

# 藍思科技股份有限公司 Lens Technology Co., Ltd.

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

Stock Code: 6 6 1 3



## 2025 Annual Report



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Ms. Chau Kwan Fei (*Chairman of the Board and General Manager*)

Mr. Cheng Chun Lung

Mr. Rao Qiaobing

### Independent Non-executive Directors

Ms. Wan Wei

Mr. Liu Yue

Mr. Tian Hong

Mr. Tang Xiangxi

### Audit Committee

Mr. Tang Xiangxi (*Chairman*)

Ms. Wan Wei

Mr. Liu Yue

### Remuneration and Appraisal Committee

Mr. Tang Xiangxi (*Chairman*)

Mr. Cheng Chun Lung

Mr. Liu Yue

### Nomination Committee

Ms. Wan Wei (*Chairman*)

Mr. Cheng Chun Lung

Mr. Liu Yue

### Strategy Committee

Ms. Chau Kwan Fei (*Chairman*)

Ms. Wan Wei

Mr. Tian Hong

## JOINT COMPANY SECRETARIES

Mr. Jiang Nan

Ms. Yu Wing Sze

## AUTHORISED REPRESENTATIVES

Ms. Chau Kwan Fei

Ms. Yu Wing Sze

## REGISTERED OFFICE

Liuyang Biomedical Park

Liuyang

Hunan Province

the PRC

## HEAD OFFICE

Liuyang Biomedical Park

Liuyang

Hunan Province

the PRC

## PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

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## H SHARE REGISTRAR

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Hopewell Centre

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Wan Chai

Hong Kong

## AUDITOR

### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

*Registered Public Interest Entity Auditor*

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88 Queensway

Hong Kong

## LEGAL ADVISERS

*AS TO HONG KONG LAW:*

### **DLA Piper Hong Kong**

25th Floor, Three Exchange Square

8 Connaught Place

Central

Hong Kong

*AS TO PRC LAW:*

### **Sundial Law Firm**

11-12/F., Taiping Finance Tower

6001 Yitian Road

Futian District, Shenzhen

the PRC

## COMPLIANCE ADVISOR

### **Gram Capital Limited**

Room 1209

12/F, Nan Fung Tower

88 Connaught Road Central/

173 Des Voeux Road Central

Central

Hong Kong

## PRINCIPAL BANKS

### **Bank of China**

**Liuyang Economic and Technological Development**

**Zone Branch**

No. 156, Jianshou Avenue

Liuyang, Changsha, Hunan Province

the PRC

### **The Export-Import Bank of China**

**Hunan Branch**

Building 5, Huayuan Huazhongxin, No. 36

Section 2, Xiangjiang Middle Road

Tianxin District, Changsha, Hunan Province

the PRC

## COMPANY'S WEBSITE

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

## STOCK CODE

6613 (H Share)






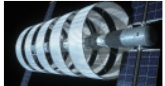
300433 (A Share)

# MANAGEMENT DISCUSSION AND ANALYSIS

## MAIN BUSINESS OPERATIONS OF THE COMPANY DURING THE REPORTING PERIOD

During the Reporting Period, the Company's principal business and industry position did not undergo significant changes. The Company is a leading provider of one-stop precision manufacturing solutions across the full AI hardware industry chain, driven by technological innovation and intelligent manufacturing, with its business covering structural components, functional modules and complete machine assembly for products such as AI smart terminals (including smartphones, AI glasses, smart vehicles, and embodied intelligence), AI servers and commercial aerospace sectors.

In 2025, under the guidance of its long-term development strategy, the Company achieved high-quality growth. Its AI smart terminal business maintained steady development, and significant progress was made in new fields and businesses such as embodied intelligence, AI servers, and commercial aerospace. The platform capabilities were further strengthened.

AI smart terminals		Embodied intelligence	
Smartphones and computers		Transmission parts Metal structural components Complete machine ODM/OEM	
Smart vehicles		Cabinet structural components Liquid cooling components SSD/HDD	
Wearables such as AI glasses		Receiving terminal components UTG	

# MANAGEMENT DISCUSSION AND ANALYSIS

## (I) AI smart terminal business

### 1. Smartphone and computer businesses

The Company is the world leader in the mid-to-high-end smartphone covers and metal structural components industry, maintaining a leading market share among domestic and international high-end mobile phone customers for a long time. With over 30 years of R&D experience in various materials such as glass and metal, we possess globally leading precision manufacturing capabilities.

Part of the representative products of smartphone and computer businesses:

Serial number	Schematic diagram of representative products	Description
1	 <p data-bbox="512 1252 820 1280">Smartphones and computers</p>	<p>The Company provides integrated solutions including precision structural components, functional modules, and complete machine assembly for smartphones and computers.</p>
2	 <p data-bbox="539 1560 794 1588">Foldable screen phones</p>	<p>The Company provides UTG ultra-thin flexible glass, glass support plates, PET films, 3D glass covers and other structural components for foldable screen phones, which have excellent bending resistance, micro-creasing, and impact resistance, and provides solutions for several global high-end foldable screen phones.</p>

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. AI glasses and other smart wearables business

In the field of AI glasses and other smart wearables, the Company has established full-stack service capabilities covering materials, optics, structural components, and complete machine assembly. In 2025, the Company achieved the complete assembly of AI glasses for domestic leading customers, and large-scale mass production and delivery of precision parts for overseas leading customers. It also made technological breakthroughs in areas such as high-precision automated assembly of optical waveguide lenses, and is about to achieve mass production and delivery. With a rapidly increasing market penetration rate, the business growth space of AI glasses continues to expand, becoming an important growth point of AI intelligent device hardware.

Part of the representative products of AI glasses:

Schematic diagram of representative products	Description
 <p data-bbox="507 1078 614 1106">AI glasses</p>	The Company provides touch, optical, display, acoustic, video, metal and other structural components, functional modules and complete machine assembly for wearable smart terminals such as AI glasses.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 3. Smart vehicle and cockpit businesses

During the Reporting Period, the Company supplied core products such as central control modules, instrument panels, and intelligent B pillar and C pillar, charging piles, cockpit trims and wireless charging modules to several world-leading high-end electric vehicle customers. Ultra-thin laminated multi-functional automotive glass has been successfully integrated into the mass production system of new models of leading vehicle manufacturers. At present, it is in the mass production stage.

Part of the representative products of smart vehicle and cockpit businesses:

Serial number	Schematic diagram of representative products	Description
1	 <p data-bbox="558 1024 766 1056">Intelligent cockpits</p>	<p>The Company mainly provides automotive electronic glass and components, automotive central control panel modules, front and rear windshields/side window glass/canopy glass, instrument panel components, smart B-pillar/C-pillar, car decorations, body structural components, rear-view mirrors, navigators and many other types of automotive electronic products.</p>
2	 <p data-bbox="399 1369 933 1397">Ultra-thin laminated multi-functional automotive glass</p>	

# MANAGEMENT DISCUSSION AND ANALYSIS

## (II) Embodied intelligence business

Since 2016, Lens Technology has been proactively positioning itself in the robotics field, consistently advancing the core technology R&D and industrial application of industrial robots. In 2025, as the global embodied AI industry ushered in its first year of mass production explosion, the Company seized this historic development opportunity and formally established its robotics business as a core growth track. During the Reporting Period, the Company accelerated the vertical integration of its entire industry chain “component–module–complete machine assembly (OEM/ODM service)”, achieving mass order placements from leading customers both domestically and internationally. It has grown into one of the world’s largest core manufacturing platforms for embodied intelligence hardware.

### 1. Core products and solutions

Relying on its in-depth understanding of industrial robots and profound accumulation of precision manufacturing capabilities, the Company has built a full-chain technological system covering core components, functional modules and complete machine products.

#### (1) Core components and modules: independent breakthroughs, large-scale delivery

In the field of components, stable mass production has been achieved for the robot head modules, and all kinds of lightweight metal structural parts, six-dimensional force sensors, joint modules, and dexterous hand modules have been integrated into the supply chain of domestic and international leading customers.



Head modules



Lightweight metal structural components



Six-dimensional force sensor



Dexterous hand module



Harmonic joint

As of the end of 2025, the Company applied for and was granted hundreds of patents in the robot-related core technology field. Its R&D investment has continued to maintain high growth, providing strong support for product iteration, application expansion and large-scale market delivery.

## MANAGEMENT DISCUSSION AND ANALYSIS

(2) *System integration: outstanding mass production capabilities, and development of multiple categories*

The Company has built a complete machine R&D and mass production system covering multi-form products such as two-legged humanoid robots, quadruped robot dogs, and wheeled humanoid robots. Boasting full-chain capabilities from prototype verification to large-scale delivery, it has established in-depth OEM cooperation with dozens of robot companies.

In 2025, the Company's complete robot business fully entered the large-scale delivery stage. The shipment volume of humanoid robots and quadruped robot dogs exceeded 10,000 sets throughout the year, and Lens Intelligent Robots (Changsha) Co., Ltd. achieved an operating revenue of more than RMB1 billion, which fully verified its engineering capabilities in various robot development, supply chain management, quality consistency control, etc., and laid a solid foundation for the continuous increase in the market share in the future.



Lingxi X1



Lingxi X2



DOBOT robot dogs



Mechanical arm

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Business deployment

### (1) *Increase investment in production capacity and build a global manufacturing network*

In November 2025, the Lens Intelligent Yong'an Park invested and built by the Company was officially put into operation. The park covers an area of 400mu, and the plant area is about 189,000 square meters. It has an annual production capacity of 10,000 industrial robots and 500,000 embodied intelligent robots when the designed production capacity is met. Meanwhile, we also accelerated the construction of the Thailand Production Base to meet the demands of overseas customers.

### (2) *Improve industrial collaboration and deepen global strategy*

To further deepen industrial collaboration, in November 2025, the Hunan Embodied Intelligence Innovation Center jointly operated by the Company and AGIBOT was officially put into operation. Up to now, the center has gathered nearly 40 robot industry chain enterprises, covering key parts such as joint modules, controllers, system integration and industry solutions.

In January 2026, the Company formally entered into a cooperation memorandum with AGIBOT and Thai listed companies SKY and Com7. The four parties planned to set up a joint venture company in Thailand to jointly explore the development path of the embodied intelligence industry in the ASEAN region.

In February 2026, the Company officially entered into a strategic cooperation agreement with China Mobile (Hangzhou) Information Technology Co., Ltd. and China Mobile Communications Group Hunan Co., Ltd. to promote the implementation of computing power services and embodied intelligence applications. This strategic cooperation represents a deep collaboration in the transformation of AI and embodied intelligence along the industry chain.

### (3) *Customer cooperation and market expansion*

The Company has successfully integrated itself into the supply chain of the global leading robot customers, and established long-term and stable strategic cooperative relations with several international giants and leading domestic companies. As a strategic partner of AGIBOT, the Company has manufactured a full range of complete machines and core modules for AGIBOT Lingxi series since 2025, and has delivered thousands of products in total; it received an exclusive order of complete machine assembly of 10,000 Rover X1 quadruped robot dogs from DOBOT Technology, setting a record in terms of the scale of a single order of quadruped robot dogs in the industry. At the same time, the Company also supplies joint motors, structural components and other core components for DOBOT Technology, forming an integrated closed loop of "R&D-manufacturing-supply". In addition, the Company has also carried out in-depth cooperation with more than 100 robot manufacturers, and actively expanded overseas markets, steadily releasing the production capacity in Southeast Asia, and continuously improving the deployment of the global supply chain.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 3. Development planning

In terms of technology R&D, the Company will further cooperate with domestic and international leading robot customers in focusing on breakthroughs in the core component technologies such as joint modules with high torque density and high dynamic response, and lightweight body structural parts, so as to continuously improve performance boundaries and competitive advantages of products. In terms of capacity delivery, the Company will accelerate the release of exclusive robot production capacity in Yong'an Park, while promoting the development of production capacity of the Thailand Production Base to ensure the smooth delivery of overseas batch orders and drive the doubling of the scale of core components and complete machine assembly of embodied intelligent robots in 2026. We strive to reach a new level of revenue scale and further consolidate the leading position in the industry.

In terms of market expansion, the Company will continue to expand segments such as medical robots and industrial heavy-duty robots, and enrich product application scenarios and solution capabilities. At the same time, we strengthen internal scenario validation, widely apply self-developed robot products to its own production processes, promote the automated upgrading of key processes such as handling, assembly and testing, enhance product iteration with practical applications in return, and continuously verify the practicality and reliability under industrial scenarios.

## (III) AI server business

In 2025, the global demand for AI computing power ushered in explosive growth. Seizing the favorable opportunity for industrial development, the Company identified AI server business as one of the core strategic segments. Through strategic mergers and acquisitions, breakthroughs in core technology, and binding with leading customers, we built a full-chain product portfolio covering structural components, liquid cooling solutions, and server storage, and entered into the world's top AI computing power hardware supply chain. The Company is simultaneously promoting the deployment of server storage to form a full-chain product matrix of "structural parts + liquid cooling system + storage components". Currently, it is vigorously expanding production capacity for the server business to meet the review conducted by the leading customers.

### 1. Core technologies and products

The Company focuses on high-end segments of AI servers, and prioritizes three core directions, i.e. cabinet structural components, liquid cooling system, and server storage. The key technologies and product performance have reached an advanced level in the industry, forming significant competitive barriers.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (1) Server structural parts

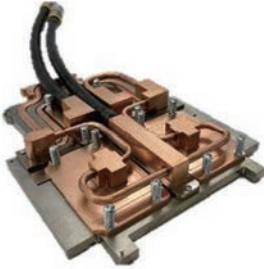



The requirements for the complexity and reliability of AI servers have become more stringent. In light of the characteristics of high-power-consumption and heavy-duty components of AI servers, the Company realizes the full coverage of AI server components and structural components such as water-cooled chassis, cabinet slide rails, etc. Meanwhile, the Company has customized lightweight and intelligent AI server cabinets for customers, which realize real-time imaging of electrochromic medium with computing power load, visualize hidden dangers of complex system thermal dynamics and the “blind plug leakage” of liquid cooling system, and effectively reduce the operation and maintenance costs of data centers. The use of exclusive aerospace-grade glass structure greatly reduces the weight of server cabinets, saves the expensive civil construction capital expenditures for intelligent computing centers, and provides new ideas for the efficient expansion of gigawatt-level computing power centers and even the deployment of future orbital space nodes.

Serial number	Schematic diagram of products	Product description
1	 Rack	Designed for the new-generation high-density data centers. It uses a high-strength metal frame to provide breakthrough load-bearing capacity and airflow channels.
2	 Slide Rail	Available for tool-free rapid installation. With built-in precision balls and anti-shedding locking mechanism, it is still smooth under full load and pressure.
3	 Tray	With lightweight and high-strength materials, it accurately adapts to various customized motherboards and heterogeneous computing nodes, which maximizes the use of cabinet space.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (2) Liquid cooling solution


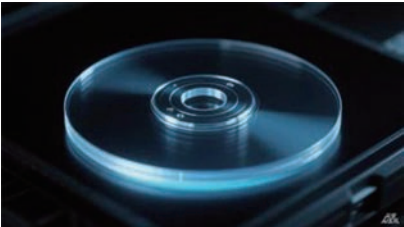
The Company has mastered key core technologies such as cold plate design, pipeline layout, and quick connector adaptation, which can meet the high-power and high-density cooling needs of high-end AI servers.

Serial number	Schematic diagram of products	Product description
1	 <p data-bbox="644 879 753 907">Cold Plate</p>	<p>As a direct-contact cooling core suitable for high-density AI servers, the product adopts micro-channel precision processing technology to achieve ultra-low thermal resistance. It maintains extremely high heat transfer efficiency while ensuring the continuous thermal stability and computational reliability of the computing power chip under extreme load.</p>
2	 <p data-bbox="651 1274 746 1302">Manifold</p>	<p>As the liquid path distribution hub inside the server, the product adopts a highly integrated manifold architecture to achieve accurate flow balance of coolant between multiple chips. The product integrates precision quick connection and zero leakage guarantee, which greatly reduces the assembly difficulty of the calculation tray and the operation and maintenance cost of the full lifecycle.</p>
3	 <p data-bbox="529 1548 865 1576">Universal connector (UQD/MQD)</p>	<p>As the core component of liquid path connection and hot plug of high-computing power clusters, the product combines high flow rate and low pressure loss through topology optimization. It supports guided blind insertion and radial deviation compensation. Its excellent mechanical strength and sealing reliability significantly improve the deployment flexibility and operation and maintenance safety of high-density liquid cooling systems.</p>
4	 <p data-bbox="545 1985 858 2013">Cooling distribution unit (CDU)</p>	<p>Integrating the coolant circulating pump, temperature control module, filtration system and pressure monitoring module, the power control core unit of the liquid cooling system can realize the circulation drive, temperature control, impurity filtration, and status monitoring of the coolant to ensure the stable operation of the entire liquid cooling system.</p>

# MANAGEMENT DISCUSSION AND ANALYSIS

## (3) Server storage

The Company actively expands the field of AI server storage, achieving important breakthroughs. The solid-state drives assembled by the Company for the enterprise-level NVMe SSD Factory were available for batch shipment in Xiangtan Park in March 2026. The products are widely deployed in leading Internet factories, telecommunication operators and banking systems. Meanwhile, the Company accelerates customer verification for self-developed HDD glass substrates, and forms the SSD and HDD-driven layout of the storage field, further improving its core supporting capabilities in the AI server business fields.

Serial number	Schematic diagram of products	Description
1	 <p>SSD</p>	The product adopts domestic PCIe 5.0 main control chip and 3D TLC NAND flash memory, with a sequential reading and writing speed of 14/10 GB/s, 4K random reading and writing performance of 3.3/0.9 million IOPS. The performance-power consumption ratio is increased by over 70%, and has passed PCI-SIG certification.
2	 <p>HDD glass substrates</p>	Mass production of HAMR high-density hard disk (single disk above 30TB) is available. It has great rigidity, low expansion coefficient, heat-resistant temperature higher than traditional aluminum alloy substrates, and the surface roughness of the Ångstrom level.

# MANAGEMENT DISCUSSION AND ANALYSIS


## (IV) Commercial aerospace business

Thanks to the resources of leading customers and advantages in the UTG glass field, Lens Technology has achieved an advancement from ground-segment products to satellite-segment products, and commercial aerospace has become one of the core growth drivers of the Company's emerging business sectors.

### 1. Core technologies and products

#### (1) *Ground-segment products*

Since 2023, the Company has realized mass shipment of the outer parts and structural component modules for ground receivers to leading commercial aerospace customers. The core products include low-dielectric protective glass screens, structural components of routers, etc.

Schematic diagram of products	Description
	It is mainly used in satellite signal ground receivers, which accounts for a small proportion of the Company's overall operating revenue. Integrating cooling and protection functions, it can support IP6-7 protection level and wide temperature operation from -40°C to 85°C.

Low-dielectric protective glass

#### (2) *Satellite-segment core products*

##### 1. Aerospace-grade UTG flexible glass

As a breakthrough product for the Company to enter the satellite-segment field, aerospace-grade UTG glass achieved significant progress in the technological iteration and scenario implementation in 2025. The Company has made a large-scale migration of the UTG glass processing technology to aerospace scenarios and completed the adaptation and optimization for extreme environments such as space atomic oxygen ablation, strong radiation, and severe vibration. With a thickness of 30-60 micrometres, and a bending radius as low as 1.5 millimetres, such products can achieve ultimate storage, which perfectly meets the needs of a new generation of flexible solar wings (ROSA class structure), and well matches low-orbit satellites due to optimal light weight. Meanwhile, with the innate antioxidant oxygen capacity and anti-radiation and aging characteristics of inorganic materials, the aerospace-grade UTG can guarantee the non-attenuated high transparency of photovoltaic modules in the full lifecycle (10-15 years); in addition, the Company ensures the UTG intensity above 300Mpa with its unique chemical enhancement and multi-layer coating process, which can adapt to the vibration of rocket launches and the extreme space environment. Aerospace-grade UTG flexible glass made its debut at CES 2026 and samples have been submitted to leading domestic and international commercial aerospace customers for verification. Additionally, the Company has initiated the R&D of a new generation of composite UTG integrating electrostatic discharge (ESD) coating and selective anti-radiation coating, which can achieve dual functions of temperature regulation and electrostatic protection through customized ultraviolet cutoff and infrared reflection, and perfectly meet the encapsulation requirements of new types of solar wings such as gallium arsenide batteries and perovskite/crystalline silicon lamination.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Space computing components and structural components

Based on its main development experience in the new generation of server cabinets, the Company has integrated aerospace-grade aluminium-magnesium alloy die-casting and precision ceramic technology to develop space-specific lightweight server cabinets, providing core support for satellite-borne computing equipment.

The above-mentioned products are currently being verified by domestic and international leading customers, so no revenue has been generated yet. Once it passes the verification, it is expected to bring about significant new growth momentum for the Company.

## 2. Customer cooperation

Since 2023, the Company has continuously supplied structural component modules for ground receivers in batches to leading commercial aerospace customers. In terms of satellite-segment products, the aerospace-grade UTG flexible glass self-developed by the Company is currently cooperating closely with domestic and international commercial aerospace customers in R&D and technical verification. The Company aims to complete satellite testing and small-scale shipment as soon as possible, in response to the explosive growth of the flexible solar wing industry.

### Schematic diagram of products

### Description



Aerospace-grade UTG flexible glass

With a thickness of 30–60 micrometers, and resistance to space radiation and atomic oxygen corrosion, it is mainly compatible with new-generation flexible solar wings.

