

The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Market risk

The Group's activities expose it primarily to the market risks of currency risk, interest rate risk and other price risk. Market risk exposures are further measured by sensitivity analysis. Details of each type of market risks are described as follows:

#### (i) *Currency risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to RMB, HK\$ and US\$. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The carrying amounts of the Company's monetary assets and monetary liabilities are all denominated in the Company's functional currency, i.e. US\$. The significant carrying amounts of the Group's monetary liabilities are all denominated in the functional currencies of the relevant group entities at the end of each reporting period. The carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the functional currencies of the relevant group entities at the end of each reporting period are as follows:

	Liabilities		Assets	
	12/31/2025 US\$'000	12/31/2024 US\$'000	12/31/2025 US\$'000	12/31/2024 US\$'000
US\$	–	–	15,755	179
RMB	15,578	14,914	517	15,218
HK\$	–	–	30,518	–
	<b>15,578</b>	14,914	<b>46,790</b>	15,397

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### b. Financial risk management objectives and policies (continued)

#### Market risk (continued)

#### (i) *Currency risk (continued)*

##### **Sensitivity analysis**

The following table details the Group's sensitivity to a 10% increase and decrease in the functional currency of the relevant group entities against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive number below indicates a decrease in loss after taxation where RMB strengthens 10% against the functional currency of the Group.

	12/31/2025 US\$'000	12/31/2024 US\$'000
Gain post tax	2,341	36

#### (ii) *Interest rate risk*

The Group's fair value interest rate risk mainly relates to fixed rates and variable rates borrowings and bank balances. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings.

In order to exercise prudent management against interest rate risk, the Group continues to review market trends against its business operations and financial position in order to arrange the most effective interest rate risk management tools. The Company is exposed to other interest risk arising from variable rates bank borrowings.

##### **Sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The Group considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances and pledged/restricted bank deposits is insignificant because the current market interest rates are relatively low and stable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### b. Financial risk management objectives and policies (continued)

#### **Market risk (continued)**

##### **(iii) Other price risk**

The Group is exposed to other price risk arising from redeemable preferred shares, listed warrants and promoter warrants which were classified as financial liabilities at FVTPL and equity investments which were classified as financial asset as FVTPL (2024: redeemable convertible preferred shares which were classified as financial liabilities at FVTPL and bond fund investment which was classified as financial asset as FVTPL).

#### **Sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date for financial assets at FVTPL and financial liabilities at FVTPL.

If the prices of those financial assets at FVTPL and financial liabilities at FVTPL had been 5% (2024: 5%) higher/lower, the Group's post-tax profit for the year ended 31 December 2025 would increase/decrease by US\$1,145,000 (2024: US\$35,754,000).

#### **Credit risk and impairment assessment**

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

The Group performed impairment assessment for trade and other receivables, cash and cash equivalents and restricted bank balances under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

#### **Receivables at FVTOCI**

The Group has concentration of credit risk on receivables at FVTOCI. The credit risk on receivables at FVTOCI is limited as the related acceptors are several banks and financial institutions with high credit ratings.

#### **Trade receivables**

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

At December 31, 2025, the Group has concentration of credit risk as 67.52% (2024: 72.97%) of the total trade receivables was due from the Group's largest customer. The Group has concentration of credit risk as 76.78% (2024: 80.62%) of the total trade receivables was due from the Group's five largest customers.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### b. Financial risk management objectives and policies (continued)

#### **Credit risk and impairment assessment (continued)**

##### ***Trade receivables (continued)***

In addition to the measures described above, the Group has applied the simplified approach in IFRS 9 to measure the impairment loss allowance at lifetime ECL. The Group determines the ECL on these items on an individual basis for customer with significant outstanding balance and credit-impaired while the remaining is estimated collectively by using a provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

At December 31, 2025, trade receivables with significant outstanding balances and with aggregate gross carrying amount of US\$36,230,000 (2024: US\$23,311,000) are assessed individually. At December 31, 2025, trade receivables with credit-impaired balances and with aggregate gross carrying amount of US\$613,000 (2024: US\$1,244,000) are assessed individually. The remaining trade receivables are grouped based on aging of outstanding balances. Impairment of US\$183,000 are revised during the year ended December 31, 2025 (2024: Impairment of US\$1,418,000 are recognised).

##### ***Cash and cash equivalents and restricted bank balances***

Credit risk on cash and cash equivalents and restricted bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for cash and cash equivalents and restricted bank balances and time deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on cash and cash equivalents and restricted bank balances and time deposits is considered to be insignificant and therefore no loss allowance was recognised.

##### ***Other receivables***

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended December 31, 2025 and 2024, the Group assessed the ECL for other receivables are insignificant and thus no loss allowance is recognised.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### b. Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

The following table shows the Group's credit risk grading framework in respect of financial assets:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit-impaired	Trade receivables Lifetime ECL – not credit-impaired Other receivables 12m ECL Cash and cash equivalents 12m ECL Restricted bank balances 12m ECL Time deposits 12m ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired	Lifetime ECL – not credit-impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### b. Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

				2025	2024
	<i>Notes</i>	Internal credit ratings	12m or lifetime ECL	Gross carrying amount US\$'000	Gross carrying amount US\$'000
Trade receivables	20	Note	Lifetime ECL (credit-impaired)	613	1,244
		Note	Lifetime ECL (not credit-impaired)	49,368	30,701
Other receivables	20	Performing	12m ECL	334	8,315
Receivables at FVTOCI	22	Performing	12m ECL	3,678	–
Other non-current assets	20	Performing	12m ECL	1,307	533
Restricted bank balances	23	Performing	12m ECL	13,613	8,523
Cash and cash equivalents	23	Performing	12m ECL	105,870	43,010

*Note:*

For trade receivables, the Group applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant balance and credit-impaired, the Group determines the ECL on those items on a collective basis, grouped by past due status. At December 31, 2025, the ECL of debtors with credit-impaired with sign of significant financial difficulty of the issuers with gross carrying amounts of US\$613,000 (2024: US\$1,244,000) were assessed individually and fully impaired. The ECL of debtors with significant balances were assessed individually as well.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### b. Financial risk management objectives and policies (continued)

#### **Credit risk and impairment assessment (continued)**

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because the historical trade receivables collection experience is representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix and an individual basis for significant outstanding balances within lifetime ECL (not credit-impaired). Debtors with significant outstanding balances with gross carrying amounts of US\$36,230,000 at December 31, 2025 (2024: US\$23,311,000) were assessed individually.

#### **Gross carrying amounts as at December 31, 2025**

	Weighted average loss rate	Trade receivables US\$'000
Trade receivables aged		
Up to 6 months	0.60%	46,896
6 months to 1 year	10.94%	704
1 to 2 years	18.25%	1,315
Over 2 years	52.54%	453
	<b>1.70%</b>	<b>49,368</b>

#### **Gross carrying amounts as at December 31, 2024**

	Weighted average loss rate	Trade receivables US\$'000
Trade receivables aged		
Up to 6 months	0.36%	28,928
6 months to 1 year	5.58%	1,343
1 to 2 years	35.58%	430
	<b>1.08%</b>	<b>30,701</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### b. Financial risk management objectives and policies (continued)

#### **Credit risk and impairment assessment (continued)**

During the year ended December 31, 2025, based on the provision matrix, the Group's net impairment loss allowance for trade receivables recognised amounted to US\$465,000 (2024: US\$174,000).

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit- impaired) US\$'000	Lifetime ECL (credit- impaired) US\$'000	Total US\$'000
At January 1, 2024	168	–	168
Impairment losses recognised	174	1,244	1,418
Exchange realignment	(11)	–	(11)
At December 31, 2024	331	1,244	1,575
Impairment losses recognised	465	27	492
Impairment losses reversed	–	(675)	(675)
Exchange realignment	42	17	59
At December 31, 2025	838	613	1,451

#### **Liquidity risk**

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### b. Financial risk management objectives and policies (continued)

#### Liquidity risk (continued)

At December 31, 2025	Weighted average effective interest rate	On demand or less than 3 months US\$'000	3 months to 1 year US\$'000	1 year to 5 years US\$'000	Over 5 years US\$'000	Total undiscounted cash flows US\$'000	Carrying amount US\$'000
Trade and other payables	N/A	58,910	36,474	–	–	95,384	95,384
Borrowings	4.00%	6,452	61,118	–	–	67,570	65,426
Other current liabilities	4.20%	1,004	3,139	–	–	4,143	3,745
Long term payables	4.20%	–	–	1,654	–	1,654	1,063
Lease liabilities	4.10%	1,909	1,846	2,047	–	5,802	5,593
Financial liabilities at FVTPL	8.00%	–	19,151	14,694	–	33,845	30,530
		68,275	121,728	18,395	–	208,398	201,741