## 3. Development planning

In the future, the Company will focus on the commercial aerospace industry and continue to carry out three major tasks: First, it will carry out the assembly business of low-orbit satellites, and realize upward vertical integration with the satellite assembly as the starting point. Second, we will deploy the assembly of flexible solar wing modules, continue to make breakthroughs and optimize the flexible assembly process of solar wing modules based on our advantages in the application of new materials and precision processing. Third, we will accelerate the optimization of aerospace-grade UTG material formulas, promote cost reduction to achieve large-scale mass production, and simultaneously advance the R&D and delivery of new materials such as aerospace-grade adhesives for solar wings and carbon fibre structural components.

# MANAGEMENT DISCUSSION AND ANALYSIS

## II. INDUSTRY IN WHICH THE COMPANY OPERATED DURING THE REPORTING PERIOD

### 1. Smartphone and AI glasses industry

According to statistics from IDC, a leading market research firm, global smartphone shipments in 2025 grew by 1.9% year on year to reach 1.26 billion units, the highest level since 2021. Analysts suggest that the smartphone and PC markets will face pressure in 2026, primarily due to persistent shortages in memory chip supply and rapid price hikes for key components. While these factors are expected to lead to an overall market decline in 2026, high-end and foldable models are projected to maintain strong performance, indicating continued structural growth within the market.

IDC data also shows that global smart glasses shipments in 2025 were estimated at 14.52 million units, representing a 42.5% year-over-year increase. Among these, AI glasses were projected to reach 7.66 million units, up by 401% year on year. Global smart glasses shipments are projected to surpass 23 million units in 2026, of which over 10 million are AI glasses.

### 2. Intelligent cockpit industry

Data from the China Association of Automobile Manufacturers shows that in 2025, China's automobile production and sales reached 34.531 million and 34.40 million units respectively, increasing by 10.4% and 9.4% year on year respectively, maintaining China's position as the world's largest auto market. A KPMG report estimates that the Chinese intelligent cockpit market will reach RMB 212.7 billion in 2026, with a compound annual growth rate exceeding 17% over the next five years, indicating strong growth momentum in the industry.

### 3. Embodied intelligence industry

In 2025, the embodied intelligence industry featured rapid scale growth, multi-point technological breakthroughs, and increasing scenario penetration, with a nascent ecosystem taking shape. The overall industry prosperity continued to rise, making it one of the most promising growth tracks in the technology sector. Simultaneously, the number of domestic complete-machine enterprises surpassed 140 and over 330 products were released, creating a healthy competitive landscape featuring leading players, diverse new entrants, and accelerated mass production. According to a Counterpoint report, the global humanoid robot market entered a rapid growth phase in 2025, with total installations reaching approximately 16,000 units. Among these, China accounted for over 80%, holding a dominant lead in terms of scale.

### 4. AI server industry

According to IDC data, the global server market reached a value of USD 444.1 billion in 2025, representing a year-over-year increase of 80.4%. In terms of segments, server structural components and liquid cooling modules showed strong growth momentum, and structural components such as server cabinets were upgraded toward higher density, lighter weight, and liquid cooling solutions. According to Goldman Sachs Research, the penetration rate of liquid cooling in AI servers surged from 15% in 2024 to 45% in 2025, while the penetration rate in general-purpose servers exceeded 15%.

IDC projects that the server industry will continue its rapid growth trajectory in 2026, with the global market size expected to surpass USD 550 billion, a year-over-year increase of over 50%. The Chinese market is forecast to achieve a year-over-year growth of more than 35%, with its share of the global market continuing to rise.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 5. Commercial aerospace industry

In 2025, the global commercial aerospace industry developed rapidly, with a new wave of industrial restructuring and technological innovation accelerating. Leveraging advantages in low-cost, high-frequency launches and systematic operations, the U.S. market maintained a dominant position globally, taking the lead in the low-orbit internet ecosystem and reusable rocket technology standards. Meanwhile, the Chinese market completed validation of key reusable rocket technologies, brought satellite internet into commercial operation, and continuously improved its commercial launch capabilities, gradually emerging as the world's second-largest commercial aerospace market, trailing only the United States.

As the power consumption of commercial satellites continues to increase, solar array areas have expanded rapidly, with flexible solar arrays accelerating toward commercialization. Public sources indicate that the solar array area of leading global commercial satellites has grown from 20-30 square meters in earlier generations to 200-300 square meters in the latest generation. To achieve lightweighting of extremely large solar arrays, the adoption of rollable flexible solar arrays has become a clear trend, presenting significant market potential for aerospace-grade UTG as the mainstream encapsulation material.

According to CCID Consulting data, the global commercial aerospace market size was expected to exceed USD 500 billion in 2025, a year-over-year increase of 4.1%. Among these, the commercial aerospace market in China was projected to reach RMB 2.5 trillion. According to public available data, more than 100,000 low Earth orbit satellite frequency and orbit slots have been approved globally. Assuming a surface area of 200 square meters per unit, this represents a total addressable market for solar arrays exceeding 20 million square meters.

## III. ANALYSIS OF CORE COMPETITIVENESS

### 1. Taking technological innovation as the core to lead transformation in materials and technologies

Technological innovation is the core driving force behind the Company's development. Over the years, the Company has consistently focused on scientific research and innovation investment, accumulating a substantial portfolio of core technologies in materials and manufacturing processes. Guided by the "Four New" initiative, the Company conducts research and development, product innovation, and production process optimization by addressing key industry challenges, market demands, and technological advancements, thereby establishing a comprehensive research and development ("R&D") system. As of the end of the Reporting Period, the Company had filed a total of 3,179 patent applications and obtained 2,579 patents, with 2,229 patents remaining valid, as well as 145 software copyrights, covering a wide range of areas, including product design, processing techniques, product testing, equipment development, new materials, industrial internet, digitalized production, smart industrial parks, and enterprise resource management.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Possessing high-quality strategic customer resources and consolidating the business foundation

In the AI smart terminals and smart automotive sectors, the Company has long served as a long-term strategic partner to numerous globally renowned customers, including Apple, Tesla, Samsung, Huawei, Xiaomi, OPPO, vivo, HONOR, Google, Meta, BMW, Mercedes-Benz, Volkswagen, Li Auto, NIO and BYD. Leveraging its strong technological capabilities, robust manufacturing capacity, efficient production processes and leading R&D strength, the Company continues to deepen cooperation with existing customers while actively developing new customers, thereby further diversifying its customer base and product portfolio. Meanwhile, the Company has established multiple production and R&D bases as well as office locations both domestically and overseas, enabling it to respond swiftly to customers' diversified needs.

## 3. Comprehensive platform-based layout and full-industry-chain vertical integration

In terms of platform-based development, the Company has established a precision manufacturing capability system underpinned by its core technologies. The Company has actively broadened its applications across a full spectrum of fields, ranging from AI smart terminals and smart vehicles and cockpits to smart wearables, as well as embodied intelligent robotics, AI servers and commercial aerospace. In terms of vertical integration, the Company has developed a one-stop, full-industry-chain solution encompassing new materials production, intelligent equipment development and manufacturing, product design, software development, production of structural parts and modules, quality management and final product assembly.

## 4. Smart manufacturing and Internet + forging a powerful engine

As one of the industry pioneers in the early research, manufacturing and large-scale application of automated equipment and intelligent manufacturing industrial systems, the Company continues to advance technological and process innovations in areas such as the Internet of Things, intelligent warehousing, full-line production automation, one-piece flow and online inspection. By deeply integrating manufacturing operations with the industrial internet, big data, cloud computing and artificial intelligence, the Company has enhanced the level of automated data collection and analysis as well as reserve control level, improved production efficiency and yield rates, and reduced production management costs. Through its independently developed "Lens Cloud" industrial internet platform, Lens Technology's existing intelligent manufacturing system has formed a complete internal connection, enabling end-to-end automation across the entire production process and intelligent upgrading of machinery and equipment.

## 5. Core team and lean management ensuring high-quality development

The Company's core team is highly professional, experienced and equipped with a global perspective. Under the leadership of the core management of the Company, the Company has established an international management team with extensive experience, a clear organisational structure and a well-balanced talent pipeline, laying a solid foundation for enhancing its competitive advantages within the industry. The Company has fully implemented a business-unit structure under group-level management, and established divisions for brittle materials, metals and other non-brittle materials, and modules. Through organisational optimisation, process simplification, efficiency enhancement and cost reduction, the Company has strengthened its lean management capabilities and further consolidated its competitive advantages.

# MANAGEMENT DISCUSSION AND ANALYSIS

## VI. ANALYSIS ON PRINCIPAL BUSINESS

### 1. Summary

The year 2025 marked a pivotal year of transition and strategic upgrading for the Company. Fully embracing the development opportunities of the AI era, the Company drove the transition between old and new growth drivers through in-depth intelligent transformation, product portfolio upgrading, and strategic deployment in emerging industries, establishing a development strategy focused on AI servers, embodied intelligent robots, and commercial aerospace, thus achieving groundbreaking progress. The Reporting Period represented not merely an adjustment of business development priorities, but a forward-looking strategic deployment for full-scenario hardware infrastructure in the AI era. The Company accelerated the deepening of its global footprint, vertically integrated its industrial chain, diversified its product portfolio, vigorously promoted intelligent manufacturing, and established dual capital platforms in both A Shares and H Shares. Comprehensive upgrades were implemented across corporate strategy and organizational structure.

During the Reporting Period, the Company successfully met its annual operational targets in areas such as core business growth, expansion into new sectors, capital operations, and Shareholder returns, laying a solid foundation for high-quality development in 2026 and over the medium to long term. The Company achieved operating revenue of RMB74.41 billion, representing a year-over-year increase of 6.46%. Net profit attributable to Shareholders of the Listed Company was RMB4.018 billion, up by 10.87% year on year. Net profit attributable to Shareholders of the Listed Company after deducting non-recurring gains and losses was RMB3.835 billion, representing a year-over-year increase of 16.71%. Basic earnings per Share were RMB0.79, up by 8.22% year on year. Net cash flow from operating activities was RMB11.465 billion, representing a year-on-year increase of 5.29%. The asset/liability ratio stood at 34.68%.

#### (1) Performance of Key Business Segments

During the Reporting Period, the Company's smartphone and computer-related business generated operating revenue of RMB61.184 billion, representing a year-on-year increase of 5.94%. The smart vehicle and cockpit-related business achieved operating revenue of RMB6.462 billion, representing a year-on-year increase of 8.88%. The smart head-mounted displays and smart wearable-related business generated operating revenue of RMB3.978 billion, representing a year-on-year increase of 14.04%. Other smart terminal businesses recorded operating revenue of RMB1.051 billion, representing a year-over-year decrease of 25.34%.

#### (2) Enhancing Management Efficiency and Intensifying R&D Efforts

The Group has further intensified its efforts in cost reduction and efficiency enhancement. Leveraging digitalized process optimization and the reform of the divisional system, both selling and administrative expenses recorded a year-on-year decrease. Meanwhile, to address the continuous introduction of new technologies and products in the AI era, as well as rapidly growing customer demand, the Company sustained R&D investments across areas such as foldable screen phones, embodied intelligent robots, AI glasses, smart vehicles, AI servers, TGV glass substrates, optical waveguide lenses, HDD glass disks, and aerospace-grade UTG glass. Both the number of R&D personnel and R&D expenditures increased, with R&D expenses reaching RMB2.871 billion, a year-over-year increase of 3.08%, laying a solid foundation for unlocking future growth potential.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (3) Expediting Expansion into Emerging Business Tracks to Foster Multi-dimensional Growth drivers

In 2025, the Company accelerated its expansion into three emerging growth tracks: embodied intelligence, AI servers, and commercial aerospace, and achieved significant breakthroughs. In the robotics sector, the Company completed the development of core components and the construction of new production capacity bases, achieved mass deliveries of products, and integrated into the supply chains of leading domestic and international manufacturers, fully preparing for an industry demand explosion. In the AI server sector, the Company planned to rapidly acquire mature technologies and customer certifications for server rack business from specific domestic and international clients through supply chain integration, as well as advanced liquid cooling system integration capabilities, while accelerating capacity expansion to achieve major customer certifications and order fulfillment. In the commercial aerospace sector, the Company overcame technological barriers in aerospace-grade materials, achieving a strategic advancement from ground-segment products to satellite-segment products verified by core domestic and international customers, laying the groundwork for expanding its product portfolio in 2026 into low-orbit satellite final assembly, solar wing module assembly, and aerospace-grade UTG and other novel materials.

### (4) Efficient Execution of Capital Operations and Proactive Conduction of Equity Investments

In July 2025, the Company successfully completed its listing on the Main Board of the Hong Kong Stock Exchange, raising HK\$5.4 billion in proceeds. The funds are intended to be used for expanding product and service portfolios, exploring additional end users for its products, expanding overseas presence, increasing overseas production capacity, advancing vertical integration in smart manufacturing, and promoting the development of smart manufacturing factories. This milestone marked the Company's official entry into a new phase of dual capital platforms in both A Shares and H Shares, injecting strong capital momentum into its globalization strategy and emerging growth tracks, representing a landmark achievement for the Company's long-term development.

The Company also actively engaged in equity investments in high-quality targets, pursuing multifaceted collaborations through capital and business-based approaches. It participated in equity financings and IPOs of companies such as Lingban Technology, BrainCo, Zhongwei Advanced Material, and Hanshow Technology, while also carrying out merger and acquisition, and restructuring activities with other industry chain targets to consolidate resources.

### (5) Effective Measures Implemented to Enhance Shareholder Returns

During the Reporting Period, the Company enhanced market recognition and valuation through stable dividends, share repurchases, investor relations management, and other market value management measures. The market value of its A Shares increased from RMB109.1 billion at the beginning of the year to RMB150.8 billion at the year end, and the market value of its H shares increased by 86.7% at its highest point from the listing date to the year end. The Company distributed dividends for the 2024 fiscal year and the 2025 interim period, with total cash dividends of RMB2.51 billion, representing a dividend payout ratio of 52.65%. Since its listing, the Company has distributed a cumulative total of RMB9.99 billion in cash dividends, consistently sharing its operational achievements with its Shareholders.

In April 2025, the Company launched an A-share repurchase plan, with a repurchase amount of no less than RMB500 million (inclusive) and no more than RMB1 billion (inclusive). A total of 17.114 million Shares had been repurchased as at the date of this report, with the highest repurchase price at RMB34.10 per Share, primarily for the implementation of employee stock ownership plans or equity incentive plans, while also helping to stabilize the share price and protect investor interests.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Revenue, Cost, Expense and Cash Flow

### (1) Revenue composition

#### Overall revenue

Unit: RMB

	2025		2024		Year-on-year increase or decrease
	Amount	Percentage of revenue	Amount	Percentage of revenue	
<b>Total operating income</b>	<b>74,409,731,699.21</b>	<b>100%</b>	69,896,776,437.83	100%	6.46%
<b>By industry</b>					
Electronic components manufacturing industry	74,409,731,699.21	100.00%	69,896,776,437.83	100.00%	6.46%
<b>By end use products and services</b>					
Smartphones and computers	61,184,201,306.80	82.23%	57,754,169,160.50	82.63%	5.94%
Smart vehicles and cockpits	6,461,658,629.81	8.68%	5,934,794,783.73	8.49%	8.88%
Intelligent head-mounted displays and smart wearables	3,978,169,293.51	5.35%	3,488,407,812.72	4.99%	14.04%
Other smart devices	1,051,495,070.01	1.41%	1,408,378,069.11	2.01%	-25.34%
Other business income	1,734,207,399.08	2.33%	1,311,026,611.77	1.88%	32.28%
<b>By region</b>					
Offshore	40,955,215,361.54	55.04%	40,978,382,888.83	58.63%	-0.06%
Chinese Mainland (excluding special supervision territory)	33,454,516,337.67	44.96%	28,918,393,549.00	41.37%	15.69%
<b>By sales model</b>					
Direct sales	74,409,731,699.21	100.00%	69,896,776,437.83	100.00%	6.46%

# MANAGEMENT DISCUSSION AND ANALYSIS

## (2) Analysis of the changes in relevant items in the statement of income and cash flow

Currency: RMB'000

	Amount for the current period	Amount for the corresponding period of last year	Percentage of change (%)
Revenue	74,409,732	69,896,776	6.46
Cost of sales	(63,299,025)	(59,713,283)	6.00
Selling expenses	(586,365)	(705,599)	-16.90
Administrative expenses	(3,326,155)	(3,368,955)	-1.27
Finance costs	(269,418)	(388,438)	-30.64
Research and development expenses	(2,870,605)	(2,784,813)	3.08
Net cash from operating activities	11,464,999	10,888,841	5.29
Net cash used in investing activities	(9,616,525)	(6,050,290)	58.94
Net cash used in financing activities	(2,963,714)	(4,454,405)	-33.47

- (1) Reasons for changes in revenue: the three main businesses including smartphones and computers, smart vehicles and cockpits, and intelligent head-mounted displays and smart wearables maintained steady growth;
- (2) Reasons for changes in cost of sales: the three main businesses including smartphones and computers, smart vehicles and cockpits, and intelligent head-mounted displays and smart wearables maintained steady growth, and accordingly the costs increased;
- (3) Reasons for changes in selling expenses: the decrease in market development service fees and sorting fees;
- (4) Reasons for changes in finance costs: the repayment of a portion of bank loans (including long-term and short-term loans) and the lower comprehensive financing costs;
- (5) Reasons for changes in net cash used in investing activities: the increase in payments for the acquisition of property, plant and equipment;
- (6) Reasons for changes in net cash used in financing activities: the net proceeds from fundraising of approximately RMB4.9 billion through the listing of the Company on the Hong Kong Stock Exchange in July 2025, which was partially offset by a decrease of RMB3.5 billion in cash inflows from bank borrowings.

# MANAGEMENT DISCUSSION AND ANALYSIS

(3) Is the Company's physical sales revenue greater than labor service revenue?

Industry classification	Item	Unit	2025	2024	Year-on-year increase or decrease
Electronic components manufacturing industry	Sales volume	PCS	1,440,057,139	1,314,836,913	9.52%
	Production volume	PCS	1,448,805,277	1,310,970,537	10.51%
	Inventory	PCS	81,052,753	72,304,615	12.10%

(4) Has the consolidation scope changed during the Reporting Period?

1. Increase in consolidation scope

Company name	Method of equity acquisition	Time of equity acquisition	Capital contribution (RMB)	Proportion of capital contribution
Hunan Zhiqi Future Technology Co., Ltd.	Newly established	2025/3/31	7,000,000.00	70.00%
Hunan Zhiqi Future Artificial Intelligence and Robotics Research Institute Co., Ltd.	Newly established	2025/11/14	7,500,000.00	75.00%
Lens Optoelectronics Technology (Changsha) Co., Ltd.	Newly established	2025/09/17	Not yet contributed	Not yet contributed

2. Reduction in the consolidation scope

Company name	Method of equity disposal	Time of equity disposal	Net profit from the beginning of the period to disposal date (RMB)
Hunan Blue Crystal Photovoltaic Technology Co., Ltd.	Merger by acquisition	2025/9/18	125,881.22
Shenzhen Lens Intelligent Manufacturing	Cancellation	2025/5/9	4,159.57

## MANAGEMENT DISCUSSION AND ANALYSIS

### (5) Major customers and major suppliers

#### *The Company's main customers*

Total sales amount of the top five customers (RMB)	60,748,436,585.18
Total sales of the top five customers as a percentage of total annual sales	81.64%

#### *Information on the top five customers of the Company*

No.	Customer name	Sales (RMB)	Percentage of total annual sales
1	First	33,490,789,829.71	45.01%
2	Second	20,619,887,128.36	27.71%
3	Third	2,848,621,056.28	3.83%
4	Fourth	1,953,505,990.21	2.63%
5	Fifth	1,835,632,580.62	2.47%
Total		60,748,436,585.18	81.64%

#### *Major suppliers of the Company*

Total purchase amount of the top five suppliers (RMB)	27,816,040,710.84
Proportion of total purchase amount of top five suppliers to total annual purchase amount	48.41%

#### *Information on the top five suppliers of the Company*

No.	Supplier name	Purchase amount (RMB)	Proportion of total annual purchases
1	First	18,512,061,047.15	32.22%
2	Second	6,084,927,473.89	10.59%
3	Third	1,762,363,115.47	3.07%
4	Fourth	857,072,016.65	1.49%
5	Fifth	599,617,057.68	1.04%
Total		27,816,040,710.84	48.41%

# MANAGEMENT DISCUSSION AND ANALYSIS

## 3. R&D investment

Major R&D Project Name	Project Objective	Project Progress	Target to Be Achieved	Expected Impact on the Company's Future Development
Space-grade ultra-thin flexible glass (UTG)	Development of new products	Development stage	Development of a new product	Delivering ultra-strong radiation resistance, atomic oxygen protection, and lightweight structural design, it provides robust protective shielding for the full range of aerospace solar cells, positioning the Company to pioneer new strategic expansion tracks
A kind of foldable screen UTG glass products	Development of new products	Development stage	Addition of a new product	It can cement the Company's leadership in precision processing of ultra-thin glass covers
UTG production line	Development of new equipment	Under prototype verification	Addition of a new equipment	This project enables automated tempering and laminate handling for UTG (Ultra-Thin Flexible Glass), significantly boosting production efficiency and strengthening market competitive
Damping parts, damping modules, hinges and foldable products	Development of new technologies	Development stage	Addition of a new technology	A new hinge folding technology for mobile phone, which can greatly reduce the number of parts and reduce the cost
Damping modules and hinges	Development of new technologies	Development stage	Addition of a new technology	A new hinge folding technology for mobile phone, which can enhance the folding function of mobile phone
Desktop intelligent AI robot development	Development of new products	Development stage	Development of a new product	Develop a desktop-class robotic product to enhance the Company's capabilities in robotic hardware and intelligent interaction systems, driving business growth across robotics-related sectors
Robot mask pre-research	Development of new products	Development stage	Development of a new product	By improving security, intelligence and market adaptability, it can significantly enhance product competitiveness and drive business growth
Robot head	Development new equipment	Development stage	Addition of a new equipment	Develop head module of embodied intelligent robot to realize intelligent perception and intelligent interaction
Development of optical wafer glass strengthening process	Development of new processes	Development stage	Development of a process	Accelerate the implementation of optical waveguide smart glasses project
Diffraction optical waveguide project	Development of new products	Development stage	Development of a new product	With the full process capability of AR optical waveguide design/proofing/mass production to help expand new businesses