At December 31, 2024	Weighted average effective interest rate	On demand or less than 3 months US\$'000	3 months to 1 year US\$'000	1 year to 5 years US\$'000	Over 5 years US\$'000	Total undiscounted cash flows US\$'000	Carrying amount US\$'000
Trade and other payables	N/A	56,714	12,538	–	–	69,252	69,252
Borrowings	5.29%	11,110	19,998	7,525	–	38,633	36,573
Other current liabilities	4.67%	3,950	11,849	–	–	15,799	13,784
Long term payables	4.67%	–	–	31,597	–	31,597	27,567
Lease liabilities	4.04%	380	2,583	4,964	–	7,927	7,425
Financial liabilities at FVTPL	10.00%	–	–	1,044,998	–	1,044,998	982,136
		72,154	46,968	1,089,084	–	1,208,206	1,136,737

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### c. Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The Group's management is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes. The management reports directly to the board of directors for these fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group will normally engage external valuation experts with the recognised professional qualifications to perform the valuations.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### c. Fair value measurements of financial instruments (continued)

#### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

	Fair value		Fair value hierarchy	Valuation technique and key input	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	12/31/2025 US\$'000	12/31/2024 US\$'000				
Financial assets:						
Bond fund investment	N/A	1,000	Level 2	Cash flow discounted using the expected return based on observable market inputs.	N/A	N/A
Equity investment	9,906	N/A	Level 2	Recent transaction price	N/A	N/A
Bills receivables	3,678	N/A	Level 2	Discounted cash flow method was used to capture the present value of the cash flows to be derived from the receivables using the discount rate that reflected the credit risk of the corresponding banks which are observable.	N/A	N/A
Financial liabilities:						
Redeemable convertible preferred shares	N/A	982,136	Level 3	Back-solved method and OPM – the key inputs include time to liquidity, risk-free interest rate, volatility and dividend yield	IPO/redemption/liquidation probability, risk-free rate, expected volatility, Discount of lack of marketability ("DLOM")	The higher IPO probability, the higher the fair value; The lower risk-free rate, the higher the fair value The higher of expected volatility, the higher the fair value; The higher DLOM, the lower the fair value

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### c. Fair value measurements of financial instruments (continued)

#### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

	Fair value		Fair value hierarchy	Valuation technique and key input	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	12/31/2025 US\$'000	12/31/2024 US\$'000				
Redeemable preferred equity	11,379	N/A	Level 2	Recent transaction price	N/A	N/A
Listed Warrants	2,122	N/A	Level 1	Quoted market price	N/A	N/A
Promoter Warrants	17,029	–	Level 3	Monte carlo simulation method – the key inputs include time to maturity, risk-free rat and volatility.	Future stock price stimulated in a geometric Brownian motion	The higher probability of stock price above exercise price, the higher the fair value

Fair value of redeemable convertible preferred shares which were classified as financial liabilities at FVTPL is affected by the changes in equity value of the Company. Fair value of redeemable preferred equity which were classified as financial liabilities at FVTPL is affected by the changes in equity value of the Tudatong Pinghu. Fair value of promoter warrants shares which were classified as financial liabilities at FVTPL is affected by the changes in equity value of the Company.

There were no transfers between Level 1, 2 and 3 during the year.

#### Reconciliation of Level 3 fair value measurements

	Redeemable convertible preferred shares US\$'000	Promoter Warrants US\$'000
As at January 1, 2024	(670,111)	–
Loss on fair value change	(312,025)	–
As at December 31, 2024	(982,136)	–
Conversion into ordinary shares of the Company	1,176,974	–
Addition arising from Capital Reorganisation (Note 32)	–	(24,540)
(Loss) gain on fair value change	(194,838)	7,511
As at December 31, 2025	–	(17,029)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 35. FINANCIAL INSTRUMENTS (CONTINUED)

### c. Fair value measurements of financial instruments (continued)

#### **Reconciliation of Level 3 fair value measurements (continued)**

The reconciliation of Level 3 measurements of redeemable convertible preferred shares are set out in Note 29. The fair value changes are recorded in fair value changes of financial liabilities at FVTPL.

#### **Fair value of financial assets and financial liabilities that are not measured at fair value**

The directors of the Company consider that the carrying amount of the Group's and the Company's financial liability recorded at amortised cost in the consolidated financial statements approximate to their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

## 36. RELATED PARTY DISCLOSURES

### Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management of the Group during the year were as follows:

The emoluments of these employees are within the following bands:

	Year ended 12/31/2025 US\$'000	Year ended 12/31/2024 US\$'000
Salaries and other benefits	1,994	1,635
Retirement benefit scheme contributions	152	127
Discretionary performance related bonus (note)	151	279
Share-based payment expenses	1,705	17
	<b>4,002</b>	<b>2,058</b>

*Note:* Discretionary performance related bonus is determined based on the duties and responsibilities of the relevant individuals within the Group and the Group's performance.

## 37. MAJOR NON-CASH TRANSACTIONS

During the year, all the redeemable convertible preferred shares were converted into ordinary shares in the fair value of the ordinary shares of the Company at the offer price of HK\$10.00 per share. Further details of the conversion are set out in Note 29 above.

During the year, upon completion of the De-SPAC Transaction, 11,605,000 shares of the Company were issued to the non-redeeming TechStar shareholders and 25,000,000 shares of the Company were issued to TechStar's promoters. Further details of the conversion are set out in Note 32 above.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 38. FINANCIAL INFORMATION OF THE COMPANY

	12/31/2025 US\$'000	12/31/2024 US\$'000
<b>NON-CURRENT ASSETS</b>		
Investments in subsidiaries	439,406	392,288
Amounts due from subsidiaries	29,000	29,000
	<b>468,406</b>	421,288
<b>CURRENT ASSETS</b>		
Other receivables	91	135
Amounts due from subsidiaries	86,784	34,190
Financial assets at FVTPL	9,906	–
Cash and cash equivalents	20,496	215
	<b>117,277</b>	34,540
<b>CURRENT LIABILITIES</b>		
Other payables	3,510	2,599
Amounts due to subsidiaries	–	634
	<b>3,510</b>	3,233
<b>NET CURRENT ASSETS</b>	<b>113,767</b>	31,307
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>582,173</b>	452,595
<b>NON-CURRENT LIABILITY</b>		
Financial liabilities at FVTPL	19,151	982,136
<b>NET ASSETS (LIABILITIES)</b>	<b>563,022</b>	(529,541)
<b>CAPITAL AND RESERVES</b>		
Share capital	1,299	13
Treasury shares	(15)	(1)
Share premium	1,352,958	11,667
Reserves	(791,220)	(541,220)
<b>TOTAL EQUITY (DEFICIT)</b>	<b>563,022</b>	(529,541)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 38. FINANCIAL INFORMATION OF THE COMPANY (CONTINUED)

### Movements of the Company's reserves

	Share premium US\$'000	Other reserve US\$'000	Share-based payment reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
At January 1, 2024	11,624	–	5,425	(232,664)	(215,615)
Loss for the year	–	–	–	(314,767)	(314,767)
Vesting of early exercised stock options	43	–	–	–	43
Issuance of common stock upon exercise of common stock warrants	–*	–	–	–	–*
Recognition of equity-settled share-based payment	–	–	786	–	786
At December 31, 2024	11,667	–	6,211	(547,431)	(529,553)
Loss for the year	–	–	–	(252,263)	(252,263)
Recognition of equity-settled share-based payment	–	–	8,384	–	8,384
Exercise of share options and vesting of early stock options	71	–	(61)	–	10
Conversion of preference shares	1,176,058	–	–	–	1,176,058
Shares issued to private investment in public equity ("PIPE") and permitted equity financing ("PEF") investors	118,383	–	–	–	118,383
Shares and bonus shares issued to non-redeeming Class A shareholders	14,902	–	–	–	14,902
Shares issued to promoters	32,104	–	–	–	32,104
Capitalisation issue to existing shareholders	(227)	–	–	–	(227)
Transaction costs directly attributable to issue of new shares to PIPE and PEF investors	–	(6,060)	–	–	(6,060)
At December 31, 2025	1,352,958	(6,060)	14,534	(799,694)	561,738

\* Amount less than US\$1,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 39. PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company at December 31, 2025 and 2024 are set out below.