## MANAGEMENT DISCUSSION AND ANALYSIS

Major R&D Project Name	Project Objective	Project Progress	Target to Be Achieved	Expected Impact on the Company's Future Development
Microcrystalline lenses	Development of new products	Development stage	Addition of a new product	Explore the characteristics and application scope of microcrystalline materials to empower lens products and improve product competitiveness
AR glasses cover	Development of new products	Development completed	Addition of a new product	Explore a new market for AR glasses and seize the future track and industry opportunities
Development of an ARVR complex lens	Development of new products	Development stage	Addition of a new product	Optical products mainly used for eyeglasses, belonging to a brand new field of eyeglass lenses
IMU calibration and calibration device for smart glasses	Development of new equipment	Mass production	Addition of a new equipment	Implementing a single-controller multi-DUT (three-device) parallel calibration system enables significant cost reduction and efficiency improvement
Optical imaging detection equipment for smart glasses	Development of new equipment	Mass production	Addition of a new equipment	Using camera scheme to detect optical waveguide imaging quality, reduce cost and improve efficiency
Development of a tension test equipment for the temples of smart glasses	Development of new equipment	Mass production	Addition of a new equipment	It can accurately measure the tension of glasses temple, with strong versatility
Smart AR glasses	Development of new products	Development stage	Development of a new product	Build a complete vertical integration capability from system design hardware/software/structural ID/ optical waveguide applications based on the Company's first-mover mass production advantage of AR/AI glasses
AI vision general software platform	Development of new technologies	Mass production	Addition of a new technology	Adapt to a variety of industrial inspection scenarios and support rapid deployment. Realize image preprocessing and multi-category AI models can be switched on demand, covering multi-category detection functions such as positioning, guidance, recognition, classification, size detection, and scratch

# MANAGEMENT DISCUSSION AND ANALYSIS

Major R&D Project Name	Project Objective	Project Progress	Target to Be Achieved	Expected Impact on the Company's Future Development
A smart device	Development of new technologies	Development stage	Development of an intelligent agent device	A gateway device with computing power, which can run an AI agent on a system, autonomously manage an intelligent gateway and control related equipment
Glass hard disk development	Development of new products	Development stage	Development of a new product	Develop key materials for next-generation high-density HDD glass hard disks and explore growth points in storage field
Glass wafer development	Development of new products	Mass production	Development of a new product	Glass substrate wafer has excellent material properties and is the most widely used core substrate material in the semiconductor industry. Glass wafer mass production technology will become one of the Company's high-growth fields.
TGV glass substrate	Development of new products	Development stage	Addition of a new product	The purpose of this project is to carry out the research and development of glass substrate and industrial application research of Through-Glass Via (TGV) technology. The project will gather the new generation of semiconductor advanced packaging field, focusing on breakthroughs in core processes such as high-aspect ratio glass through-hole forming, high-speed microhole filling, large-size glass warpage control and high-precision planarization. The project plans to establish a pilot line of TGV glass substrate with both technological advancement and mass production feasibility, complete the chip packaging level verification, and conduct technical reserve and forward-looking research for the Company's strategic layout of AI chips, high-performance computing (HPC) and other high-profit incremental market areas of glass processing in the future

## MANAGEMENT DISCUSSION AND ANALYSIS

Major R&D Project Name	Project Objective	Project Progress	Target to Be Achieved	Expected Impact on the Company's Future Development
3D curved glass five-axis laser cutting project	Development of new equipment	Development stage	Addition of a new equipment	Direct cutting of 3D curved glass improves the yield and efficiency of product processing, meets the complex product processing needs of customers, and is beneficial to the growth of related businesses
3D groove polishing technology development	Development of new equipment	Development stage	Addition of a new equipment	Primarily used for polishing products with any 3D structural design
3D groove pad printing technology development	Development of new equipment	Development stage	Addition of a new equipment	Primarily used for pad printing products with any 3D structural design
Split type hot bending series equipment	Development of new equipment	Under prototype verification	Addition of a new equipment	The project can realize hot bending of glass and other products, and the whole machine is split-type design, which can reduce the energy consumption of equipment
Lidar screen printing automatic line	Development of new equipment	Mass production	Addition of a new equipment	The research and development of lidar screen printing automatic line will significantly improve production efficiency and product quality, and reduce production costs
B-pillar assembly automatic line	Development of new equipment	Mass production	Addition of a new equipment	The research and development of B-pillar assembly automatic line will greatly improve production efficiency and quality, and reduce production cost
A gradient AG effect	Development of new processes	Development stage	Development of a process	Effect development will significantly improve the optical performance and appearance quality of products, meet the demand of high-end display market, expand application scenarios and optimize customer experience
HUD development	Development of new processes	Development stage	Development of a product	The development of HUD (Head-Up Display) will enhance intelligence and user experience to meet high-end needs
Automatic sheet closing and dimming product equipment	Development of new equipment	Development stage	Addition of a new equipment	It can realize a fully automatic up-dimming film lamination process, replace traditional manual operation, and improve quality and efficiency

# MANAGEMENT DISCUSSION AND ANALYSIS

Major R&D Project Name	Project Objective	Project Progress	Target to Be Achieved	Expected Impact on the Company's Future Development
A PET Film Heat-Insulating Glass Product	Development of new technology	Development stage	Addition of a new technology	This technology can reduce costs, further strengthen the Company's integration capabilities, and support growth in related business areas
An Automatic Edge Trimming Equipment	Development of new equipment	Mass production	Addition of a new equipment	It enables a fully automated edge trimming process, replacing manual operations such as edge trimming and handling, and improving production efficiency and quality
An Automatic Bracket Bonding Equipment	Development of new equipment	Development stage	Addition of a new equipment	It enables a fully automated bracket bonding process, improves production efficiency and quality, saves labor, and lowers tooling fabrication costs
An Ultra-thin, Laminated and Multifunctional Automotive Side Window Glass Product	Development of new technology	Mass production	Addition of a new technology	It expands the Company's technological capabilities in automotive glass development and supports growth in related business areas
An Electrochromic Dimmable Glass Product	Development of new technology	Mass production	Addition of a new technology	It develops a new technology for laminated dimming products and supports growth in related business areas
Angle Adjustment Mechanisms and Table Assemblies	Development of new products	Development stage	Development of a new product	It supports the Company's expansion into business related to new energy vehicles
Products with Damped Rotating Assemblies and Hinge Mechanisms	Development of new products	Mass production	Development of a new product	It supports the Company's expansion into table assembly business for new energy vehicles
R&D of a Multifunctional Evaporation Coating Machine	Development of new equipment	Development stage	Addition of a new equipment	The Company is independently developing a coating system in order to reduce equipment procurement costs
Upgrade and Improvement of Lens Coat Design Software	Development of new technology	Development stage	Addition of a new technology	The Lens Coat Design software has already accelerated product development in certain projects through simulation technology. The Company plans to further improve its functions and extend its application to more coating projects
Development of a New Brush Material	Development of new technology	Mass production	Addition of a new technology	It extends service life, reduces costs, is more environmentally friendly, and improves equipment utilisation

# MANAGEMENT DISCUSSION AND ANALYSIS

Major R&D Project Name	Project Objective	Project Progress	Target to Be Achieved	Expected Impact on the Company's Future Development
CNC Big Data Automatic Compensation Project	Development of new technology	Mass production	Addition of a new technology	It applies a big data model to calculate optimal compensation values and enables automatic and precise CNC adjustment, thereby improving yield and production efficiency and reducing labor usage
Development of Ion Sieve Recycling Technology	Development of new technology	Completed	Addition of a new technology	It will reduce production costs, improve profit margins, and enrich the Company's patent portfolio
Development of Zirconia Nanopowder for Ceramic Tape Casting Lines	Development of new products	Development stage	Development of a new product	It will reduce ceramic production costs, improve product strength and stability, enhance the competitiveness of the Company's ceramic products in the consumer electronics field, and enrich the Company's patent portfolio
Development of Sapphire Etching Process	Development of new process	Development stage	Development of new process	It applies sapphire etching to improve product strength and provide solutions for customers with high strength requirements
Development of a Low-Crystallization Polishing Liquid for Gemstone Processing	Yield improvement	Development stage	Development of a new material	It is expected to offer certain competitive advantages in improving yield in fine polishing
Development of Optical Gemstone Products	Development of new products	Development stage	Development of a new product	It involves the development of gemstone materials for optical products and will support growth in related business areas
Development of Birefringent Ceramic Products	Development of new products	Development stage	Development of a new product	It involves the development of birefringent transparent ceramic products and will support growth in related business areas
Development of Ceramic HSG Products	Development of new products	Development stage	Development of a new product	It involves the development of ceramic materials for mid-frame products, reflects the Company's overall processing capabilities, and will support growth in related business areas
Glass and Glass Fiber Composite Products	Development of new products	Mass production	Addition of a new product	They meet industry demand for lightweight and durable products
Integrated Glass Battery Cover	Development of new products	Mass production	Addition of a new product	It meets industry demand for integrated and minimalist designs, while taking into account both strength and processability

# MANAGEMENT DISCUSSION AND ANALYSIS

Major R&D Project Name	Project Objective	Project Progress	Target to Be Achieved	Expected Impact on the Company's Future Development
Development of 170°C NaOH Chemical Polishing Technology	Development of new process	Development stage	Addition of a new technology	It mainly applies to the efficient etching of microcrystalline glass and replaces traditional low-efficiency etching processes
A Consumer Communication Terminal Product	Development of new products	Development stage	Addition of a new product	It is mainly used in earphone projects, falls within the optical product category, and replaces traditional plastic materials
Development of a Super-hard Coating Process for Microcrystalline Materials	Development of new process	Development stage	Development of new process	It develops a design method for a relatively thick super-hard coating layer based on a new material and will support growth in related business areas
A CNC Pre-drilling Process	Development of new process	Mass production	Development of new process	It uses a sintered grinding wheel to conduct rapid pre-drilling of large circular camera holes, thereby improving processing efficiency and reducing costs
A Double-sided CNC Engraved Glass Product	Development of a new structure	Sample stage	Addition of a new product	It involves the development of a 3D back cover glass product with non-uniform thickness. The product can meet the requirements of all existing structural boss process requirements, achieve recessed groove machining for clearance, offers strong versatility, and will help the Company expand into new fields
A Cold-Carved AG Roller Printing Process to Replace Protective Oil Spraying	Development of new process	Mass production	Development of new process	It eliminates the protective oil spraying process, reduces labor and ink consumption, and lowers costs
Automatic Defect Identification System for Screen-Printed Logos	Automatic system-based identification and inspection	In implementation	Automatic system-based identification and inspection	It enables visual automatic identification of incomplete logos. When defects are detected, the system can automatically issue an alarm and stop the machine. This makes logo defects traceable and provides data support for product quality analysis

## MANAGEMENT DISCUSSION AND ANALYSIS

Major R&D Project Name	Project Objective	Project Progress	Target to Be Achieved	Expected Impact on the Company's Future Development
Screen Printing Mesh Life Management System	Automatic monitoring of mesh life through code scanning	In implementation	Automatic monitoring system	The system scans codes when the mesh is loaded onto the machine and automatically uploads data. It can automatically issue an alarm and stop the machine. This makes mesh life traceable and provides data support for product quality analysis
Development of AMG Masking Technology for Plastic Areas	Development of new technology	Mass production	Development of new process	It improves the surface appearance grade of plastic parts and reduces costs
Development of ACE Etching Technology for Aluminum Alloy	Development of new technology	Mass production	Development of new process	It improves the bonding effect between aluminum and plastic, increases airtightness yield, and reduces costs
Development of Forging Process for Aluminum Alloy	Development of new technology	Mass production	Development of new process	It improves material utilisation and reduces material costs
A Consumer Communication Terminal Product with NFC Payment Function	Development of new products	Mass production	Development of a new product	The Company collaborated with smart retail customers on the design of this product. Leveraging the Company's vertically integrated capabilities, the Company independently completed the R&D, production and delivery of the complete unit, using the Company's proprietary 3D glass, metal structural parts and functional modules
Structural Part Dispensing and Bonding Process	Development of new process	Mass production	Development of new process	The Company introduced a dispensing and bonding process for irregular curved housings, enabling complete unit assembly of products with complex shapes and helping enhance product added value
AS Coating Loading and Unloading Equipment	Development of new equipment	In mass production	Addition of a new equipment	This project enables adaptive picking and transfer of products. In coordination with AGVs, it supports fully automated production and lays the foundation for the construction of intelligent factories

# MANAGEMENT DISCUSSION AND ANALYSIS

Major R&D Project Name	Project Objective	Project Progress	Target to Be Achieved	Expected Impact on the Company's Future Development
Roll-to-Roll Printing Unwinding and Rewinding Equipment	Development of new equipment	In mass production	Addition of a new equipment	This project enables inspection and real-time adjustment of the support force during unwinding and rewinding, maintains constant horizontal support throughout the process, and improves subsequent printing quality
Laser Splitting Equipment	Development of new equipment	In mass production	Addition of a new equipment	This project enables batch splitting after product cutting, ensures that adjacent products remain at the same horizontal level during splitting, and improves splitting yield
Magnet Insert Molding	Development of new process	Development stage	Development of new process	It replaces the complex magnet assembly process of CNC slot milling and hot pressing, reduces costs, and extends the application of injection molding process technology
New Design for PC Sheets	Development of new process	Development stage	Development of new process	It can address defects in adhesive residue removal, improve product appearance, support smooth mass production ramp-up, and facilitate expansion into new fields
Introduction of a Punching Process for PC Sheets	Development of new process	Development stage	Development of new process	Based on the objective of cost reduction and efficiency improvement, this project introduces a punching process and is expected to substantially increase production capacity in the future
Development and Application of a New Sand Texture Effect (Feather Sand)	Development of new process	Mass production	Development of new process	It can achieve a new sand-texture effect for mobile phone back covers and help enhance product added value and competitiveness

# MANAGEMENT DISCUSSION AND ANALYSIS

Major R&D Project Name	Project Objective	Project Progress	Target to Be Achieved	Expected Impact on the Company's Future Development
A New Process for Eliminating Surface Texture Imprints on Carbon Fiber in In-Mold Injection Molding	Development of a new product	Mass production	Development of a new product	Through repeated mold improvements and continuous optimization of the molding process, this new process eliminates surface texture imprints generated after in-mold injection molding of carbon fiber and significantly improves product yield
A New Process for Eliminating Irregular Bonding Lines Between Plastic and Carbon Fiber in In-Mold Injection Molding	Development of a new product	Mass production	Development of a new product	By optimizing relevant processes and processing methods, this project avoids burrs and irregular bonding at the interface between plastic and carbon fiber film sheets, significantly improves product yield, and supports growth in related business areas
Development of Lightweight Carbon Fiber Products	Development of new process	Development stage	Development of new process	It expands product development in the field of lightweight carbon fiber products and supports growth in related business areas
Development of Carbon Fiber and Plastic In-Mold Injection Molded Products	Development of new process	Development stage	Development of new process	It expands product development in the field of carbon fiber and plastic in-mold injection molding and supports growth in related business areas
An Ultra-Light Metal Semi-Solid Die Casting Technology	Development of new process	Mass production	Development of new process	It expands process development in the field of lightweight metal processing and supports growth in related business areas
A High-Gloss Coating Technology for the Surface Treatment of Ultra-Light Nylon-Based Plastic Materials	Development of new process	Mass production	Development of new process	It expands the development of surface treatment processes for ultra-light nylon-based plastic materials and supports growth in related business areas.
An Automatic Equipment for Applying Auxiliary Materials to Rear Covers	Development of new equipment	Mass production	Development of a new equipment	The equipment is equipped with CCD-based automatic loading and unloading, automatic positioning and image capture, automatic attachment, continuous in-line operation, and automatic detection of excess or missing auxiliary materials. It enables fully automated assembly of multiple auxiliary materials and improves product quality and production efficiency.

# MANAGEMENT DISCUSSION AND ANALYSIS

## R&D personnel of the Company

	2025	2024	Percentage Change
Number of R&D personnel (persons)	<b>24,539</b>	24,545	-0.02%
Proportion of R&D personnel	<b>16.84%</b>	17.99%	-1.15%
Educational background of R&D personnel			
Bachelor's degree	<b>4,632</b>	3,725	24.35%
Master's degree	<b>410</b>	205	100.00%
Age distribution of R&D personnel			
Under 30	<b>8,699</b>	7,948	9.45%
30-40	<b>14,498</b>	15,356	-5.59%
Over 40	<b>1,342</b>	1,241	8.14%

## Proportion of R&D investment to revenue of the Group in recent three years

	2025	2024	2023
Amount of R&D investment (RMB)	<b>2,870,604,968.10</b>	2,784,813,241.93	2,316,618,950.88
Proportion of R&D investment in revenue	<b>3.86%</b>	3.98%	4.25%
Capitalized amount of R&D expenditure (RMB)	<b>0.00</b>	0.00	0.00
Proportion of capitalized amount of R&D expenditure in R&D investment	<b>0.00%</b>	0.00%	0.00%
Proportion of capitalized amount of R&D expenditure to net profits of current period	<b>0.00%</b>	0.00%	0.00%

## OUTLOOK

### 1. Overall Strategic Positioning

The world is currently witnessing a new wave of AI. Confronted with certain industry opportunities over the coming years, the Company is fully embracing AI smart terminals, focusing on its core competency in high-end precision manufacturing. Through technological innovation, the Company is integrating the full chain from “core components – functional modules – complete machine assembly (OEM/ODM)”, accelerating the scaled realization of three emerging arenas, namely embodied intelligence, AI servers, and commercial aerospace. This will achieve resonance across the full-scenario AI matrix, building a globally leading platform for AI hardware and commercial aerospace precision manufacturing, and leading industry technological iteration and industrial upgrading.

### 2. Core Strategic Directions

**Technology Leadership Strategy:** The Company will continue to position R&D and innovation as the core drivers of its development, consolidate R&D resources, and focus on key technological breakthroughs. It will increase R&D investment, with a focus on cutting-edge business areas such as AI servers, TGV glass substrates, optical waveguide lenses, HDD glass disks, humanoid robots, and aerospace-grade UTG glass. The Company will pursue systematic breakthroughs across materials, processes, and equipment within the entire value chain, proactively building capabilities in core new technologies.

**Talent Empowerment Strategy:** The Company will continue to prioritize talent development as a core pillar supporting its high-quality growth. Adhering to the talent development philosophy of “attracting, cultivating, retaining, empowering, and fostering growth,” the Company will integrate global talent resources and focus on recruiting top-tier professionals in critical and emerging fields. It will place special emphasis on attracting leading experts and core teams in cutting-edge areas such as AI hardware, precision materials, intelligent manufacturing, aerospace satellites, and optical components. The Company will also refine its long-term incentive and restraint mechanisms, continuously optimize compensation and evaluation frameworks, and improve equity incentives, special awards, and other benefit programs to align the long-term interests of core talent and stimulate innovation and creativity.

**Globalization Strategy:** Leveraging the advantages of its dual A-share and H-share capital platforms, the Company will optimize its capacity matrix across China, Southeast Asia (Thailand, Vietnam), and North America (Mexico). It will align its production, R&D, and sales networks with the needs of core global customers, enhancing supply chain resilience and overseas delivery capabilities to capture growth opportunities in the global AI hardware industry.

**Ecosystem Collaboration Strategy:** The Company will collaborate with leading enterprises along the industry chain and research institutions to establish innovation platforms, promoting technology sharing, joint standard-setting, and collaborative scenario development. It will improve the industrial ecosystem in emerging fields such as embodied intelligence, AI servers, and commercial aerospace, achieving resources complementarity and win-win cooperation.

**Lean Intelligent Manufacturing Strategy:** The Company will deepen the integration of the industrial internet, big data, AI algorithms, and manufacturing. It will comprehensively advance the automation, digitalization, and intelligent upgrade of production lines, actively explore and promote the large-scale deployment of embodied intelligent robots in industrial scenarios to improve production yield, delivery efficiency, and quality management and control.

**Full-Value-Chain Integration Strategy:** The Company will strengthen its vertically integrated capabilities across “materials + molds + equipment + modules + finished products,” enhancing the efficiency and cost advantages of its one-stop platform. It will expand the depth and breadth of customer collaboration, evolving into a system-level solutions provider for AI hardware.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 3. 2026 Annual Operating Plan

The year 2026 represents a pivotal juncture for the execution of the Company's strategic realignment. Centered around the overall development strategy, the Company will establish phased operational objectives and implementation measures focusing on "stabilizing the core business, expanding into new segments, strengthening technology, increasing production capacity, and optimizing management". It will steadily advance the high-quality development of all business segments and prepare for an accelerated performance trajectory. The following operating plan does not constitute a performance commitment to investors, and investors are advised to pay attention to investment risks.