Name of subsidiaries	Principal place of operation and incorporation/ establishment, date of incorporation/ establishment	Paid-in capital	Shareholding/equity interest attributable to the Group		Principal activities
			12/31/2025	12/31/2024	
Seyond Inc.	USA November 14, 2016	Issued and fully paid share capital of US\$1	100%	100%	Technology development and sales of LiDAR related materials and services
Innovusion Hong Kong Ltd.	Hong Kong May 17, 2018	Issued and fully paid share capital of HK\$10,000	100%	100%	Investment holding
#Tudatong (Wuxi) Co., Ltd. 圖達通智能科技(無錫)有限公司	The PRC February 24, 2023	Register capital of US\$250,000,000 Paid up capital of US\$50,000,000	100%	100%	Research development of LiDAR products
#Tudatong (Pinghu) Co., Ltd. 圖達通智能科技(平湖)有限公司	The PRC June 15, 2023	Register capital of US\$99,088,224 (2024: US\$85,000,000) Paid up capital of US\$75,967,598 (2024: US\$50,000,000)	88% (note)	100%	Manufacturing LiDAR products
#Tudatong (Deqing) Co., Ltd. 圖達通智能科技(德清)有限公司	The PRC March 30, 2023	Register capital of US\$100,000,000 Paid up capital of US\$37,000,000	100%	100%	Manufacturing LiDAR products

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 39. PARTICULARS OF SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Principal place of operation and incorporation/ establishment, date of incorporation/ establishment	Paid-in capital	Shareholding/equity interest attributable to the Group		Principal activities
			12/31/2025	12/31/2024	
#Tudatong (Suzhou) Co., Ltd. 圖達通智能科技(蘇州)有限公司	The PRC January 10, 2019	Register capital of US\$197,300,000 (2024: US\$145,000,000) Paid up capital of US\$179,554,698 (2024: US\$144,266,443)	100%	100%	Manufacturing and sales of LiDAR related materials
^Tudatong (Ningbo) Co., Ltd. 圖達通智能科技(寧波)有限公司	The PRC December 31, 2021	Register capital of RMB50,000,000 Paid up capital of RMB17,166,400	100%	100%	Manufacturing LiDAR products
^Tudatong (Suzhou) Optical Technology Co., Ltd. 圖達通(蘇州)光學技術有限公司	The PRC October 28, 2025	Register Capital of RMB5,000,000 No paid up capital	100%	N/A	Technology services

*Note:* The 88% ownership represents voting rights. The remaining 12% relates to redeemable preferred equity classified as financial liability at FVTPL (Note 29).

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

\* English name is for identification purpose only.

# companies are foreign-owned enterprises

^ companies are domestic invested enterprises

None of the subsidiaries had issued any debt securities at the end of the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 40. RETIREMENT BENEFIT SCHEMES

For the years ended December 31, 2025 and 2024, the total amount provided by the Group to the scheme or plans in the PRC and charged to profit or loss are US\$7,165,000 and US\$7,660,000, respectively.

The employees of the Group's subsidiaries in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiaries in the PRC are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

## 41. CONTINGENCY

On October 29, 2025 and December 17, 2025, the Group is involved in several patent infringement lawsuits. As the likelihood of an outflow of economic benefits is considered low, no contingent liability was recognised as at December 31, 2025. The Group does not believe the defendant has a merit, and will closely monitor the progress of the case and record a liability when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

## FINANCIAL SUMMARY

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

	Year Ended December 31,			2025
	2022	2023	2024	
	(US\$ in thousands)			
<b>Revenue</b>	66,302	121,108	159,575	<b>154,208</b>
Cost of sales	(107,623)	(163,467)	(173,481)	<b>(141,954)</b>
<b>Gross (loss)/profit</b>	(41,321)	(42,359)	(13,906)	<b>12,254</b>
Other income	2,005	3,070	2,458	<b>5,202</b>
Other gains and losses	502	(2,653)	(262)	<b>(1,537)</b>
Selling and marketing expenses	(6,887)	(9,204)	(8,213)	<b>(12,603)</b>
Administrative expenses	(15,238)	(18,306)	(21,357)	<b>(25,980)</b>
R&D expenses	(78,120)	(63,789)	(36,958)	<b>(40,361)</b>
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	(13)	(153)	(1,625)	<b>183</b>
Impairment losses recognised on property and equipment	–	–	–	<b>(3,602)</b>
Fair value changes of financial liabilities at FVTPL	(43,257)	(80,448)	(312,025)	<b>(188,861)</b>
Professional fees and expenses related to De-SPAC Transaction	–	–	(2,485)	<b>(7,106)</b>
De-SPAC Transaction expenses arising from capital reorganisation	–	–	–	<b>(57,085)</b>
Other expenses	(5,178)	(2,176)	(424)	<b>–</b>
Finance costs	(319)	(2,080)	(2,657)	<b>(8,551)</b>
Loss before tax	(187,826)	(218,098)	(397,454)	<b>(328,047)</b>
Income tax expense	(339)	(872)	(741)	<b>(3)</b>
Loss for the year	(188,165)	(218,970)	(398,195)	<b>(328,050)</b>
Exchange differences arising on translation of foreign operations	(3,682)	2,557	(34)	<b>414</b>
<b>Total comprehensive expense for the year</b>	(191,847)	(216,413)	(398,229)	<b>(327,636)</b>

## FINANCIAL SUMMARY

	As of December 31,			2025
	2022	2023	2024	
		(US\$ in thousands)		
Total current assets	194,224	215,934	126,707	<b>227,535</b>
Total non-current assets	24,210	38,346	49,963	<b>36,514</b>
<b>Total assets</b>	218,434	254,280	176,670	<b>264,049</b>
Total current liabilities	128,547	148,989	125,299	<b>202,416</b>
Total non-current liabilities	451,542	679,914	1,023,394	<b>16,466</b>
<b>Total liabilities</b>	580,089	828,903	1,148,693	<b>218,882</b>
<b>Total (deficit) equity</b>	(361,655)	(574,623)	(972,023)	<b>45,167</b>

## FORWARD-LOOKING STATEMENTS

All statements in this report that are not historical fact or that do not relate to present facts or current conditions are forward-looking statements. Such forward-looking statements express the Group's current views, projections, beliefs and expectations with respect to future events as of the date of this report. Such forward-looking statements are based on a number of assumptions and factors beyond the Group's control. As a result, they are subject to significant risks and uncertainties, and actual events or results may differ materially from these forward-looking statements and the forward-looking events discussed in this report might not occur. Such risks and uncertainties include, but are not limited to, those detailed under the heading "RISK FACTORS" in our circular in relation to the De-SPAC Transaction dated December 10, 2025 (being republished), and other announcements and reports made available from time to time on our corporate website, <https://www.seyond.com>, and the website of the Stock Exchange. No representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, targets, estimates or forecasts contained in this report.

## DEFINITIONS

In this annual report, unless the context otherwise requires, the following terms and expressions have the meanings as set forth below.

“2016 Share Incentive Plan”	the share incentive plan adopted on November 20, 2016, the principal terms of which are set out in “Statutory and General Information – E. Employee Incentive Plans” in Appendix VII to the De-SPAC Circular
“Audit Committee”	the audit committee of the Board
“Beneficial Owner”	any beneficial owner of the Company
“Board”	the board of Directors of the Company
“Business Combination Agreement”	collectively, the business combination agreement entered into on December 20, 2024 among TechStar, the Company and the Merger Sub and the supplemental agreements thereof dated September 25, 2025 and November 6, 2025, respectively
“Business Day”	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CIC”	China Insights Industry Consultancy Limited, a global market research and consulting company
“Closing”	the completion of the De-SPAC Transaction
“Closing Date”	the day on which the Closing occurs
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Seyond Holdings Ltd. (formerly known as Innovusion Holdings Ltd.), an exempted company with limited liability incorporated in the Cayman Islands on November 4, 2016
“Company Options”	all share options to acquire Company Shares granted under the 2016 Share Incentive Plan, whether or not exercisable and whether or not issued immediately prior to the Effective Time
“Company Shares” or “Shares”	Company Ordinary Shares and Company Preferred Shares
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

## DEFINITIONS

“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“De-SPAC Circular”	the republished circular of TechStar dated December 10, 2025
“De-SPAC Transaction”	the transactions contemplated by the Business Combination Agreement, including, among others, the Capital Restructuring, the Merger and the PIPE Investments, resulting in the listing of the Company Shares and Company Listed Warrants on the Stock Exchange subject to obtaining all the necessary approvals
“Director(s)”	the directors of the Company
“Dr. Bao”	Dr. Bao Junwei (鮑君威), chairman of the Board, an executive Director, the president and the chief executive officer of the Company, and one of the Company’s Single Largest Group of Shareholders
“ESG Committee”	the environmental, social, and governance committee of the Board
“Group” or “the Group” or “we” or “us” or “our” or “Seeyond”	the Company and its subsidiaries from time to time
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and Interpretation issued by the International Accounting Standards Committee
“Latest Practicable Date”	April 21, 2026, being the latest practicable date for ascertaining certain information in this annual report before its publication
“Listing”	the listing of the Company Shares and Company Listed Warrants on the Stock Exchange