### (1) Deepen the core business to solidify the foundation of performance

In the AI intelligent device business, the Company will optimize product mix to capture high-end and innovation-driven markets. The Company will continue to keep pace with the product iteration cycles of global leading customers, and solidify its leading position in the mid-to-high-end smartphone glass covers and metal structural components, focusing on advancing the mass production of high-end products such as foldable screen UTG, 3D glass, titanium alloy mid-frames, and liquid metal components to enhance product value. It will accelerate the capacity release for smart wearables such as AI glasses, XR head-mounted displays, and smartwatches, seizing opportunities presented by increasing market penetration to expand our market share.

In the smart vehicle and cockpit business, the Company will consolidate its leading position in the global market for automotive interactive system integrated solutions, with a key focus on promoting core products such as ultra-thin laminated multi-functional automotive glass to obtain more customer certifications in order to achieve mass delivery.

### (2) Breakthroughs in emerging segments to create new growth engines

***In the embodied intelligence business, the Company will focus on large-scale mass production and global expansion to lead the industry.*** The Company will accelerate the Changsha Yong'an Robotic Park and Thailand Production Base to achieve independent manufacturing of more core components of embodied intelligent robots, double the production capacity of complete machines, and maintain the industry-leading shipment volume of humanoid robots and quadruped robot dogs. It will accelerate overseas deployment to capture North American market share and promote the establishment of a joint venture in Thailand; enhance the independent R&D and mass production of core components such as joint modules, lightweight metallic structural components, and six-dimensional force sensors to build a full-chain competitive advantage.

***AI server business: Full-chain engagement and integrate into high-end supply chains.*** The Company will deepen cooperation with global leading server manufacturers, participate in the R&D and mass production of next-generation AI servers, and increase the supply share of core products such as liquid cooling modules and high-end cabinets; promote the mass shipment of SSD solid-state drives, accelerate customer verification for HDD glass substrates, and improve the server storage business portfolio. The Company will seize opportunities for domestic substitution in AI servers, expand the customer base to include domestic cloud service providers and telecom operators, and build a global customer system.

***In the commercial aerospace business, the Company will achieve technology validation and mass production.*** The Company will accelerate customer validation and mass production preparations for aerospace-grade UTG flexible lightweight glass, and advance the R&D and sample delivery of next-generation composite UTG. It will consolidate its leading position in the mass delivery of structural component modules for ground receivers, expand R&D and cooperation for new products such as satellite radar optical windows and antenna protection components, and deepen cooperation with leading domestic and international commercial aerospace companies, achieve revenue breakthroughs from satellite-end products, and build a core precision manufacturing supplier for the commercial aerospace industry.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (3) Strengthen technology R&D to achieve milestone outcomes

Focusing R&D efforts on four key areas: the first is to make innovation in specialty materials, advancing R&D for aerospace-grade UTG, HDD glass substrates, nano-ceramic glass, and liquid metals, to achieve certifications from core customers. The second is to work hard on breakthroughs in core components, and on key products such as optical waveguide lenses, embodied AI modules, and AI server liquid cooling to achieve a higher degree of vertical integration. The third is to deepen intelligent manufacturing, and enhance AI-driven adaptive management, machinery automation, and the application of embodied intelligent robots in industrial scenarios. The fourth is to carry out digital R&D, and improve simulation design and rapid validation platforms to shorten product R&D cycles.

### (4) Deepen capital operations to empower industrial development

Leveraging the dual capital platforms in both A Shares and H Shares, the Company will actively utilize relevant tools to facilitate new business expansion and mergers and acquisitions. It will steadily advance the acquisition of high-quality targets and equity investments, focusing on addressing shortcomings in alignment with the strategic development direction. Concurrently, it will continue to reward Shareholders through stable dividends and Share repurchases, and actively promote employee stock ownership and equity incentive plans to align the interests of core talent and stimulate team vitality.

### (5) Enhance ESG management standards to practice sustainable development

The Company will fully implement the annual key tasks for ESG management enhancement, benchmarking against new domestic and international regulations and industry best practices. It will improve the three-tier management system of “Board of Directors — Strategy and Sustainability (ESG) Committee — Executive Departments”, deepen the integration of ESG with core business operations, strengthen climate risk and opportunity management, address gaps in professional talents, establish robust long-term assessment mechanisms, and continuously drive ESG management from basic compliance towards high-quality and high-standard practices. It will gradually enhance the ESG performance and international recognition to achieve sustainable development and longterm value growth, and fulfil its social responsibilities and market commitments.

# MANAGEMENT DISCUSSION AND ANALYSIS

## MAJOR RISKS AFFECTING THE GROUP'S OPERATIONS

### 1. Risk of exchange rate fluctuations

The Company's main customers are globally renowned brands in the consumer electronics and smart vehicle industries. The Company mainly uses U.S. dollars for settlement when exporting goods and purchasing imported raw materials. It adopts proactive strategies to cope with RMB to USD exchange rate fluctuations, controls and mitigates risks through methods such as entering into agreements with banks to lock in exchange rates, adjusting foreign exchange exposure, and deferring foreign exchange settlement. However, significant exchange rate fluctuations may still have a certain impact on the Company's operating results.

### 2. Risk of macroeconomic fluctuations and changes in consumer preferences

The Company is a one-stop, full-industry-chain precision manufacturing solution provider for AI hardware, with its downstream markets primarily being consumer electronics and smart vehicles. These markets are characterized by strong fashion trends, rapid updates, and numerous brands. Consumer preferences for different brands and products can change rapidly, leading to shorter cycles in market share structure changes compared to other traditional industries. The Company's operating results may be adversely affected by significant market changes occur in the future due to the macroeconomic situation, shifts in consumer preferences, or other factors.

### 3. Risk of memory price volatility

Since the second half of 2025, memory prices have risen sharply. Although memory is not a primary raw material for the Company, this may increase the overall cost and selling prices of downstream end customers, thereby exerting adverse effects on market demand, particularly for entry-level products. The Company's customers are predominantly mid-to-high-end brands at home and abroad, possessing stronger bargaining power for memory and greater operational resilience. Consequently, the potential impact of such supply chain price fluctuations on the Company's operations is relatively short-term and manageable.

### 4. Investment risks in emerging segments

To achieve sustainable development and broaden growth avenues, the Company is strategically investing in emerging industries such as embodied AI, AI servers, and commercial aerospace, allocating substantial resources to support technology R&D, capacity construction, and equity investments. As these industries are in a phase of rapid development, with technology innovations, product iterations, and business models constantly evolving and gradually maturing, their future development depends on various internal and external factors, both controllable and uncontrollable, and there is a risk that the returns on related investments may not meet the Company's expectations.

### 5. Risk of customer concentration

The Company's major customers are globally renowned brands in the AI smart edge device space, with high customer quality and relatively large market shares. If our major customers are unable to continue cooperating with us at levels, scales, or terms similar to historical patterns, the Company's operating performance will be adversely affected to a certain extent.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Analysis of profit or loss

#### Revenue

During the Reporting Period, the Group recorded a total revenue of approximately RMB74,409.73 million, representing an increase of approximately 6.46% compared to approximately RMB69,896.78 million in 2024. Among them, the smartphones and computers business amounted to approximately RMB61,184.20 million, representing an increase of approximately 5.94% compared to RMB57,754.17 million in 2024; the smart vehicles and cockpits business amounted to approximately RMB6,461.66 million, representing an increase of approximately 8.88% compared to RMB5,934.80 million in 2024; the intelligent head-mounted displays and smart wearables business amounted to approximately RMB3,978.17 million, representing an increase of approximately 14.04% compared to RMB3,488.41 million in 2024; and other smart devices business amounted to approximately RMB1,051.50 million, representing a decrease of approximately 25.34% compared to RMB1,408.38 million in 2024.

#### Gross profit and gross profit margin

During the Reporting Period, the gross profit of the Group was approximately RMB11,110.71 million, representing an increase of approximately 9.11% compared to RMB10,183.49 million in 2024, which was primarily due to the increase in gross profit from the smartphones and computers business as well as the intelligent head-mounted displays and smart wearables business. During the Reporting Period, the gross profit margin of the Group was approximately 14.93%, representing only a minor fluctuation compared to 14.57% for the same period in 2024.

#### Other income

During the Reporting Period, other income of the Group was approximately RMB516.54 million, representing a decrease of approximately 8.9% compared to RMB567.02 million in 2024, which was primarily due to the reduction in the amount of additional value-added tax deduction benefits enjoyed by the Group and the decrease in interest income.

#### Selling expenses

During the Reporting Period, the selling expenses of the Group were approximately RMB586.37 million, representing a decrease of approximately 16.90% compared to RMB705.6 million in 2024, which was primarily due to the decrease in market development service fees and sorting fees.

#### Administrative expenses

During the Reporting Period, the administrative expenses of the Group were approximately RMB3,326.16 million, representing a decrease of approximately 1.27% compared to RMB3,368.96 million in 2024, which was primarily due to the improvement of management efficiency.

#### Research and development expenses

During the Reporting Period, the research and development expenses of the Group were approximately RMB2,870.61 million, representing an increase of approximately 3.08% compared to RMB2,784.81 million in 2024, which was primarily due to the Company's substantial R&D investments across areas such as foldable screen phones, embodied intelligent robots, AI glasses, smart vehicles, AI servers, TGV glass substrates, optical waveguide lenses, HDD glass disks, and aerospace-grade UTG glass to address the continuous introduction of new technologies and products in the AI era, as well as rapidly growing customer demand, thereby laying a solid foundation for unlocking future growth potential.

#### Finance costs

During the Reporting Period, the finance costs of the Group were approximately RMB269.42 million, representing a decrease of approximately 30.64% compared to RMB388.44 million in 2024, which was primarily due to the repayment of a portion of bank loans, including long-term and short-term loans and the lower comprehensive financing costs.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Other gains and losses, net

During the Reporting Period, the other gains and losses, net of the Group were approximately RMB15.03 million, representing a decrease of approximately 96.90% compared to RMB384.38 million in 2024, which was primarily due to the decrease in net foreign exchange gains as a result of the exchange of US dollars into RMB.

## Impairment losses under expected credit loss ("ECL") model, net of reversal

During the Reporting Period, the reversal of impairment losses under ECL model, net of the Group was approximately RMB18.25 million, representing a decrease of approximately 46.10% compared to RMB33.86 million in 2024, which was primarily due to the reduction in impairment losses as a result of the lowered risk of default on other receivables.

## Income tax expense

During the Reporting Period, the income tax expense of the Group was approximately RMB545.24 million, representing an increase of approximately 216.89% compared to RMB172.06 million in 2024, which was primarily due to the increase in total profit for the period, as well as the increase in tax losses and temporary differences of certain subsidiaries available for future tax offset, for which no deferred tax assets were recognized.

## Cash Flow Analysis

### Net cash from operating activities

During the Reporting Period, the net cash from operating activities of the Group was approximately RMB11,465.00 million, representing an increase of approximately 5.29% from RMB10,888.84 million in 2024, maintaining a moderate growth.

### Net cash used in investing activities

During the Reporting Period, the net cash used in investing activities of the Group was approximately RMB9,616.53 million, representing an increase of approximately 58.94% from RMB6,050.29 million in 2024, which was primarily due to the increase in payments for the acquisition of property, plant and equipment.

### Net cash used in financing activities

During the Reporting Period, the net cash used in financing activities of the Group was approximately RMB2,963.71 million, representing a decrease of approximately 33.47% from RMB4,454.41 million in 2024. Net proceeds of approximately RMB4.9 billion were raised from the Company's listing on the Hong Kong Stock Exchange in July 2025, which were netted off by a reduction of RMB3.5 billion in new bank borrowings (including both short-term and long-term loans) within financing activities.

### Sources of liquidity and working capital

During the Reporting Period, the Group's primary sources of liquidity included cash generated from operating activities and bank borrowings. The Group's cash and cash equivalents mainly comprise bank balances and cash held by securities brokers. We may require additional cash due to evolving business conditions or other future developments.

The Group remains committed to stringent financial discipline and the maintenance of a sound liquidity profile through regularly monitoring its cash flow, cash balances and capital requirements. The Group is committed to maintaining optimal liquidity to meet its working capital needs. The Group's current assets decreased from RMB30,772.78 million as at December 31, 2024 to RMB29,473.11 million as at December 31, 2025, primarily due to the reduction in bank balances and cash. The bank balances and cash decreased from RMB10,936.80 million as at December 31, 2024 to RMB9,653.20 million as at December 31, 2025, primarily due to the expansion of investment scale.

# MANAGEMENT DISCUSSION AND ANALYSIS

The Group's current ratio, calculated as current assets divided by current liabilities at the end of each financial period, declined from approximately 1.33 as at December 31, 2024 to approximately 1.24 as at December 31, 2025, representing a minimal change.

## Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maximize its return to shareholders through the optimization of its debt and equity balance. The Group's overall strategy remained unchanged during the Reporting Period.

The Group's capital structure consists of net debt, which includes borrowings and lease liabilities, net of bank balances and cash and total equity, mainly comprising issued share capital, share premium and retained profits, other reserves and non-controlling interests. As at December 31, 2025 and December 31, 2024, the Group's gearing ratio (being net debts divided by total equity) was 0.33% and 7.35%.

The Group's management reviews its capital structure on a regular basis. As part of this review, they consider the cost of capital and risks associated with the capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

## Liquidity and capital resources

During the Reporting Period, the Group had cash generated from operating activities of RMB11,465.00 million, compared to RMB10,888.84 million in last year.

As of December 31, 2025, the Group had cash and bank deposits and cash held by security brokers of RMB9,980.27 million, which included restricted cash of RMB25.77 million and cash and cash equivalents of RMB9,789.56 million, non-current bank deposit of RMB164.94 million representing a decrease of 12.56% as compared to RMB11,414.19 million as of December 31, 2024.

Among the cash and bank deposits and cash held by security brokers, RMB9,815.33 million are liquid fund in current assets, representing a decrease of 13.22% as compared to RMB11,310.49 million as of December 31, 2024.

As of December 31, 2025, the Group had interest-bearing bank loans of RMB9,658.19 million, which included long-term borrowings of RMB4,366.58 million and short-term borrowings of RMB5,291.61 million, representing a decrease of 32.59% as compared to RMB14,326.57 million as of December 31, 2024, primarily due to the repayment of bank loans during the Reporting Period. All borrowings were denominated in Renminbi, of which borrowings with fixed interest rates amounted to RMB2,012.68 million. The Group did not implement any interest rate hedging policy.

As at December 31, 2025 and December 31, 2024, no assets had been pledged by the Group to secure long-term borrowings.

As of December 31, 2025, 98.50% (December 31, 2024: 96.55%) of the Group's cash and cash equivalents were denominated in US dollars or Renminbi.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Foreign exchange risk management

The Company's major customers are globally renowned brands in the consumer electronics and smart vehicle industries. Its offshore sales and offshore material procurement are mainly settled in US dollars. Significant fluctuations in exchange rates may exert a certain impact on the Company's operating results. The Company adopts proactive response strategies to control and mitigate exchange rate risks through measures including signing agreements with banks to lock in exchange rates, adjusting foreign exchange exposures, and deferring foreign exchange settlements.

Foreign currency transactions are translated into the functional currency using the exchange rates at the end of the previous month. 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 is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. During the Reporting Period, the Company recorded net foreign exchange gains of RMB19.02 million.

## Contingent liabilities

As at December 31, 2025, there were no significant contingent liabilities, guarantees or any pending or threatened material litigation or claim against any member of the Group.

## Capital expenditure

The Group's capital expenditure was primarily related to purchase of property, plant and equipment used in our production and payments for leasehold land. During the Reporting Period, the Group's capital expenditure amounted to approximately RMB9,355.16 million (for the year ended December 31, 2024: approximately RMB6,356.05 million).

## Capital commitments

The Group's capital commitments include capital commitments contracted for property, plant and equipment but not provided for in the Group's financial information. As at December 31, 2025, the Group recorded total capital commitments of approximately RMB4,507.78 million, as compared to approximately RMB2,217.42 million as at December 31, 2024.

## Pledge on the Group's assets

Except for the restricted bank deposits of RMB25.77 million as at December 31, 2025 (December 31, 2024: RMB51.28 million), the Group did not have other assets pledged to any financial institutions.

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

During the Reporting Period, the Company had no significant investments and/or material acquisitions or disposals of subsidiaries, associates and joint ventures. None of each individual investment held by the Group constituted 5% or above of the total assets of the Group as at December 31, 2025.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Except as disclosed in Note 14 to the consolidated financial statements in this report, there have been no significant events affecting the Group from the end of the Reporting Period to the date of this report.

# MANAGEMENT DISCUSSION AND ANALYSIS

## EMPLOYEES, REMUNERATION POLICY AND TRAINING PLAN

### Remuneration Policy

The Company's remuneration framework is designed based on job value, employees' skills and actual performance, and follows the principles of distribution according to work performance with consideration of fairness and sustainability. It emphasises the incentive nature of employee remuneration and has consistently adhered to the policy of "working inland while receiving coastal-level remuneration", thereby providing employees with competitive salaries.

The Company provides all employees with statutory social insurance and housing provident fund contributions as well as commercial insurance. Employees are also entitled to various types of paid leaves in accordance with the law, including marriage leave, maternity leave, paternity leave, childcare leave and annual leave, as well as statutory public holidays.

### Training Plan

In 2026, the Company will continue to carry out employee training across six dimensions, namely management, technology, lean production, certification, job roles and specialised programmes. Training will be conducted in accordance with the learning maps for various positions, including job-related certification training. The Company will focus on developing reserve management personnel and technical staff at all levels, and will implement the "Thousand-Talent Programme" for key frontline technical personnel, covering nearly one hundred courses, including general courses and professional courses.

As at December 31, 2025, the Group has a total of 145,683 employees (as at December 31, 2024: 136,458), covering various positions such as production, sales, technical, finance and administration. During the Reporting Period, the total remuneration expenses of the employees amounted to approximately RMB13,937.74 million (last year: approximately RMB13,474.45 million).

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

### (I) Repurchase of Shares through Centralized Competitive Bidding

On April 7, 2025, the Company held the fourth meeting of the fifth session of the Board, deliberating and approving the Proposal on the Share Repurchase Plan of the Company. It is agreed that the Company may use its own funds or self-raised funds to repurchase a portion of RMB ordinary shares (A Shares) issued by the Company through centralized competitive bidding, with the purpose of implementing the employee stock ownership plans or equity incentive schemes. The repurchase amount shall be no less than RMB500 million (inclusive) and no more than RMB1 billion (inclusive). The upper limit of the repurchased shares is RMB34.60 per Share (upon adjustment according to the implementation of the Company's annual equity distribution in 2024). The repurchase period is 12 months from the date when the Board approved this share repurchase plan.

In the repurchase period, the Company repurchased 17,113,932 A Shares (held as treasury Shares) through centralized competitive bidding via the exclusive account for securities repurchase, which accounted for 0.34% of the total share capital of the Company's A Shares. The total payment amounted to RMB500,041,915.95 (inclusive of transaction fees). The A-share repurchase scheme of the Company has been fully implemented and concluded as of the date hereof. The repurchase was carried out in compliance with relevant laws and regulations and the existing repurchase plans of the Company.

# MANAGEMENT DISCUSSION AND ANALYSIS

Month of 2025	Number of A Shares repurchased (shares)	Highest repurchase price per Share (RMB)	Lowest repurchase price per Share (RMB)	Total consideration paid (RMB)
July	322,600	22.65	22.50	7,267,695.00
September	1,164,395	30.15	29.86	34,900,773.55
October	2,196,962	30.24	29.76	65,703,334.48
November	3,625,650	29.85	26.98	104,051,856.60
December	100,000	29.00	29.00	2,900,000.00
Total	7,409,607	/	/	214,823,659.63

## (II) Repurchase and Cancellation of Restricted Shares

During the Reporting Period, a total of 4,557,611 Type I Restricted Shares granted under the 2023 Restricted A-share Scheme of the Company were unlocked and became listed and tradable. Additionally, the Company repurchased and cancelled a total of 146,880 A restricted shares due to the resignation of certain employees.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury Shares) during the Reporting Period.

## USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares issued by the Company were successfully listed on the Main Board of Hong Kong Stock Exchange on July 9, 2025.

In addition, the over-allotment option described in the Prospectus has been fully exercised by the overall coordinators (for themselves and on behalf of the international underwriters) on August 3, 2025 in respect of an aggregate of 39,338,400 H Shares, representing approximately 15.0% of the total number of offer shares initially available under the global offering (before any exercise of the over-allotment option). After deducting the underwriting commissions, listing expenses and other charges, the net proceeds received by the Company from the global offering amounted to approximately HK\$5,404.52 million (equivalent to approximately RMB4,924.27 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets out the details of the intended use of the net proceeds, the expected timetable for full utilisation, and the actual utilisation as at December 31, 2025:

	Percentage of net proceeds from the Global Offering	Net proceeds from the Global Offering (HK\$ million)	Amount utilised as at December 31, 2025 (HK\$ million)	Amount unutilised as at December 31, 2025 (HK\$ million)	Expected timetable for utilizing the unused net proceeds
To expand our product and service portfolio and explore additional end uses for our products	48%	2,594.17	31.94	2,562.23	By December 31, 2027
– To support the technical development and capacity enhancement for structural parts for the next-generation foldable screens and related smart devices accessories	30%	1,621.36	—	1,621.36	By December 31, 2027
– To develop exterior structural parts and related products with distinct functions on smart vehicles, covering vehicle bodies, in-vehicle systems and domain control areas	8%	432.36	0.89	431.47	By December 31, 2026
– For production capacity support and the research and development of intelligent robots	5%	270.23	31.05	239.17	By December 31, 2027
– To expand our production capacity, primarily by purchasing equipment, for augmented, virtual and mixed reality glasses, as well as various intelligent wearable devices, encompassing both production of structural parts and complete device assembly	5%	270.23	—	270.23	By December 31, 2027
To expand our overseas presence, increase our production capacity overseas and enhance our overseas delivery capabilities to better serve our customers	28%	1,513.27	97.68	1,415.59	By December 31, 2026
To advance our vertical integration in smart manufacturing, including enhancing our capabilities along our vertically integrated industry value chain and promoting the development of “smart manufacturing factories”	14%	756.63	—	756.63	By December 31, 2026
– To set up complete device assembly lines for consumer electronics, smart wearables and smart retail devices	6%	324.27	—	324.27	By December 31, 2026
– To promote the development of “smart manufacturing factories”	8%	432.36	—	432.36	By December 31, 2026
For working capital and other general corporate purposes	10%	540.45	540.45	—	N/A
<b>Total</b>	<b>100%</b>	<b>5,404.52</b>	<b>670.07</b>	<b>4,734.45</b>	

There has been no change to the intended use of the net proceeds as disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The Company will use the net proceeds from the global offering in accordance with manners as described in the section headed “Future Plans and Use of Proceeds” in the Prospectus (adjusted on a pro-rata basis based on the actual net proceeds).