## DEFINITIONS

“Listing Date”	December 10, 2025, the date of listing of the Company Shares and Company Listed Warrants on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“NIO”	NIO Inc., its subsidiaries and consolidated affiliated entities from time to time
“Nomination Committee”	the nomination committee of the Board
“Ordinary Shares” or “Shares”	the ordinary shares in the share capital of the Company
“Permitted Equity Financing”	the subscription of Company Shares on the Closing Date and concurrently with the Closing by one or more investors pursuant to one or more subscription agreements entered into during the period from the date of the Business Combination Agreement until the Effective Time by and among such investors, the Company and TechStar pursuant to the Business Combination Agreement
“Phthalo Blue LLC”	a limited liability company incorporated in Delaware, the United States, which is wholly held by a trust company under a family trust arrangement for the benefit of Dr. Bao’s family members where Dr. Bao is a trustor of such family trust, as well as the manager of Phthalo Blue LLC
“PIPE Investors”	the independent third-party investors participating in the De-SPAC Transaction
“Post-Listing Share Incentive Plan”	the share incentive plan adopted by the Company on December 20, 2024 which will take effect on the Listing Date, the principal terms of which are set out in “Statutory and General Information – E. Employee Incentive Plans” in Appendix VII to the De-SPAC Circular
“PRC” or “China”	the People’s Republic of China, but for the purposes of this annual report only, except where the context requires, references in this annual report to PRC or China exclude Hong Kong, Macau and Taiwan
“Preferred Shares”	convertible redeemable preferred shares of the Company, all of which were converted into ordinary shares upon Listing
“Pre-Listing Investor(s)”	holders of the Series Seed Preferred Shares, the Series A Preferred Shares, the Series A1 Preferred Shares, the Series B Preferred Shares, the Series B+ Preferred Shares, the Series C Preferred Shares and the Series D Preferred Shares as described in the section headed “History, Development and Corporate Structure of the Target Group – Pre-Listing Investments” in the De-SPAC Circular
“Principal Share Registrar”	Walkers Corporate Limited

## DEFINITIONS

“Promoters”	has the meaning ascribed to “SPAC Promoter” under the Listing Rules and, unless the context requires otherwise, refers to CNCB (Hong Kong) Capital Limited, Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司), Zero2IPO Capital Limited, Mr. NI Zhengdong, Mr. LI Zhu and Mr. LAU Wai Kit
“Proxy Shareholder(s)”	the Company Shareholders who have granted Dr. Bao the voting rights in respect of all of the Company Shares held by them through effective Voting Proxy Agreements, including various Pre-Listing Investors, namely, Rong Shengwen (date of Voting Proxy Agreement: June 16, 2017), The Niu 2001 Revocable Trust (date of Voting Proxy Agreement: June 16, 2017), Jinsong Xiao and Xingrong Zhang (date of Voting Proxy Agreement: February 4, 2018), Yang Zheng (dates of Voting Proxy Agreements: December 27, 2019 and September 29, 2017) and Zhang Wen Qi (dates of Voting Proxy Agreements: December 27, 2019 and February 5, 2018)
“Relevant Period”	the period from the Listing Date to December 31, 2025
“Remuneration Committee”	the remuneration committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“RSUs”	all restricted share units to acquire Company Shares granted under the 2016 Share Incentive Plan, whether or not vested and whether or not issued immediately prior to the Effective Time
“Securities and Futures Ordinance” or “SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholders”	the holder of Ordinary Shares
“Single Largest Group of Shareholders”	refers to the single largest group of shareholders of the Company immediately following the completion of the De-SPAC Transaction, including Dr. Bao, High Altos Limited and Phthalo Blue LLC, details of which are set out in the section headed “Relationship with the Single Largest Group of Shareholders of the Successor Company” in the De-SPAC Circular
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Successor Company Listed Warrant Instrument”	the Successor Company Listed Warrant instrument dated November 11, 2025 governing the terms of the warrants