# MANAGEMENT DISCUSSION AND ANALYSIS

## CONTINUING DISCLOSURE OBLIGATIONS UNDER THE HONG KONG LISTING RULES

### Financial Assistance and Guarantees Provided to Associated Companies

During the Reporting Period, the Group did not provide financial assistance to or issue guarantees for associated companies exceeding 8% of the Group's total assets. There were no circumstances requiring disclosure under Rules 13.16 and 13.22 of the Hong Kong Listing Rules.

### Advance to Entities

During the Reporting Period, the Group did not advance to any entity exceeding 8% of the Group's total assets. There were no advance subject to disclosure under Rules 13.13 and 13.20 of the Hong Kong Listing Rules.

### Pledge of Shares by Controlling Shareholders

During the Reporting Period, the controlling shareholder of the Company has not pledged any of the Shares held by it. There were no pledges of such Shares to secure the Company's debts or provide support for the Company's guarantees and other obligations.

### Loan Agreements Containing Conditions on Specific Obligations of Controlling Shareholders

During the Reporting Period, loan agreements entered into by the Group did not contain provisions imposing specific performance obligations on the Company's controlling shareholder. There were no circumstances requiring disclosure under Rule 13.18 of the Hong Kong Listing Rules.

### Breach of Loan Agreements by the Company

During the Reporting Period, the Group did not breach any loan agreements where the relevant loans would have a material impact on the Group's business operations.

### Any Guarantees in Respect of Financial Performance of Acquired Companies or Businesses

During the Reporting Period, there were no guarantees in respect of the financial performance of acquired companies or businesses that triggered disclosure requirements under Rule 14.36B and/or Rule 14A.63 of the Hong Kong Listing Rules.

# BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Biographical information of directors and senior management of the Company is set out below.

## THE BOARD

### Executive Directors

**Ms. Chau Kwan Fei (周群飛)**, aged 55, the co-founder of the Company, has been the chairman of the Board and the general manager of the Company since June 2011, and was redesignated as an executive Director in March 2025 with effect from the Listing Date. Ms. Chau is fully responsible for the development strategy planning and overall operation and management of the Company.

Ms. Chau founded the Group in December 2006 and held directorship or general manager positions in various subsidiaries of the Group, including a supervisor of Lens Shenzhen, a director of Lens International, the chairman of the board of Lens Taizhou, the chairman of the board and general manager of Lens Changsha and the chairman of the board of Lens New Energy Company Limited\* (藍思新能源有限公司). Ms. Chau has also served as a director of Changsha Intelligent Robot Research Institute Company Limited\* (長沙智能機器人研究院有限公司) since March 2016; an executive director of Changsha Qunxin since 2017; a director of Qunxin Investment Company Limited\* (群欣投資有限公司) since May 2017; and served as a director of Lens Technology (HK).

Ms. Chau is the spouse of Mr. Cheng, one of our executive Directors.

**Mr. Cheng Chun Lung (鄭俊龍)**, aged 53, the co-founder of the Company, was the vice chairman of the Board and the deputy general manager of the Company from June 2011 to July 2021, has been the vice chairman of the Board since July 2021, and was redesignated as an executive Director in March 2025 with effect from the Listing Date. Mr. Cheng is primarily responsible for the marketing and procurement of the Group.

Mr. Cheng founded the Group in December 2006, and held directorship or general manager positions in various subsidiaries of the Group, including an executive director of Lens Shenzhen, and a director of Lens Xiangtan, Lens Changsha, etc. Mr. Cheng served as a director of Lens Technology (HK). He also served as the general manager of Changsha Qunxin from January 2021 to January 2025.

Mr. Cheng is the spouse of Ms. Chau, one of our executive Directors.

**Mr. Rao Qiaobing (饒橋兵)**, aged 55, has been the deputy general manager of the Company since June 2011, a Director and a deputy general manager of the Company since July 2021, and was redesignated as an executive Director in March 2025 with effect from the Listing Date. Mr. Rao is primarily responsible for the management of production and operation of the Group.

Mr. Rao joined the Group in December 2006 and held various positions in the Group. Mr. Rao served as an executive director and the factory manager of Huizhou Gaokeda Photonics Company Limited\* (惠州市高科達光電有限公司) from 2001 to 2005, the chief engineer and factory manager of Shenzhen Keda Photonics Company Limited\* (深圳市科達光電有限公司) from 1997 to 2000, the factory manager of production technology of Aoya Optics Company Limited\* (澳亞光學有限公司) from 1994 to 1996; and a technologist of Shenzhen Dechang Electric Machinery Corporation\* (深圳市德昌電機公司) from 1992 to 1994.

# BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

## Independent Non-executive Directors

**Ms. Wan Wei (萬煒)**, aged 53, has been an independent Director since July 2021, and was redesignated as an independent non-executive Director in March 2025 with effect from the Listing Date. Ms. Wan is primarily responsible for supervising and providing independent judgment to the Board.

Ms. Wan has served as an associate professor of Business School of Hunan University since December 2019, and a lecturer in the marketing department of Hunan University since June 2004. From July 1994 to July 2001, Ms. Wan served at Hunan Pharmaceutical and Health Products Import and Export Corporation\* (湖南省醫藥保健品進出口公司).

Ms. Wan obtained a doctor's degree in corporate management from Hunan University in December 2013, a master's degree in international business administration from Sun Yat-sen University in June 2003, and a bachelor's degree in electromagnetic measurement and instrumentation from Hunan University in July 1994. In April 2013, Ms. Wan was awarded the KAB Entrepreneurship Education (China) Project Lecturer qualification by the All-China Youth Federation (中華全國青年聯合會), the All-China Students Federation (中華全國學生聯合會), and the International Labour Organization.

**Mr. Liu Yue (劉岳)**, aged 51, has been an independent Director since July 2021, and was redesignated as an independent non-executive Director in March 2025 with effect from the Listing Date. Mr. Liu is primarily responsible for supervising and providing independent judgement to the Board.

Mr. Liu has been a senior partner of Hunan Jinzhou Law Firm\* (湖南金州律師事務所) since March 2013 and has served as an arbitrator of Changsha Arbitration Commission (長沙仲裁委員會), a researcher of Human Resources Research Center of Central South University, an off-campus master tutor of Hunan University, Law School of Changsha University of Science & Technology (長沙理工大學), and Hunan University of Technology and Business (湖南工商大學), and the expert of the Changsha Social Sciences Think Tank (長沙社科智庫). In March 2007, he established Hunan Herun Law Firm\* (湖南和潤律師事務所) as a director. He also served as the deputy director of the Publicity Section of Changsha Municipal Justice Bureau and the deputy director as well as the director of Changsha 148 Legal Services Co-ordination and Command Centre (長沙市148法律服務協調指揮中心) from July 2000 to February 2007; and the secretary of Changsha Xinye Industrial Corporation\* (長沙新業實業公司) from November 1993 to December 1996.

Mr. Liu was qualified as a PRC lawyer by the Ministry of Justice of the PRC.

**Mr. Tian Hong (田宏)**, aged 64, has been an independent Director since January 2025, and was redesignated as an independent non-executive Director in March 2025 with effect from the Listing Date. Mr. Tian is primarily responsible for overseeing and providing independent judgment to the Board.

Mr. Tian has served as an independent director of Amlogic (Shanghai) Co., Ltd. since September 2025, an independent director of Broadex Technologies Co., Ltd.\* (博創科技股份有限公司) (SZSE: 300548.SZ) since May 2023 and the director of the International Center of Science and Innovation in the Guangdong-Hong Kong-Macao Great Bay Area (粵港澳大灣區國家技術創新中心) from October 2022 to July 2024. From February 1996 to September 2022, he served positions such as the general manager of the China HQ of TDK (Tokyo Denki Kagaku Kogyo K.K)(TSE: 6762.T), the president, chairman of the board and CEO of SAE Magnetics (HK) Ltd. (a wholly-owned subsidiary of TDK), and the general manager of TDK's micro-actuator business department. He served as a senior hardware integration engineer at Conner Peripherals from December 1993 to December 1995 and a research and development engineer at Hoya Electronics in the U.S. from October 1990 to November 1993.

Mr. Tian obtained a doctor's degree from the Massachusetts Institute of Technology ("MIT") in the U.S. in September 1990, a master's degree from MIT in February 1987, and a bachelor's degree from Tsinghua University in July 1983.

## BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Tang Xiangxi (湯湘希)**, aged 62, has been an independent non-executive Director since January 2026. Mr. Tang is primarily responsible for overseeing and providing independent judgment to the Board.

Mr. Tang has been working at the School of Accountancy of Zhongnan University of Economics and Law since July 1986, where he held various positions including the deputy director and director of the Department of Accountancy and the vice dean of the School of Accountancy. He is currently a professor and doctoral supervisor at the School of Accountancy of Zhongnan University of Economics and Law. Mr. Tang served as a member of the first and second sessions of the Accounting Standards Advisory Committee of the Ministry of Finance. He also served as an independent director of the Company since June 2011 and ceased to hold such position on June 20, 2017 upon expiry of the term of office. Furthermore, he has served as an independent director of CHN Energy Changyuan Electric Power Co.,Ltd (國家能源集團長源電力股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000966) since May 2019; served as an independent director of Wuhan Kotei Informatics Co., Ltd. (武漢光庭信息技術股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 301221) from June 2020 to April 2024; and has served as an independent director of Gemac Engineering Machinery Co., Ltd. (金鷹重型工程機械股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 301048) since June 2020. Additionally, Mr. Tang has served as an independent director of Hubei Elv Tourism Development Co., Ltd. (湖北省鄂旅投旅遊發展股份有限公司) and Wuhan Youfin Auto Electronic Control System Co., Ltd. (武漢元豐汽車電控股份有限公司) since June 2020 and June 2021, respectively. Mr. Tang currently serves as the vice president of the China Association of Business Accounting and an executive director of the China Cost Research Society.

Mr. Tang obtained a bachelor's degree in economics, majoring in finance and accounting, from Hubei College of Finance and Economics (now known as Zhongnan University of Economics and Law) in July 1984, a master's degree in economics, majoring in accounting, from Zhongnan University of Economics (now known as Zhongnan University of Economics and Law) in July 1987, and a Doctor degree in management (accounting) from Zhongnan University of Economics and Law in July 2005.

### Senior Management

For the biographical details of Ms. Chau and Mr. Rao Qiaobing, please refer to “—Directors” above.

**Mr. Jiang Nan (江南)**, aged 51, serves as a deputy general manager, the president of China region, the secretary to the Board and a joint company secretary of the Company. Mr. Jiang is primarily responsible for the Group's external investments, new business development, and public relations management.

Mr. Jiang joined the Group in September 2021. Since September 2021, Mr. Jiang has been the vice chairman of Hunan Lens New Energy Company Limited\* (湖南藍思新能源有限公司), a subsidiary of the Company; from March 2021 to September 2021, he served as the president of China region and chief strategy officer of Guangdong Lingyi iTech Manufacturing Co., Ltd.\* (廣東領益智造股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002600); from February 2019 to March 2021, he served as the senior vice president of public relations department of AAC Technologies Holdings Inc. (a company listed on the Hong Kong Stock Exchange, stock code: 2018); from April 2016 to March 2018, he served as the vice president at Jumei International Holding Limited; and from August 1996 to March 2016, he held successive roles including secretary of the General Office of the Ministry of Foreign Trade and Economic Cooperation and director of the Industrial Products Division, Market Division, and Comprehensive Division of the Foreign Trade Department under the Ministry of Commerce.

Mr. Jiang obtained a master's degree of business administration from the University of International Business and Economics located in Beijing, the PRC in June 2002.

## BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Liu Shuguang (劉曙光)**, aged 52, serves as a deputy general manager and chief financial officer of the Company. Mr. Liu is primarily responsible for the Group's financial operations.

Mr. Liu joined the Group in October 2010. Since April 2023, Mr. Liu has served as a supervisor of Changsha Yongping Investment Consulting Company Limited\* (長沙永平投資諮詢有限公司); since December 2020, he has been a director of Lens Taizhou, a subsidiary of the Company; since October 2018, he has been a director of Changsha Lens New Materials Company Limited\* (長沙藍思新材料有限公司), a subsidiary of the Company; since 2017, he has been a supervisor of Changsha Qunxin; and from 1997 to 2010, he held successive positions as deputy manager and manager of the finance department at Skyworth Electrical Appliances (Shenzhen) Company Limited\* (新創維電器(深圳)有限公司), and assistant director of finance and deputy director of the TV manufacturing division at Skyworth Group Limited (a company listed on the Hong Kong Stock Exchange, stock code: 0751), and the deputy director of the finance and operation management department of Skyworth Group Limited.

Mr. Liu obtained a master's degree of business administration from Hong Kong Baptist University in November 2009 and obtained the qualification of a PRC Public Accountant from the MOF in May 1997.

**Mr. Cai Xinfeng (蔡新鋒)**, aged 51, serves as a deputy general manager of the Company. Mr. Cai is primarily responsible for the IE (industrial engineering), lean production, automation, molds, jigs & fixtures, and NPI (new product introduction) of the Group.

Mr. Cai joined the Group in February 2011. From 2018 to July 2021, Mr. Cai served as the executive deputy general manager of production operations of the Company and the director of Liuyang Industrial Park of the Company; from 2014 to 2017, he served as a deputy general manager of the Research and Development Department of the Company; from 2011 to 2013, he served as the director of the Production Technology Department of the Group; from 2003 to 2011, he served at Shenzhen Futaihong Precision Industry Company Limited\* (深圳富泰宏精密工業有限公司); and from 1999 to 2003, he served at Tangde Electronics (China) Co., Ltd.\* (唐德電子(中國)有限公司).

Mr. Cai graduated from Shaanxi University of Technology (陝西工學院) in plastic forming technology and mold design in July 1999.

**Mr. Chen Yunhua (陳運華)**, aged 38, serves as a deputy general manager of the Company. Mr. Chen is primarily responsible for the smart manufacturing planning and implementation of the Group.

Mr. Chen joined the Group in December 2010. Since March 2019, Mr. Chen has been serving as the general manager of Lens System Integration, a subsidiary of the Company; from January 2011 to August 2024, he served as a director of Lens Changsha, a subsidiary of the Company; and from December 2010 to June 2011, he served as a manager of the Company.

Mr. Chen obtained his master's degree from Arizona State University in December 2025.

## BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Zuo Dukai (左都凱)**, aged 52, Mr. Zuo is the deputy general manager and CSO (Chief Sustainability Officer) of the Company. He is primarily responsible for the Group's human resources, ESG and general administration.

Mr. Zuo joined the Group in 2007. He has served as deputy general manager and CSO (Chief Sustainability Officer) of the Company since March 2026. He was the human resources director of the Company from July 2021 to March 2026. From 2016 to June 2021, he served as executive director and general manager of Shenzhen Dikai Human Resources Service Co., Ltd. He was the human resources director of the Company from 2007 to 2016. He worked as a supervisor at China Unicom Huizhou Branch, Guangdong from 2003 to 2007. He was a teacher at Jiujiang University in 2002.

Mr. Zuo obtained his master's degree in Philosophy of Science and Technology from Hunan University in December 2001.

From the Listing Date up to the date of this annual report, there were no changes to the information of the Directors or chief executive required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and there were no other matters required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

# CORPORATE GOVERNANCE REPORT

The Board hereby presents the corporate governance report for the year ended December 31, 2025.

## CORPORATE GOVERNANCE CULTURE AND VALUES

### Vision

To lead industry trends through technological innovation and forge a world-leading intelligent manufacturing enterprise.

### Mission

To strive to provide customers with superior technology, products and services, and to continuously create sustainable value for shareholders.

### Core Values

Compliance and Integrity, People-oriented, Pragmatism and Excellence, Innovation-driven, Dedication and Contribution

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company recognizes the importance of incorporating elements of sound corporate governance into its management structure and internal control procedures to achieve effective accountability. Since the date of Listing and up to the date of this annual report, the Company has applied the principles of good corporate governance and complied with all applicable code provisions of the Corporate Governance Code, except for the deviation from code provision C.2.1 of the Corporate Governance Code.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Chau Kwan Fei, an executive Director, currently serves as both the chairman of the Board and the general manager of the Company. While such practice deviates from code provision C.2.1 of the Corporate Governance Code, the Board believes that vesting the roles of both chairman of the Board and general manager in Ms. Chau will be beneficial to the business prospects and operational efficiency of the Company. The Board, therefore, considers that the deviation from code provision C.2.1 of the Corporate Governance Code is appropriate in such circumstances. Furthermore, the Board comprises three executive Directors and four independent non-executive Directors, representing a high degree of independence in its composition. Under the supervision of the Board, the current structure is appropriately balanced with sufficient checks and balances to safeguard the interests of the Company and its Shareholders. The Board will continue to review the effectiveness of the corporate governance structure of the Group to assess whether there is a need to separate the roles of chairman of the Board and general manager.

Pursuant to code provision D.1.2 of the Corporate Governance Code, the management of the Company is required to provide all members of the Board with monthly updates of the Company's business. Currently, the management of the Company reports to the Board on the Company's results, position and prospects on a quarterly basis. The Board is of the view that, as the executive Directors oversee the day-to-day operations of the Company, and effective communication is maintained among the executive Directors, the management and the independent non-executive Directors regarding the Group's affairs, the current practice is sufficient to enable the members of the Board to discharge their duties. Nevertheless, such practice constitutes a deviation from code provision D.1.2 of the Corporate Governance Code. The Board will continue to review the relevant practice and will make necessary changes and report to the Shareholders accordingly as and when required.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Hong Kong Listing Rules as its code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the period from the Listing Date to the date of this annual report.

## BOARD OF DIRECTORS

### Board Composition

As at the date of this annual report, the Board consists of seven Directors, comprising three Executive Directors and four Independent Non-executive Directors. The composition of the Board is as follows:

#### Executive Directors

Ms. Chau Kwan Fei (*Chairman of the Board and General Manager*)

Mr. Cheng Chun Lung

Mr. Rao Qiaobing

#### Independent Non-executive Directors

Ms. Wan Wei

Mr. Liu Yue

Mr. Tian Hong

Mr. Tang Xiangxi

Biographical details of the Directors are set out in the section headed “Biographical Information of Directors and Senior Management” in this annual report. Save as disclosed above and save for the fact that Mr. Chen Yunhua is a relative of Ms. Chau Kwan Fei, there are no relationships (including financial, business, family, or other material or relevant relationships) among the members of the Board and the senior management of the Company.

# CORPORATE GOVERNANCE REPORT

## ROLES OF THE BOARD AND MANAGEMENT

The Board is the Company's standing decision-making body for operation and management. Within the scope of authority granted by the Articles of Association and the general meetings, the Board is responsible for the decision-making on the Company's development objectives and major business activities, and exercises its functions and powers in accordance with laws and regulations. The Board has established the Strategy Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee, and has formulated the Terms of Reference for each special committee to clarify their primary duties, decision-making procedures, and rules of procedure. Each special committee is accountable to the Board and performs its duties within the scope of authority granted by the Articles of Association and the Board. Relevant proposals shall be submitted to the Board for consideration and decision.

The daily operations, administration, and business operations of the Company are jointly led by the Board and the senior management. Relevant operational and management decisions are made by the executive directors and the senior management in accordance with the law. In performing their duties, directors and senior management shall fulfill their fiduciary duties, strictly comply with relevant laws, regulations, and regulatory requirements, and always adhere to the principle of maximizing the interests of the Company and all shareholders.

Except for matters that require approval by the general meeting pursuant to laws, regulations, regulatory requirements, and the Articles of Association, the Board reserves ultimate decision-making authority over major matters of the Company, including but not limited to business plans and investment proposals, major transactions, appointment and dismissal of senior management, and other significant financial and operational matters. The Board also regularly reviews and evaluates the delegation of authority and the performance of duties. The responsibilities for executing Board decisions and directing and coordinating the daily operations and management of the Company are delegated to the management.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent non-executive Directors provide the Board with independent judgment, oversight, and professional advice. Pursuant to the Articles of Association, they participate in the decision-making process and the system of checks and balances to safeguard the overall interests of the Company and protect the rights of minority shareholders. Leveraging their professional expertise and experience, they enhance the quality of the Board's deliberations and support the long-term and sustainable development of the Group.