## DEFINITIONS

“Successor Company Listed Warrants”	subscription warrants issued by the Successor Company in consideration of the cancellation of the TechStar Listed Warrants as detailed under the section headed “Letter from TechStar Board – F. The Business Combination Agreement” in the De-SPAC Circular and pursuant to the Successor Company Listed Warrant Instrument
“Successor Company Promoter Warrant”	subscription warrants issued by the Successor Company in consideration of the cancellation of the TechStar Promoter Warrants as detailed under the section headed “Letter from TechStar Board – F. The Business Combination Agreement” in the De-SPAC Circular and pursuant to the Successor Company Promoter Warrant Agreement
“Successor Company Promoter Warrant Agreement”	the Successor Company Promoter Warrant agreement dated November 11, 2025 executed by the Company, the Promoters and certain other parties
“TechStar”	TechStar Acquisition Corporation, an exempted company incorporated under the laws of the Cayman Islands with limited liability on April 11, 2022
“TechStar Class A Share(s)”	class A ordinary shares in the share capital of TechStar with a par value of HK\$0.0001 each, which will be canceled and exchanged for Successor Company Shares pursuant to the Merger. As at the date of this annual report, there are 100,100,000 TechStar Class A Shares issued and outstanding
“TechStar Listed Warrant Instrument”	the instrument constituting the TechStar Listed Warrants by way of deed poll executed by TechStar on December 23, 2022
“TechStar Listed Warrants”	subscription warrants issued pursuant to the TechStar Listed Warrant Instrument and entitling the holder to purchase one TechStar Class A Share per subscription warrant at the warrant exercise price of HK\$11.50 exercisable on a cashless basis. As at the date of this annual report, there are 50,050,000 TechStar Listed Warrants issued and outstanding
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“United States”, “U.S.” or “US”	United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD” or “US\$”	United States dollars, the lawful currency of the United States
“Voting Proxy Agreement(s)”	the voting proxy agreements entered into between, among others, each of the Proxy Shareholders on one hand and Dr. Bao on the other hand, details of which are set out in “Relationship with the Single Largest Group of Shareholders of the Successor Company” in the De-SPAC Circular
“%”	per cent.

## GLOSSARY OF TECHNICAL TERMS

In this report, unless the context otherwise requires, explanations and definitions of certain terms used in this annual report in connection with the Group and its business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

“ADAS”	Advanced Driver Assistance System, ADAS is designed to assist drivers in the operation and safety of vehicles, by utilizing various sensors, cameras, and software algorithms to provide additional functionalities and enhance the driving experience
“ADS”	Automated Driving System, ADS is a hardware and software solution that continuously performs the entire dynamic driving task (DDT) within a defined operational design domain (ODD), adhering to SAE J3016 Levels 3-5 standards for autonomous vehicle operation
“automotive-grade”	standards that a component or product must satisfy to be incorporated into vehicles, which typically requires consistent and reliable level of high performance under varying temperatures, humidity, among other driving conditions, as well as near-zero failure rate and long lifecycles and also require product suppliers to achieve volume production
“automotive-grade LiDAR solutions”	LiDAR solutions that meet automotive-grade quality standards and are specifically designed to be incorporated into vehicles
“design win”	the process of selection by the manufacturer of an assembly of a non-fungible, non-interchangeable component of the assembly
“Image-Grade”	A quality standard for imaging systems requiring high resolution (>12MP), low noise (SNR >40dB), and wide dynamic range (WDR), typically applied in medical diagnostics, autonomous vehicles, and consumer electronics
“LiDAR”	Light Detection and Ranging, a type of sensing technology that uses pulsed laser beams to measure an object’s variable distances from the targeted surface in real time
“L2+”	level of driving automation, Level 2+ refers to partial automation that provides combined driver assistance function which exceeds functions of Level 2 solutions and are very close to functions of Level 3 solutions
“mass production”	shipment and delivery of non-prototype products
“OEMs”	Original Equipment Manufacturers, companies that produce parts and components specifically for use in new vehicles

## GLOSSARY OF TECHNICAL TERMS

“resolution” or “resolution of LiDAR”	the minimum interval between scanning beams and is usually indicated by the angular resolution
“V2X”	vehicle-to-everything, a technology enabling vehicles to interact with external traffic environment, including vehicles, infrastructure, pedestrians, and the internet
“Volume production”	the large-scale manufacturing of over 10,000 standardized products through optimized processes to achieve cost efficiency and consistent quality, typically defined by metrics, often validated by industry certifications