On December 1, 2025, the Company announced the passing away of Mr. Xie Zhiming, a former independent non-executive Director, due to illness. Subsequent to the passing away of Mr. Xie and up to January 29, 2026, the Company had three executive Directors and three independent non-executive Directors. Whilst not below the statutory minimum quorum, it is below the number of Board members required by the Articles of Association. At the same time, the Company did not comply with the requirements under Rule 3.10(2), Rule 3.21 and Rule 3.25 of the Hong Kong Listing Rules. On January 29, 2026, Mr. Tang Xiangxi has been appointed as an independent non-executive Director, and succeeded Mr. Xie Zhiming's former roles as the chairman of the Audit Committee and the chairman of the Remuneration and Appraisal Committee. Upon the appointment of Mr. Tang Xiangxi, the Company has recomplied with the requirements of the above Hong Kong Listing Rules and satisfied the terms of reference and procedures of the Audit Committee and the Remuneration and Appraisal Committee regarding each of them consisting of a minimum of three members. For details, please refer to the announcements of the Company dated December 1, 2025 and January 29, 2026.

# CORPORATE GOVERNANCE REPORT

Save as disclosed above, since the Listing Date and up to the date of this annual report, the Board has complied with the requirements of Rule 3.10A of the Listing Rules, which stipulates that the independent non-executive directors appointed by an issuer must represent at least one-third of the board, and the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules, which stipulate that the board must include at least three independent non-executive directors and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors a confirmation of his/her independence. The Company confirms that all independent non-executive Directors are independent pursuant to the factors set out in Rule 3.13 of the Listing Rules.

The Board has established governance arrangements to ensure that independent and objective views are incorporated into the deliberation and decision-making process. Directors have timely access to the information, management support, and resources necessary to effectively discharge their duties, and may seek independent professional advice in appropriate circumstances at the Company's expense. Through the participation of the independent non-executive Directors, the Board maintains an appropriate balance of skills and independence. These Directors provide professional judgment and oversight, through their involvement in the Board committees and other way. All Directors are encouraged to express their views openly and communicate directly with senior management to facilitate informed discussions. In the event that a Director has a material interest in a matter to be considered, such interest must be declared in accordance with the Articles of Association. The Director concerned shall abstain from voting and shall not be counted in the quorum, ensuring that the relevant decision is made on an independent and objective basis.

The Board will conduct an annual review on the effectiveness of the relevant mechanisms to ensure that independent views and input are available to the Board.

## TERM OF OFFICE OF DIRECTORS

Code provision B.2.2 of the Corporate Governance Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. In accordance with the Articles of Association, each of the Directors is appointed for a term of three years and shall be eligible for re-election upon the expiry of his/her term.

# CORPORATE GOVERNANCE REPORT

## TRAINING AND PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors should participate in appropriate continuous professional development training to develop and refresh their knowledge and skills. The Company arranges lectures, seminars, and related training for the directors, and provides them from time to time with reading materials concerning the Company's business or the directors' duties and responsibilities, as well as the latest information on applicable laws, corporate governance, and regulations applicable to the Group for their study and reference.

The training records of the directors of the Company for the period from the H-share Listing Date to December 31, 2025, are summarized as follows:

Name of Director	Attending trainings	Reading materials
<b>Executive Directors</b>		
Ms. Chau Kwan Fei	√	√
Mr. Cheng Chun Lung	√	√
Mr. Rao Qiaobing	√	√
<b>Independent Non-executive Directors</b>		
Ms. Wan Wei	√	√
Mr. Liu Yue	√	√
Mr. Tian Hong	√	√
Mr. Xie Zhiming ( <i>Resigned</i> )	√	√

Each of the Directors, namely Ms. Chau Kwan Fei, Mr. Cheng Chun Lung, Mr. Rao Qiaobing, Ms. Wan Wei, Mr. Liu Yue, Mr. Tian Hong and Mr. Tang Xiangxi, confirmed that they have (i) obtained legal advice on March 28, 2025 and January 29, 2026 (for Mr. Tang Xiangxi) pursuant to Rule 3.09D of the Listing Rules; and (ii) understood their obligations as directors of a listed issuer under the Listing Rules.

## BOARD COMMITTEE

### Audit Committee

As at the date of this annual report, the Audit Committee comprises three members, namely Mr. Tang Xiangxi, Ms. Wan Wei and Mr. Liu Yue, all of whom are independent non-executive Directors. Mr. Tang Xiangxi is the chairman of the Audit Committee and possesses appropriate professional qualifications or relevant financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The principal duties of the Audit Committee include, but are not limited to (i) reviewing and supervising the audit procedures of the external auditors and providing guidance on internal audit work; (ii) making recommendations to the Board on the appointment, reappointment and removal of external auditors; (iii) supervising the effectiveness of the financial reporting system, risk management and internal control system; (iv) reviewing and providing advice and comments on financial reports; (v) coordinating with the management team, internal audit department, relevant departments and external auditors; (vi) performing corporate governance functions; (vii) supervising and evaluating the external audit work, and recommending the appointment, replacement and dismissal of external audit institutions; (viii) supervising and evaluating internal audit work, and being responsible for coordination between internal and external audits; (ix) reviewing our financial information and its disclosure; (x) supervising and evaluating our internal controls; (xi) supervising and improving the principles, structure and systems of corporate governance; (xii) supervising the conduct of Directors and senior management in the performance of their duties, and recommending the removal of Directors and senior management who violate laws, administrative regulations, the Articles of Association or resolutions of the shareholders' general meeting; (xiii) requiring Directors and senior management to rectify their conduct if it is detrimental to the interests of the Company; and (xiv) performing such other duties and responsibilities as may be assigned by the Board and/or pursuant to relevant laws and regulations.

The Audit Committee has reviewed and confirmed the audited consolidated financial statements set out in this report, and has discussed with the management the Company's financial statements and internal controls. The Audit Committee is of the view that the financial statements have been prepared in compliance with applicable accounting standards and requirements with proper disclosures.

The Audit Committee is also aware of the Group's existing risk management and internal control systems, which are reviewed annually.

The meetings held and the summary of work of the Audit Committee during the year:

Committee Name	Members	Number of Meetings Held	Meeting Date	Meeting Agenda	Key Opinions and Recommendations	Other Performance of Duties	Details of Objections (if any)
5th Audit Committee	Xie Zhiming, Wan Wei, Liu Yue	6	March 7, 2025	<p>Proposal on the Profit Distribution Plan of Accumulated Profits Prior to the Issuance of H Shares</p> <p>Proposal on the Report on the Use of Proceeds from Previous Fundraising</p> <p>Proposal on the Appointment of Auditors for the Issuance and Listing of H Shares</p>	<p>After review by the attending members: approved the profit distribution plan of accumulated profits prior to the issuance of H shares;</p> <p>Approved the report on the use of proceeds from previous fundraising prepared by the Company;</p> <p>The Committee was of the view that Deloitte Touche Tohmatsu Certified Public Accountants has extensive financial audit experience in overseas issuance and listing projects, possesses sufficient professional competence, investor protection capability and independence, and maintains good integrity, which can meet the Company's financial audit requirements for the current H Share issuance and listing project. The Committee approved the appointment of such firm as the auditor for the Company's H Share issuance and listing, and further approved its appointment as the Company's auditor subsequent to such issuance and listing, with the term of office expiring upon the conclusion of the first annual general meeting of the Company following the issuance and listing of the H Shares.</p>	All proposals at the meeting were reviewed and approved, and submitted to the Board of Directors for consideration.	None

# CORPORATE GOVERNANCE REPORT

Committee Name	Members	Number of Meetings Held	Meeting Date	Meeting Agenda	Key Opinions and Recommendations	Other Performance of Duties	Details of Objections (if any)
5th Audit Committee	Xie Zhiming, Wan Wei, Liu Yue	6	March 17, 2025	<p>Proposal on the 2024 Annual Report (Full Text and Summary)</p> <p>Proposal on the 2024 Financial Final Accounts</p> <p>Proposal on the Special Report on the Custody and Use of Raised Funds in 2024</p> <p>Proposal on the 2024 Internal Control Self-Assessment Report</p> <p>Proposal on the Appointment of External Auditors for 2025</p> <p>Proposal on the Provision of Guarantees to Subsidiaries</p>	<p>After review, the attending members was of the view that: the 2024 Annual Report (full text and summary) truly, accurately and completely reflected the Company's actual conditions without false records, misleading statements or material omissions;</p> <p>the 2024 Financial Final Accounts Report truly, accurately and completely reflected the Company's financial position and operating results;</p> <p>the Special Report on the Custody and Use of Raised Funds in 2024 complied with the requirements of ChiNext Listing Rules Announcement Format No. 21 — Special Report on Annual Custody and Use of Raised Funds by Listed Companies, truly, accurately and completely reflected the actual custody and use of raised funds in 2024, with no violations of laws or regulations;</p> <p>the 2024 Internal Control Self-Assessment Report complied with the Corporate Internal Control Standards, Shenzhen Stock Exchange Listing Rules — Internal Control Guidelines for Listed Companies and other laws, regulations and regulatory documents, truly and accurately reflected the establishment and implementation of the internal control system in 2024, which has been effectively implemented with no material defects identified and was effective in all material respects;</p> <p>Pan-China Certified Public Accountants possesses securities practice qualification, has timely issued annual audit reports and other regulatory reports in previous years, and can provide true and fair audit services. To ensure efficiency and continuity, the appointment of Pan-China as the Company's external auditor for 2025 for a term of one year was approved;</p> <p>The guaranteed parties are all wholly-owned/holding subsidiaries with sound operations and no bad claims or debts; the guarantees are for business needs and in the Company's interests without significant risks.</p>	All proposals at the meeting were reviewed and approved, and submitted to the Board of Directors for consideration.	None
5th Audit Committee	Xie Zhiming, Wan Wei, Liu Yue	6	April 14, 2025	Proposal on the 2025 First Quarterly Report	After review, the attending members held that the 2025 First Quarterly Report truly, accurately and completely reflected the Company's actual conditions without false records, misleading statements or material omissions.	All proposals at the meeting were reviewed and approved, and submitted to the Board of Directors for consideration.	None
5th Audit Committee	Xie Zhiming, Wan Wei, Liu Yue	6	August 22, 2025	<p>Proposal on the 2025 Interim Report (Full Text and Summary)</p> <p>Proposal on the Special Report on the Custody, Management and Use of Raised Funds for the First Half of 2025</p>	<p>After review, the attending members held that: the 2025 Interim Report (full text and summary) truly, accurately and completely reflected the Company's actual conditions without false records, misleading statements or material omissions;</p> <p>the Special Report on the Custody, Management and Use of Raised Funds for the First Half of 2025 complied with ChiNext Listing Rules Announcement Format No. 21, truly, accurately and completely reflected the actual custody, management and use of raised funds, with no violations of laws or regulations.</p>	All proposals at the meeting were reviewed and approved, and submitted to the Board of Directors for consideration.	None

# CORPORATE GOVERNANCE REPORT

Committee Name	Members	Number of Meetings Held	Meeting Date	Meeting Agenda	Key Opinions and Recommendations	Other Performance of Duties	Details of Objections (if any)
5th Audit Committee	Xie Zhiming, Wan Wei, Liu Yue	6	September 19, 2025	<p>Proposal on the Adjustment of Repurchase Price and Vesting Price of the 2023 Restricted Stock Incentive Plan</p> <p>Proposal on the Satisfaction of Conditions for the Second Lock-Up Period Release and Second Vesting Period under the 2023 Restricted Stock Incentive Plan</p> <p>Proposal on the Repurchase and Cancellation of Part of Unlocked Restricted Shares (Type 1) and Invalidation of Part of Unvested Restricted Shares (Type 2)</p>	<p>After review, the attending members held that: the adjustment of repurchase price and vesting price complied with applicable regulations, with lawful and compliant procedures and no harm to the interests of the Company and shareholders;</p> <p>the 2,326 incentive candidates eligible for release/vesting met the qualification requirements under relevant laws and regulations, with valid and lawful eligibility;</p> <p>the repurchase, cancellation and invalidation arrangements satisfied the relevant conditions, with correct quantities and incentive lists, and reasonable and compliant prices.</p>	All proposals at the meeting were reviewed and approved, and submitted to the Board of Directors for consideration.	None
5th Audit Committee	Xie Zhiming, Wan Wei, Liu Yue	6	October 24, 2025	Proposal on the 2025 Third Quarterly Report	After review, the attending members held that the 2025 Third Quarterly Report truly, accurately and completely reflected the Company's actual conditions without false records, misleading statements or material omissions.	All proposals at the meeting were reviewed and approved, and submitted to the Board of Directors for consideration.	None

## REMUNERATION AND APPRAISAL COMMITTEE

As at the date of this annual report, the Remuneration and Appraisal Committee comprises three members, namely Mr. Tang Xiangxi and Mr. Liu Yue, independent non-executive Directors, and Mr. Cheng Chun Lung, executive Director. Mr. Tang Xiangxi is the chairman of the Remuneration and Appraisal Committee.

The principal duties of the Remuneration and Appraisal Committee include, but are not limited to (i) formulating and reviewing the policies and structure for the remuneration of Directors and senior management, and making recommendations to the Board in relation thereto and on the establishment of formal and transparent procedures for the development of such remuneration policies; (ii) determining the specific remuneration terms for each Director and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; and (iv) reviewing and/or approving matters in relation to share schemes under Chapter 17 of the Listing Rules.

In 2025, the Remuneration and Appraisal Committee held two meetings, during which the committee considered and approved important resolutions including: the Resolution on the Remuneration Scheme for Directors and Senior Management of the Company for 2025; the Resolution on the Repurchase and Cancellation of Certain Restricted Shares Granted but Not Yet Released from Restricted Sales; the Resolution on the Adjustment to the Repurchase Price and Vesting Price of the 2023 Restricted Share Incentive Scheme; the Resolution on the Satisfaction of the Conditions for the Release from Restricted Sales for the Second Unlocking Period and the Vesting Conditions for the Second Vesting Period under the 2023 Restricted Share Incentive Scheme and the Resolution on the Repurchase and Cancellation of Certain Type I Restricted Shares Granted to Certain Incentive Participants but Not Yet Released from Restricted Sales, and the Lapse of Certain Type II Restricted Shares Granted to Certain Incentive Participants but Not Yet Vested.

# CORPORATE GOVERNANCE REPORT

## NOMINATION COMMITTEE

As at the date of this annual report, the Nomination Committee comprises three members, namely Ms. Wan Wei and Mr. Liu Yue, independent non-executive Directors, and Mr. Cheng Chun Lung, executive Director. Ms. Wan Wei is the chairman of the Nomination Committee.

The principal duties of the Nomination Committee include, but are not limited to (i) reviewing the structure, size and composition (including skills, knowledge and experience) of the Board at least annually, assisting the Board in developing a skills inventory of the Board and making recommendations on any proposed changes to the Board to complement the Company's strategy; (ii) identifying and selecting individuals for nomination as Directors, or making recommendations to the Board in relation thereto, and ensuring diversity of the Board members; (iii) assessing the independence of independent non-executive Directors; and (iv) making recommendations to the Board regarding the appointment, reappointment and removal of Directors and matters relating to the Board succession plan.

In 2025, the Nomination Committee held one meeting, during which the committee considered and approved important resolutions including the Resolution on the Identification of Roles of Directors of the Company.

## STRATEGY COMMITTEE

As at the date of this annual report, the Strategy Committee comprises three members, namely Ms. Chau Kwan Fei, executive Director, and Mr. Tian Hong and Ms. Wan Wei, independent non-executive Directors. Ms. Chau is the chairman of the Strategy Committee.

The principal duties of the Strategy Committee include, but are not limited to (i) analyzing and making recommendations on the long-term development strategy plans of the Company; (ii) analyzing and making recommendations on major investment and financing proposals (subject to the approval of the Board); (iii) analyzing and making recommendations on material capital operations and asset management plans (subject to the approval of the Board); (iv) analyzing and making recommendations on other major issues that would affect the development of the Company; and (v) supervising the implementation of the above matters.

In 2025, the Strategy Committee held one meeting, during which the committee considered and approved important resolutions including: the Resolution on the Offering of H Shares and the Listing on the Main Board of The Stock Exchange of Hong Kong Limited; the Resolution on the Plan for the Offering of H Shares and the Listing on the Main Board of The Stock Exchange of Hong Kong Limited; the Resolution on the Conversion of the Company into a Joint Stock Limited Company Offering Shares Overseas; the Resolution on the Validity Period of the Resolutions regarding the Offering and Listing of H Shares and the Resolution on the Plan for the Use of Proceeds from the Offering of H Shares.

# CORPORATE GOVERNANCE REPORT

## SHAREHOLDERS' MEETINGS, BOARD MEETINGS AND MEETINGS OF BOARD COMMITTEES.

During the year 2025, the Board held 10 meetings. The table below sets out the attendance of each Director at the meetings of the Board, the Board committees, and the shareholders' meetings during the Reporting Period:

Name of Director	Number of meetings attended/Number of meetings held					
	Board	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Strategy Committee	Shareholders' meetings
Chau Kwan Fei	10/10	–	–	–	1/1	4/4
Cheng Chun Lung	10/10	–	2/2	1/1	–	4/4
Rao Qiaobing	10/10	–	–	–	–	4/4
Wan Wei	10/10	6/6	–	1/1	1/1	4/4
Liu Yue	10/10	6/6	2/2	1/1	–	4/4
Tian Hong	9/9	–	–	–	1/1	3/3
Xie Zhiming	9/9	6/6	2/2	–	–	3/3
Yang Songbai	1/1	–	–	–	–	1/1
Peng Diefeng	1/1	–	–	–	–	1/1

## NOMINATION POLICY

The Nomination Committee is a dedicated body under the Board responsible for formulating the selection criteria and procedures for Directors and senior management, as well as selecting candidates and reviewing and assessing their qualifications.

When evaluating potential candidates, the Nomination Committee reviews a range of factors, such as relevant skills, professional expertise, and experience that align with the Company's business and development objectives. Considerations also include diversity factors such as gender, age, cultural and educational background, professional background, and independence. The Nomination Committee also considers the time commitment, integrity, and overall suitability of potential candidates to ensure that each candidate can devote sufficient time to their duties and comply with all regulatory requirements.

The procedures for the nomination and appointment of Directors consist of the following primary steps:

- (i) The Nomination Committee conducts preliminary screening, selection, and qualification assessment of candidates for Directors and senior management based on the established criteria and procedures.
- (ii) Upon completion of the assessment, the Nomination Committee submits its recommendations to the Board. In the event that the Board does not adopt such recommendations, the Board shall record and disclose such fact, together with the reasons for its decision.
- (iii) The candidates for Directors approved by the Board shall be proposed for election at a general meeting. The Company shall publish the required information in accordance with the applicable laws and regulations.

# CORPORATE GOVERNANCE REPORT

## REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management receive remuneration from the Group in the form of directors' fees, salaries and allowances, and other benefits, performance-related bonuses, retirement benefit contributions and share-based payments. The Board will review and determine the remuneration and compensation packages of the Directors and senior management, taking into account the recommendations from the Remuneration and Appraisal Committee, which considers salaries paid by comparable companies, the time commitment and responsibilities of the Directors and senior management, and the performance of the Group.

## REMUNERATION OF SENIOR MANAGEMENT

Details of the remuneration of the Directors and the five highest-paid individuals for the FY2025 are set out in Note 12 to the consolidated financial statements. During the FY2025, none of the Directors waived or agreed to waive any remuneration.

During the FY2025, the remuneration payable to the members of senior management by band is set out below:

Name	Position	Remuneration level (RMB)
Chau Kwan Fei	General manager	5,000,000.00
Rao Qiaobing	Deputy general manager	1,000,000.00
Jiang Nan	Deputy general manager, secretary to the Board and joint company secretary	1,000,000.00
Liu Shuguang	Deputy general manager and chief financial officer	1,000,000.00
Cai Xinfeng	Deputy general manager	1,000,000.00
Chen Yunhua	Deputy general manager	1,000,000.00
Chen Xiaoqun (with a term from January 1 to January 21, 2025)	Deputy general manager	57,534.25

## BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve and maintain diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board, and views increasing diversity at the Board level as an essential element in supporting the attainment of the Company's strategic objectives and its sustainable development. The Company seeks to achieve Board diversity through consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, and knowledge. The Company selects potential Board candidates based on individual merit and the potential contribution they can bring to the Board, while taking into account the Board Diversity Policy and other factors. The Company also considers its own business model and specific needs from time to time. All Board appointments are based on meritocracy, and candidates are considered against objective criteria with due regard for the benefits of diversity on the Board.

# CORPORATE GOVERNANCE REPORT

The Board currently comprises two female Directors and five male Directors. The Board considers that gender diversity has been achieved at the Board level and is committed to maintaining the current proportion of female representation; in any event, the Board shall have at least one female Director. In identifying and recommending suitable candidates for appointment as Directors, the Board aims to gradually increase the proportion of female members as far as possible. The Company will also ensure gender diversity in the recruitment of mid-to-senior level personnel so that the Company will have a pipeline of female senior management and potential Board successors in the future. The objective is to maintain an appropriate balance of gender diversity with reference to stakeholder expectations and international and local recommended best practices.

## WORKFORCE DIVERSITY

The Group recognizes that a diverse and inclusive workforce is vital to supporting innovation, sound governance and sustainable development. The Group is committed to providing equal employment opportunities and fostering a professional, respectful, and inclusive working environment throughout the recruitment, training, and career development processes. In the process of talent recruitment and selection, the Group takes into account its business needs and long-term development, and is dedicated to attracting individuals with diverse backgrounds, skills, and experience. The Group continuously reviews its human resources and talent management practices to ensure that such practices remain aligned with its business strategy, organizational culture, and commitment to diversity and equal opportunity.

The Company has taken and will continue to take measures to promote and enhance gender diversity at all levels of the Company. As at December 31, 2025, the indicators of the Group's employees (including senior management) are as follows:

Indicators	As at December 31, 2025	
	Number of employees	% of total employees
Male employees	88,051	60.44%
Female employees	57,632	39.56%

Based on the Group's review, there are no mitigating factors or circumstances which would render achieving gender diversity across the workforce (including senior management) more challenging or less important.

## LIABILITY INSURANCE OF DIRECTORS AND SENIOR OFFICERS

The Company has arranged appropriate directors' and officers' liability insurance in respect of any legal actions against its Directors and senior officers arising out of the Company's business, and the coverage of such insurance is reviewed annually.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE FUNCTIONS

The Audit Committee is responsible for performing the corporate governance functions set out in code provision A.2.1 of the Corporate Governance Code. In performing such functions, the Audit Committee will (i) develop and review the Company's policies and practices on corporate governance; (ii) review and monitor the training and continuous professional development of Directors and senior management; (iii) review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (iv) develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and (v) review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

## RISK MANAGEMENT AND INTERNAL CONTROL

The risk management and internal control systems of the Company are designed to provide reasonable assurance regarding the efficiency and effectiveness of operations, the safeguarding of assets, compliance with relevant laws and regulations, and the accuracy, completeness, and fairness of information disclosure. To support these objectives, the Company has established internal manuals setting out operational processes, internal control procedures, and other policy guidelines, and has also adopted and implemented comprehensive risk management policies across various aspects of its business operations, including financial reporting, compliance, and anti-bribery and anti-kickback measures.

The Board acknowledges its responsibility for the risk management and internal control systems of the Group and reviews the effectiveness of such systems at least once annually. 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 is responsible for the formulation, update, and implementation of internal control policies and systems, while the management team is responsible for overseeing the execution of internal control procedures and measures by various functional teams in daily operations. The internal audit department of the Company operates independently under the leadership of the Audit Committee and is responsible for evaluating the effectiveness of internal control and risk management, auditing financial and operational compliance, monitoring related party transactions and fund flows, and supporting anti-fraud mechanisms. The internal audit department regularly reviews internal controls and fund flows, conducts follow-up assessments to ensure timely rectification of identified deficiencies, and promptly reports any significant risks or material internal control deficiencies to the Audit Committee.

The Board acknowledges that it has conducted a review of the effectiveness of the risk management and internal control systems of the Group for the FY2025. The review covered all material controls, including financial, operational, and compliance controls. The Board considers that the risk management and internal control systems of the Group for the FY2025 are effective and adequate.

# CORPORATE GOVERNANCE REPORT

## PROCEDURES FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has established a comprehensive management system for inside information to ensure that all disclosures are made in a true, accurate, complete, timely, and fair manner. The Board bears the overall supervisory responsibility for the management of inside information. To prevent the leakage or misuse of non-public information, no department or individual is permitted to disclose, report, or communicate any inside information without the prior approval of the Board. All materials containing inside information (including documents, electronic media, recordings, or storage devices) must be reviewed and approved by the secretary to the Board before any external communication is made, and where appropriate, further submitted to the Board for review and approval.

## DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility for preparing the financial statements of the Company for the FY2025, which give a true and fair view of the state of affairs of the Company and the Group, and of the results and cash flows of the Group.

The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial statements of the Company put forward to the Board for approval. The Company provides all members of the Board with monthly updates on the Company's performance, position, and prospects.

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

The statement of the auditors regarding their reporting responsibilities on the consolidated financial statements of the Group is set out in the "Independent Auditor's Report" of this annual report.

## AUDITOR'S REMUNERATION

During the FY2025, the remuneration paid to the Company's external auditor, Deloitte Touche Tohmatsu, for audit services amounted to RMB3.28 million. In addition, the Company's external auditor provided non-audit services during the year, with fees amounting to RMB6.39 million. The non-audit services included services for initial public offering in Hong Kong, review of interim results, tax advisory etc.

## JOINT COMPANY SECRETARIES

The Company has appointed Mr. Jiang Nan (secretary to the Board) and Ms. Yu Wing Sze (manager of the Listing Services Department of TMF Hong Kong Limited, an external service provider) as the joint company secretaries of the Company.

Ms. Yu Wing Sze cooperates and communicates with Mr. Jiang Nan on the corporate governance matters of the Company. The primary contact person of Ms. Yu Wing Sze at the Company is Mr. Jiang Nan.

In accordance with Rule 3.29 of the Hong Kong Listing Rules, the joint company secretaries of the Company have completed no less than 15 hours of relevant professional training during the year ended December 31, 2025.

# CORPORATE GOVERNANCE REPORT

## SHAREHOLDERS' RIGHTS

### Convening an Extraordinary General Meeting

Shareholders individually or collectively holding 10% or more of the Shares are entitled to request the Board to convene an extraordinary general meeting, and such request shall be made to the Board in writing. The Board shall provide written feedback within 10 days upon receipt of the request as to whether it agrees or disagrees to convene the extraordinary general meeting.

In the event that the Board agrees to convene the extraordinary general meeting, a notice of the meeting shall be issued within 5 days after the Board resolution is passed. Any changes to the original request made in the notice shall be subject to the consent of the relevant shareholders.

If the Board disagrees to convene the extraordinary general meeting or fails to provide feedback within 10 days upon receipt of the request, shareholders individually or collectively holding 10% or more of the Shares shall have the right to propose to the Audit Committee to convene an extraordinary general meeting, and such request shall be made to the Audit Committee in writing.

In the event that the Audit Committee agrees to convene the extraordinary general meeting, it shall issue a notice of the meeting within 5 days upon receipt of the request. Any changes to the original proposal made in the notice shall be subject to the consent of the relevant shareholders.

In the event that the Audit Committee fails to issue the notice of a general meeting within the prescribed period, the Audit Committee shall be deemed to have failed to convene and preside over the general meeting. In such case, shareholders individually or collectively holding 10% or more of the Company's shares for at least 90 consecutive days may convene and preside over the meeting on their own initiative.

Where the Audit Committee or shareholders decide to convene a general meeting on their own initiative, they shall notify the Board in writing and file the relevant records with the Shenzhen Stock Exchange. The shareholding percentage of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting. The Audit Committee or the convening shareholders shall submit relevant supporting materials to the Shenzhen Stock Exchange upon the issuance of the notice of the general meeting and the announcement of the resolutions of the general meeting.

For a general meeting convened by the Audit Committee or shareholders on their own initiative, the Board and the secretary to the Board shall provide necessary cooperation. The Board shall provide the register of shareholders as of the share record date. All necessary expenses incurred for a general meeting convened by the Audit Committee or shareholders on their own initiative shall be borne by the Company.

## Putting Forward Proposals at General Meetings

When the Company convenes a general meeting, the Board, the Audit Committee, and shareholders individually or collectively holding 1% or more of the Shares shall be entitled to put forward proposals to the Company. Shareholders individually or collectively holding 1% or more of the Shares may submit ad hoc proposals in writing to the convener 10 days prior to the date of the general meeting.

The convener shall, within 2 days upon receipt of the proposals, issue a supplemental notice of the general meeting to other shareholders to announce the contents of the ad hoc proposals, and submit such proposals to the general meeting for consideration. However, this shall not apply if the ad hoc proposals violate the requirements of laws, administrative regulations, or the Articles of Association, or do not fall within the scope of the duties and powers of the general meeting.

Proposals that are not specified in the notice of the general meeting or do not comply with the requirements of the Articles of Association shall not be voted upon or resolved at the general meeting.

## Enquiries to the Board

The Company maintains a website at [www.hnlens.com](http://www.hnlens.com), where the public may access information regarding the Company's profile, key corporate governance policies and announcements, financial reports, sustainability information, and other updates. Shareholders may direct their enquiries to the Board by submitting written enquiries to the Company through the secretary to the Board. The secretary to the Board serves as the primary communication channel between the shareholders and the Board, with contact details set out below:

Address: Liuyang Biomedical Park, Liuyang, Hunan Province

Email: [lsgf@hnlens.com](mailto:lsgf@hnlens.com)

## INVESTOR RELATIONS

### Shareholders' Communication Policy

The Company recognizes that maintaining transparent, effective, and continuous communication with its shareholders is of paramount importance. The Company is committed to ensuring that shareholders are provided with timely, accurate, and easily accessible information to enable them to make informed assessments of the Company's performance and governance. Corporate communications, including annual and interim reports, notices of general meetings, circulars, and other regulatory disclosures, are published in accordance with the Articles of Association and applicable regulatory requirements, and are available on the websites of both the Company and the Stock Exchange.

The Company encourages Shareholders to engage with the Company by attending and participating in general meetings, where Directors and senior management will respond to Shareholders' questions and comments. In addition, Shareholders may communicate with the Board by submitting written enquiries to the Company through the secretary to the Board. The Articles of Association also provide formal mechanisms for Shareholders to submit proposals and request the convening of general meetings. Through these channels, the Company aims to foster a constructive dialogue with its Shareholders and ensure that Shareholders can exercise their rights on a fully informed and equitable basis.

The Board reviews the Shareholders' Communication Policy on an annual basis to ensure its effectiveness. Having considered the diverse communication channels in place, the Board is satisfied that the Shareholders' Communication Policy of the Company was effectively implemented during the Reporting Period.

# CORPORATE GOVERNANCE REPORT

## DIVIDEND POLICY

The Company has adopted a dividend policy in accordance with the laws and regulations of the PRC. Pursuant to the Articles of Association, provided that the Company's profit for the year and cumulative undistributed profit are positive, and the Company's ability to continue as a going concern and long-term development are ensured, the Company shall prioritize cash dividends for profit distribution if there is no major capital expenditure arrangement. The profit distributed by the Company in cash each year shall be no less than 15% of the distributable profit realized in that year. The cumulative profit distributed in cash by the Company over the last three years shall be no less than 30% of the average annual distributable profit realized in the last three years. The specific dividend payout ratio for each year shall be proposed by the Board based on the Company's annual profitability and future capital utilization plans, and shall be subject to consideration and approval at the general meeting. There is no assurance that dividends of any amount will be declared or distributed in any given year.

## CONSTITUTIONAL DOCUMENTS

The latest Articles of Association were duly approved and adopted by the Shareholders at the 2026 first extraordinary general meeting of the Company held on January 29, 2026.

The full text of the Articles of Association is available for viewing on the Company's website ([www.hnlens.com](http://www.hnlens.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

# REPORT OF DIRECTORS

The Board hereby presents the Report of Directors and the audited consolidated financial statements of the Company for the year ended December 31, 2025.

## PRINCIPAL ACTIVITIES

The Group is a leading one-stop integrated precision manufacturing solutions provider across the entire AI hardware industry chain, driven by technological innovation and intelligent manufacturing. Its business covers structural components, functional modules and complete machine assembly for products such as AI edge devices (including smartphones, AI glasses, intelligent vehicles, and embodied AI), AI servers and commercial aerospace sectors.

## BUSINESS REVIEW

The business review of the Group, its future business development, an analysis of the Group's business using financial key performance indicators, an account of significant events affecting the Company that have occurred since the end of the financial year, and a description of the principal risks and uncertainties facing the Group are set out in the "Management Discussion and Analysis" section of this annual report.

## IMPLEMENTATION OF THE 2025 INTERIM DIVIDEND

Pursuant to the authorization granted at the 2024 annual general meeting of the Company, the 2025 interim profit distribution plan was considered and approved at the seventh meeting of the fifth session of the Board. Based on the total share capital as at the record date for profit distribution (5,284,327,591 Shares) excluding the repurchased Shares held in the Company's special repurchase account (7,593,878 Shares), resulting in a base of 5,276,733,713 Shares, the Company distributed a cash dividend of RMB1.00 (tax inclusive) per every 10 Shares to all Shareholders. No bonus shares were issued, and no capital reserve was converted into share capital.

## 2025 FINAL DIVIDEND

Based on the Company's operating and profitability performance for the year 2025 and in accordance with the Articles of Association and other relevant regulations, and under the premise of complying with the principles of profit distribution while ensuring the Company's normal operations and long-term development, the Company proposes to declare a cash final dividend of RMB4.5 (tax inclusive) for every 10 Shares for the year ended December 31, 2025 to all Shareholders (including A-share and H-share Shareholders) based on the total share capital registered on the equity record date for the implementation of the profit distribution, after deducting the repurchased Shares held in the Company's repurchased securities account. There will be no bonus issue and no capitalisation of capital reserve. Based on the record date of March 30, 2026, the share capital base for this profit distribution is expected to be 5,265,891,863 Shares, with a total cash dividend amount of RMB2,369,651,338.35 (tax inclusive), representing 58.98% of the Company's audited net profit for the year 2025.

# REPORT OF DIRECTORS

In the event of any changes in the total share capital or the share capital base for this profit distribution arising from Share repurchases or other factors during the period from the disclosure of this profit distribution plan to its implementation, the total distribution amount will be adjusted accordingly, based on the principle of keeping the dividend payout ratio per Share unchanged. The cash dividend for this profit distribution will be denominated and declared in RMB. It will be paid in RMB to holders of A Shares and in Hong Kong dollars (HKD) to holders of H Shares. The actual amount of HKD to be distributed is calculated based on the average benchmark exchange rate of RMB to HKD as announced by the People's Bank of China for the five business days preceding to the date of the Board meeting (i.e., RMB0.88188 to HK\$1.00). Accordingly, the 2025 final dividend for every 10 H Shares will be HK\$5.1027 (tax inclusive).

The expected payment date of the 2025 final dividend will be on or before Monday, July 6, 2026. This proposed profit distribution plan is subject to the consideration and approval at the 2025 annual general meeting of the Company (the "2025 AGM").

## DIVIDEND TAXATION

### A Shareholders

#### 1. Individual Income Tax

In accordance with the Circular on Issues Concerning the Implementation of the Differential Individual Income Tax Policy on Dividends and Bonuses of Listed Companies (Caishui 2012 No. 85) and the Circular on Issues Concerning the Differential Individual Income Tax Policy on Dividends and Bonuses of Listed Companies (Caishui 2015 No. 101), for dividends and bonuses obtained by individual investors from listed companies: where the shareholding period (from the date on which the individual investor acquired the Company's shares to the record date) exceeds one year, individual income tax shall be exempted temporarily; where the shareholding period is one year or less, the listed company shall not withhold individual income tax temporarily. The tax payable shall be calculated based on the shareholding period when the individual investor sells the shares.

#### 2. Enterprise Income Tax

Resident enterprise shareholders shall pay enterprise income tax on cash dividends by themselves. For Qualified Foreign Institutional Investors (QFIs), pursuant to the Circular on Issues Concerning Withholding of Enterprise Income Tax on Dividends, Bonuses and Interest Paid by Chinese Resident Enterprises to QFIs (Guoshui Han 2009 No. 47), listed companies shall withhold enterprise income tax at a rate of 10%. If a QFI shareholder intends to enjoy tax treaty/arrangement benefits in respect of dividend income, it may apply to the competent tax authority of the listed company for such benefits either by itself or through the withholding agent. Pursuant to the Circular on Tax Policies for the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Caishui 2016 No. 127), for dividends obtained by Hong Kong investors (including enterprises and individuals) from investing in A-shares listed on the Shenzhen Stock Exchange, before Hong Kong Securities Clearing Company Limited is able to provide China Securities Depository and Clearing Corporation Limited with detailed information (including investor identity and shareholding period), the differential tax regime based on shareholding period shall not apply temporarily. Listed companies shall withhold income tax at a rate of 10% and file withholding tax returns with their competent tax authorities. Where a Hong Kong investor is a tax resident of another country that has concluded a tax treaty with China providing for a dividend tax rate lower than 10%, such enterprise or individual may apply to the competent tax authority of the listed company for tax treaty benefits either by itself or through the withholding agent.

## H Shareholders

### 1. Individual Income Tax

In accordance with Guo Shui Han 2011 No. 348 issued by the State Taxation Administration of the People's Republic of China, individual H Shareholders shall be subject to individual income tax on dividends, which shall be withheld and paid by the Company. Meanwhile, individual H Shareholders may enjoy relevant preferential tax treatment in accordance with the tax treaties signed between the country of their tax residence and China, as well as the Arrangement between the Mainland and Hong Kong (Macao) for the Avoidance of Double Taxation. The Company shall withhold individual income tax at a rate of 10% for individual H Shareholders who are residents of Hong Kong, Macao, or countries with which China has a tax treaty providing for a dividend tax rate of 10%. If an individual H Shareholder is a resident of a country with which China has a tax treaty providing for a dividend tax rate lower than 10%, and such shareholder claims a refund of the excess tax paid over the amount payable under the applicable tax treaty, the Company may assist in filing an application for preferential tax treaty treatment in accordance with the Measures for the Administration of Non-resident Taxpayers' Enjoyment of Tax Treaty Treatment (Announcement No. 35 of 2019 issued by the State Taxation Administration), provided that the shareholder timely submits relevant documents and data and supplementary explanations in accordance with the requirements of the applicable tax treaty. The excess amount shall be refunded upon approval by the competent tax authority. If an individual H Shareholder is a resident of a country with which China has a tax treaty providing for a dividend tax rate higher than 10% but lower than 20%, the Company shall withhold individual income tax at the actual treaty rate. If an individual H Shareholder is a resident of a country with which China has no tax treaty, or a country with which China has a tax treaty providing for a dividend tax rate of 20%, or under other circumstances, the Company shall withhold individual income tax at a rate of 20%.

The Company shall determine the tax residence status of individual H Shareholders based on the registered address recorded in the register of members of the Company and withhold individual income tax accordingly. The Company shall not accept any claims or disputes in respect of tax withholding arising from the failure to timely determine or incorrect determination of shareholders' status and shall not be liable therefor.

### 2. Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations effective as of 1 January 2008, before distributing dividends to non-resident enterprise shareholders registered in the H Share register of members, the Company shall withhold and pay enterprise income tax at a rate of 10%. All H Shares registered in the name of non-individual H Shareholders, including Hong Kong Securities Clearing Company Limited (Nominee), other nominees, trustees or other bodies or organizations, shall be regarded as held by non-resident enterprise shareholders, and dividends payable thereon shall be subject to withholding of enterprise income tax accordingly. H Shareholders wishing to change their shareholder status may enquire about relevant procedures with their nominees or trustees. The Company shall strictly withhold enterprise income tax in accordance with applicable laws, requirements of relevant government authorities and the H Share register of members as of the record date.

# REPORT OF DIRECTORS

## 3. Shanghai/Shenzhen-Hong Kong Stock Connect

For investors (including enterprises and individuals) investing in H Shares listed on the Stock Exchange of Hong Kong Limited through the Shanghai Stock Exchange and the Shenzhen Stock Exchange (“Stock Connect”), the Company will enter into separate Agreements on Cash Dividend Distribution of H Shares via Stock Connect with China Securities Depository and Clearing Corporation Limited Shanghai Branch and Shenzhen Branch. China Securities Depository and Clearing Corporation Limited Shanghai Branch and Shenzhen Branch, as nominee holders of Stock Connect H Share investors, will receive cash dividends distributed by the Company and remit such dividends to relevant Stock Connect H Share investors through their registration and clearing systems. Cash dividends to Stock Connect H Share investors will be distributed in Renminbi. In accordance with the provisions of Circular on Relevant Tax Policies for the Pilot Shanghai-Hong Kong Stock Connect Program (Caishui 2014 No. 81) and Circular on Relevant Tax Policies for the Pilot Shenzhen-Hong Kong Stock Connect Program (Caishui 2016 No. 127): Dividends obtained by Mainland individual investors from H Shares via Stock Connect shall be subject to individual income tax withheld by the H Share issuer at a rate of 20%. Dividends obtained by Mainland securities investment funds via Stock Connect shall be taxed in the same manner as individual investors. The H Share issuer shall not withhold income tax on dividends obtained by Mainland enterprise investors, which shall file and pay tax by themselves. The record date, dividend payment date and other timetable for Stock Connect investors shall be the same as those for H Shareholders.

**Investors are advised to read carefully. Shareholders should consult their own tax advisors regarding the PRC, Hong Kong, and other tax implications of owning and disposing of H Shares.**

Save as disclosed above, the Company is not aware of any tax relief or exemption available to shareholders by virtue of their holding of the Company’s securities.

## SHARE CAPITAL

Details of changes in the share capital of the Company during the FY2025 are set out in Note 35 to the consolidated financial statements.

## DEBENTURES

The Company did not issue any debentures during the FY2025.

## LEGAL PROCEEDINGS AND COMPLIANCE

To the best knowledge of the Directors, the Group was not and is not a party to any material legal, arbitration, or administrative proceedings during the FY2025, and the Directors are not aware of any material pending or potential legal, arbitration, or administrative proceedings against the Group or the Directors. To the best knowledge of the Directors, the business operations of the Group have complied with applicable laws and regulations in all material respects during the FY2025.

## DISTRIBUTABLE RESERVES

Details of changes in the reserves of the Group and the Company during the FY2025 are set out, respectively, in the Consolidated Statement of Changes in Equity and in note 45 to the Consolidated Financial Statements in this annual report.

As at 31 December 2025, the retained profits available for distribution of the Company was RMB16,235.90 million.

## PRE-EMPTIVE RIGHTS

There are no arrangements regarding pre-emptive rights under the laws of the PRC and the Articles of Association.

## THE BOARD

The list of Directors in the FY2025 and up to the date of this annual report is set out below:

### Executive Directors

Ms. Chau Kwan Fei (*Chairman of the Board and General Manager*)

Mr. Cheng Chun Lung

Mr. Rao Qiaobing

### Independent Non-executive Directors

Ms. Wan Wei

Mr. Liu Yue

Mr. Tian Hong

Mr. Tang Xiangxi (*effective from January 29, 2026*)

Mr. Xie Zhiming (*till November 29, 2025, please refer to the announcement of the Company dated December 1, 2025*)

## DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

The Company has entered into service agreements with each of the executive Directors and letters of appointment with each of the independent non-executive Directors for a term of three years.

None of the Directors has entered or proposed to enter into a service contract with any member of the Group which is not determinable by the relevant employer within one year without payment of compensation (other than statutory compensation).

# REPORT OF DIRECTORS

## DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transaction, arrangement or contract of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly subsisted during the FY2025.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the FY2025, none of the Directors or any of their respective close associates (as defined in the Listing Rules) had any interest in any business which competes or is likely to compete with the business of the Company which is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

## INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

### (i) Interests in the Shares of the Company

As at December 31, 2025, the interests or short positions of the Directors and 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 entered in the register kept by the Company pursuant to Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Directors	Nature of interest	Number of shares held or interested <sup>(5)</sup>	% of the total share capital in issue <sup>(6)</sup>
Ms. Chau	Interest in controlled corporation <sup>(1)(2)(3)</sup>	3,105,531,761 A Shares (L)	58.77%
	Interest of spouse <sup>(4)</sup>	3,347,879 A Shares (L)	0.06%
Mr. Cheng	Beneficial owner	3,347,879 A Shares (L)	0.06%
	Interest of spouse <sup>(4)</sup>	3,105,531,761 A Shares (L)	58.77%
Mr. Rao Qiaobing	Beneficial owner	2,833,741 A Shares (L)	0.05%

Notes:

- (1) As at December 31, 2025, Lens Technology (HK) held 2,804,509,821 A Shares. Lens Technology (HK) is directly wholly owned by Ms. Chau. As such, Ms. Chau is deemed to be interested in the A Shares held by Lens Technology (HK) by virtue of the SFO.
- (2) As at December 31, 2025, Changsha Qunxin held 288,025,612 A Shares. Changsha Qunxin is a limited liability company established in the PRC, which is owned as to 97.9% by Ms. Chau and 2.1% by Mr. Cheng. As such, Ms. Chau is deemed to be interested in the A Shares held by Changsha Qunxin by virtue of the SFO.
- (3) As at December 31, 2025, there were 12,996,328 A Shares repurchased and held in our stock repurchase account as treasury shares. Ms. Chau, directly and indirectly through Lens Technology (HK) and Changsha Qunxin, controls more than one-third of the voting power at the general meetings of the Company and would be taken to have an interest in such repurchased A Shares held by our Company by virtue of the SFO.
- (4) Ms. Chau is the spouse of Mr. Cheng. Therefore, each of Ms. Chau and Mr. Cheng is deemed to be interested in the Shares held by each other by virtue of the SFO.
- (5) The letter "L" denotes the person's long position in the shares.
- (6) The calculation is based on the total number of 5,284,327,591 shares in issue as at December 31, 2025.

## (ii) Interests in associated corporations

Name of Director	Nature of interest	Name of associated corporation	Number of shares	Approximate percentage of shareholding
Ms. Chau	Interest of controlled corporation <sup>(1)</sup>	Lens Technology (Hong Kong)	100	100.00%
Mr. Cheng	Interest of spouse <sup>(2)</sup>	Lens Technology (Hong Kong)	100	100.00%

Notes:

- (1) Lens Technology (Hong Kong), one of the controlling shareholders of the Company, is a limited liability company incorporated in Hong Kong. As at December 31, 2025, Lens Technology (Hong Kong) was directly and wholly owned by Ms. Chau.
- (2) Ms. Chau is the spouse of Mr. Cheng. Therefore, pursuant to the SFO, Mr. Cheng is deemed to be interested in all the shares in which Ms. Chau is interested.

Save as disclosed above, as at December 31, 2025, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

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

As of December 31, 2025, the following persons and entities (other than the Directors and chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company under Section 336 of the SFO:

Name of Substantial Shareholder	Nature of Interest	Class of Shares	Number of Shares held Directly or Indirectly	Approximate Percentage of the Total Issued Share Capital as of the end of the Reporting Period <sup>(1)</sup>
Lens Technology (Hong Kong)	Beneficial owner <sup>(2)</sup>	A Shares	2,804,509,821	53.07%
Changsha Qunxin	Beneficial owner <sup>(3)</sup>	A Shares	288,025,612	5.45%

Notes:

- (1) Calculated based on the total number of issued shares of 5,284,327,591 as of the end of the reporting period.
- (2) As of the end of the Reporting Period, Lens Technology (Hong Kong) held 2,804,509,821 A shares. Lens Technology (Hong Kong) is directly and wholly owned by Ms. Chau. Therefore, pursuant to the SFO, Ms. Chau is deemed to be interested in the A shares held by Lens Technology (Hong Kong).
- (3) As of the end of the Reporting Period, Changsha Qunxin held 288,025,612 A shares. Changsha Qunxin is a limited liability company incorporated in China, owned as to 97.9% and 2.1% by Ms. Chau and Mr. Cheng, respectively. Therefore, pursuant to the SFO, Ms. Chau is deemed to be interested in the A shares held by Changsha Qunxin.

# REPORT OF DIRECTORS

As of December 31, 2025, the following persons or entities had interests required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, and directly or indirectly held 10% or more of the voting power of the issued shares in other members of the Group:

<b>Member of the Group</b>	<b>Name of Substantial Shareholder</b>	<b>Approximate Percentage of Shareholding</b>
Lens Hualian	Hunan Hualian China Industry Co., Ltd.	49.00%
Changsha Yongan New Materials Co., Ltd.	Shenzhen Yongan Fine Chemical Co., Ltd.	49.00%

Save as disclosed above, as of December 31, 2025, the Directors were not aware of any persons (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company under Section 336 of the SFO, or who directly or indirectly held 10% or more of the interests in the issued shares carrying voting rights of any other members of the Group.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the FY2025 was the Company or any of its subsidiaries a party to any arrangement 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.

## PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate liability insurance for its Directors and senior management to indemnify them against liabilities to third parties arising out of corporate activities. The permitted indemnity provision was in force during the FY2025 and remains in force as at the date of this annual report.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the FY2025.

## EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group or subsisted during the FY2025 that will or may result in the Company issuing shares, or that require the Company to enter into any agreements that will or may result in the Company issuing shares.

## CHARITABLE DONATIONS

During the FY2025, the Group made charitable donations of approximately RMB7.017 million.

## MAJOR CUSTOMERS AND SUPPLIERS

Revenue attributable to the Group's five largest customers and the largest customer accounted for 81.64% and 45.01% of the Group's total revenue for the FY2025, respectively.

Purchases attributable to the Group's five largest suppliers and the largest supplier accounted for 48.41% and 32.22% of the Group's total purchases for the 2025 Financial Year, respectively.

During the FY2025, none of the Directors or any of their close associates (as defined in the Listing Rules) or any shareholders (which, to the best knowledge and belief of the Directors, own more than 5% of the total issued share capital of the Company) had any beneficial interest in the Group's five largest suppliers and customers.

## RELATED PARTY TRANSACTIONS

During the FY2025, the Group did not enter into any related party transactions other than those disclosed in Note 41 to the consolidated financial statements. Given that the Company was listed on July 9, 2025, none of the related party transactions constituted connected transactions or continuing connected transactions as defined under the Listing Rules for the FY2025.

## AUDITOR

There has been no change in the Company's auditor since the Listing Date. The consolidated financial statements for the FY2025 have been audited by Deloitte Touche Tohmatsu, who will be nominated for re-appointment at the 2025 AGM.

## PUBLIC FLOAT

Based on information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules and complied with the requirements under Rule 19A.28B of the Listing Rules from the Listing Date up to the date of this annual report. As at April 28, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this annual report prior to its publication, the number of H Shares held by the public represented approximately 5.73% of the total issued share capital of the Company (excluding treasury Shares).

# REPORT OF DIRECTORS

## RELATIONSHIPS WITH STAKEHOLDERS

### Customers

The Group attaches great importance to maintaining long-term and stable relationships with its customers, whose customer base primarily consists of global brand companies in the consumer electronics and intelligent automobile industries. Through continuous product innovation, reliable quality, and prompt technical support, the Group serves customers across various industrial sectors and maintains sound, mutually beneficial, and win-win relationships with its major customers.

### Suppliers

The Group values the maintenance of long-term and stable relationships with its suppliers, which mainly comprise providers of raw materials and equipment. The primary raw materials used in the Group's structural components include glass, metal, sapphire, and ceramics. Specifically, the major raw materials for the Group's structural components and functional modules used in the following categories include: (i) smartphones and computers: glass, metal, sapphire, and ceramics; (ii) intelligent automobiles and cockpits: glass and metal; (iii) smart head-mounted displays and smart wearables: glass, metal, sapphire, and ceramics; and (iv) other smart terminals: glass and metal. For functional module lamination and complete machine assembly, the Group also utilizes electronic and optical components as well as structural parts produced by other suppliers. The Group's raw materials (primarily glass) are mainly imported from the United States, South Korea, and Japan. The Group conducts comprehensive audits of its suppliers based on dimensions such as quality, price, credit period, and after-sales service to determine the list of qualified suppliers.

### Employees

The Group recognizes that talent is the cornerstone of its sustainable growth and competitive advantage, and its performance depends on the ability to attract, retain, and motivate appropriately qualified personnel. The Group's human resources strategy includes providing relatively competitive remuneration, performance-based bonuses, and other incentives. The Group adopts a diversified recruitment strategy, utilizing channels such as campus recruitment, online platforms, and external agencies. Furthermore, the Group provides induction training and continuous education programs, including customized training schemes and mentorship for research and development personnel, supplemented by external seminars. The Group is committed to establishing multiple incentive mechanisms and a friendly working environment to unleash the full potential of its employees.

## RETIREMENT BENEFIT SCHEMES

The Group participates in social security schemes organized by municipal and provincial governments, covering pension insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing provident fund. Contributions to state-managed defined contribution retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to the contributions.

As at December 31, 2025, the Group had no forfeited contributions available to reduce the existing level of contributions.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is steadfastly committed to sustainable development, social responsibility, and robust corporate governance, all of which reflect the Group's adherence to Environmental, Social and Governance ("ESG") principles. In support of this commitment, the Group has established a comprehensive set of policies and procedures covering environmental management, workplace safety, employee well-being, and anti-corruption efforts. Management regards ESG as a fundamental pillar of the Group's mission and has fully integrated sustainable development practices into the Group's corporate strategy and daily operations. By continuously refining its ESG policies and implementation plans, the Group is dedicated to creating long-term value for all stakeholders. The Group believes that promoting ESG through a structured and proactive approach not only strengthens its competitive advantage but also contributes to the sustainable development of its entire value chain.

The Company has published its Environmental, Social and Governance Report on April 28, 2026 in accordance with the Environmental, Social and Governance Reporting Code as set out in Appendix C2 to the Listing Rules.

By order of the Board  
**Lens Technology Co., Ltd.**  
**Chau Kwan Fei**  
*Chairman of the Board*

Hong Kong, April 28, 2026

\* For identification purposes only

# INDEPENDENT AUDITOR'S REPORT

**Deloitte.**

德勤

To the Members of Lens Technology Co., Ltd.

藍思科技股份有限公司

*(registered in the People's Republic of China as a joint stock company with limited liability)*

## OPINION

We have audited the consolidated financial statements of Lens Technology Co., Ltd. 藍思科技股份有限公司 (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 87 to 182, which comprise the consolidated statement of financial position as at 31 December 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 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

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

## KEY AUDIT 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 MATTERS (CONTINUED)

### Key audit matter

### How our audit addressed the key audit matter

#### *Assessment of Net Realisable Value ("NRV") of Inventories*

We identified the assessment of NRV of inventories as a key audit matter due to the significance of the inventory balance and the use of significant management judgement and estimates associated with assessment of NRV of inventories.

As set out in notes 3 and 4 to the consolidated financial statements, inventories are stated at the lower of cost and NRV. NRV of inventories is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

The management assesses the NRV of inventories at the end of the reporting period, which involves (i) determination of the estimated selling prices, with reference to the latest selling prices and the expected subsequent usage or marketability of the inventories, and (ii) determination of costs to completion and costs necessary to make the sale, with reference to the estimated production costs and selling expenses.

As at 31 December 2025, the carrying amount of the Group's inventories was approximately RMB 6,932,311,000 (net of allowance of inventory of approximately RMB452,183,000). During the year ended 31 December 2025, a write-down of inventories of RMB827,000 was recognised in profit or loss.

Our procedures in relation to assessment of NRV of inventories included:

- Obtaining an understanding on management's process on assessment of NRV of inventories, and evaluating the reasonableness of the inventory write down policy and the appropriateness of model used by management in assessing NRV of inventories (the "NRV Model");
- Identifying relevant controls over management's assessment on NRV of inventories and evaluating the design and implementation of the relevant controls;
- Evaluating whether items in the inventory ageing report, were classified within the appropriate ageing bracket, by tracing individual items in the report, on a sample basis, to source documents;
- Observing the management's process in identifying obsolete or slow-moving inventories during the attendance of inventory counts and checking whether obsolete or slow-moving inventories identified by management are properly included in management's NRV Model;
- Evaluating the reasonableness of estimated selling prices, by (i) inquiring of management regarding the estimation bases, (ii) tracking the latest selling prices, on a sample basis, to relevant supporting documents; and evaluating the historical accuracy of estimated selling prices, on a sample basis; and
- Assessing the appropriateness of estimated costs to completion and costs necessary to make the sale.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (CONTINUED)

### Key audit matter

### How our audit addressed the key audit matter

#### *Recognition of revenue from sales of products*

We identified recognition of revenue from sales of products as a key audit matter due to its significance to the consolidated financial statements as a whole.

As disclosed in note 5 to the consolidated financial statements, revenue from sales of products is recognised at the point in time when control of the asset is transferred to the customer, generally on the receipt of products by customers. Revenue from sales of products amounted to RMB73,242,251,000 is recognised for the year ended 31 December 2025.

Our procedures in relation to the recognition of revenue from sales of products included:

- Obtaining an understanding of the Group's revenue recognition processes and evaluating the Group's revenue recognition policy;
- Evaluating the design and implementation of the relevant controls over recognition of revenue from sales of products and testing their operating effectiveness;
- Checking the recorded sales amounts of a selection of customers ("**Selected Customers**") by (i) performing confirmations procedures and performing alternative procedures for non-responses, or (ii) agreeing the sales amounts of a specific customer to those recorded in sales management platform, which was jointly developed by the customer and the Group, and is maintained by the customer;
- Checking the recorded sales transactions of customers other than Selected Customers, on a sample basis, by tracing to the corresponding supporting documents, including (i) sales orders, (ii) delivery notes or shipping documents, where appropriate, and (iii) acceptance confirmations from customers; and
- Agreeing a selection of the recorded offshore revenue amounts to those retrieved from China Electronic Port System.

## 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.

# INDEPENDENT AUDITOR'S REPORT

## 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 of the Company 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 of the Company 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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, 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 of the Company.

# INDEPENDENT AUDITOR'S REPORT

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

- 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 the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is CHU, Yim Yan, Sonia (practising certificate number: P07390).

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

30 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	5		
Contracts with customers		74,268,635	69,756,758
Leases		141,097	140,018
<b>Total revenue</b>		<b>74,409,732</b>	69,896,776
Cost of sales		(63,299,025)	(59,713,283)
<b>Gross profit</b>		<b>11,110,707</b>	10,183,493
Other income	6	516,535	567,024
Impairment losses under expected credit loss ("ECL") model, net of reversal	7	(18,250)	(33,859)
Other gains and losses, net	8	15,031	384,380
Selling expenses		(586,365)	(705,599)
Administrative expenses		(3,326,155)	(3,368,955)
Research and development expenses		(2,870,605)	(2,784,813)
Other expenses		(7,017)	(8,216)
Share of results of investments accounted for using the equity method		26,987	3,899
Listing expenses		(5,448)	—
Finance costs	9	(269,418)	(388,438)
<b>Profit before tax</b>		<b>4,586,002</b>	3,848,916
Income tax expense	10	(545,238)	(172,061)
<b>Profit for the year</b>	11	<b>4,040,764</b>	3,676,855
<b>Other comprehensive (expense) income:</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(50,925)	(134,090)
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain (loss) on investments in equity instruments measured at fair value through other comprehensive income ("FVTOCI"), net of tax		19,028	(20,454)
<b>Total comprehensive income for the year</b>		<b>4,008,867</b>	3,522,311

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Profit for the year attributable to:			
— Owners of the Company		4,017,827	3,623,901
— Non-controlling interests		22,937	52,954
		<b>4,040,764</b>	3,676,855
Total comprehensive income for the year attributable to:			
— Owners of the Company		3,985,834	3,469,357
— Non-controlling interests		23,033	52,954
		<b>4,008,867</b>	3,522,311
<b>Earnings per share</b>			
	15		
— Basic (RMB)		0.79	0.73
— Diluted (RMB)		0.79	0.73

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	As at 31 December	
		2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	16	41,767,021	37,809,136
Right-of-use assets	17	3,662,725	3,441,157
Investment properties	18	854,929	900,777
Intangible assets	19	1,701,350	1,822,041
Goodwill	20	2,970,144	2,970,144
Investments accounted for using the equity method	21	338,198	325,665
Equity instruments at FVTOCI	22	752,488	445,109
Financial assets at fair value through profit or loss ("FVTPL")	24	278,932	—
Time deposits	28	164,943	103,697
Deferred tax assets	23	1,208,725	1,387,226
Prepayments and other receivables	27	1,166,031	1,038,314
		<b>54,865,486</b>	<b>50,243,266</b>
<b>Current assets</b>			
Inventories	25	6,932,311	7,160,553
Trade and bills receivables	26	10,776,324	10,865,736
Bills receivables at FVTOCI	29	134,125	9,779
Prepayments and other receivables	27	1,178,503	1,000,455
Amounts due from related parties	41	230	24,873
Financial assets at FVTPL	24	627,000	354,917
Income tax recoverable		9,293	45,976
Time deposits	28	—	322,412
Restricted bank deposits	28	25,769	51,276
Bank balances and cash	28	9,653,204	10,936,804
Cash held by securities brokers	28	136,355	—
		<b>29,473,114</b>	<b>30,772,781</b>
<b>Current liabilities</b>			
Trade and other payables	30	18,128,432	16,365,834
Financial liabilities at FVTPL	24	78,562	9,620
Amounts due to related parties	41	66	26
Income tax payable		140,013	110,787
Borrowings	31	5,291,614	6,518,634
Lease liabilities	32	52,868	47,659
Contract liabilities	33	32,078	12,601
		<b>23,723,633</b>	<b>23,065,161</b>
<b>Net current assets</b>		<b>5,749,481</b>	<b>7,707,620</b>
<b>Total assets less current liabilities</b>		<b>60,614,967</b>	<b>57,950,886</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	As at 31 December	
		2025 RMB'000	2024 RMB'000
<b>Non-current liabilities</b>			
Borrowings	31	4,366,577	7,807,931
Lease liabilities	32	121,294	151,529
Provision		—	18,880
Deferred tax liabilities	23	356,346	385,058
Deferred income	34	683,707	741,578
		<b>5,527,924</b>	9,104,976
<b>Net assets</b>		<b>55,087,043</b>	48,845,910
<b>Capital and reserves</b>			
Share capital	35	5,284,327	4,982,879
Reserves		49,738,767	43,673,762
Equity attributable to owners of the Company		55,023,094	48,656,641
Non-controlling interests		63,949	189,269
<b>Total equity</b>		<b>55,087,043</b>	48,845,910

The consolidated financial statements on pages 87 to 182 were approved and authorised for issue by the board of directors on 30 March 2026 and are signed on its behalf by:

**Ms. Chau Kwan Fei**  
*Director*

**Mr. Cheng Chun Lung**  
*Director*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Treasury share RMB'000	Capital reserve RMB'000	FVTOCI reserve RMB'000	Translation reserve RMB'000	Statutory reserve RMB'000	Retained profits RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2025	4,982,879	20,613,513	(280,019)	305,131	160,083	18,837	2,620,270	20,235,947	48,656,641	189,269	48,845,910
Profit for the year	–	–	–	–	–	–	–	4,017,827	4,017,827	22,937	4,040,764
Other comprehensive income (expense) for the year	–	–	–	–	19,028	(51,021)	–	–	(31,993)	96	(31,897)
Total comprehensive income (expense) for the year	–	–	–	–	19,028	(51,021)	–	4,017,827	3,985,834	23,033	4,008,867
Transfer to statutory reserve	–	–	–	–	–	–	21,894	(21,894)	–	–	–
Issue of new shares upon listing on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEx")	301,595	4,694,191	–	–	–	–	–	–	4,995,786	–	4,995,786
Transaction costs attributable to issue of new shares	–	(58,095)	–	–	–	–	–	–	(58,095)	–	(58,095)
Distribution relating to 2024 final dividend	–	–	–	–	–	–	–	(1,983,582)	(1,983,582)	–	(1,983,582)
Distribution relating to 2025 interim dividend	–	–	–	–	–	–	–	(527,673)	(527,673)	–	(527,673)
Distributions to non-controlling interests	–	–	–	–	–	–	–	–	–	(67,166)	(67,166)
Recognition of equity-settled share-based payments	–	–	–	26,504	–	–	–	–	26,504	–	26,504
Repurchase and cancellation of restricted shares under Restricted A-share Scheme	(147)	(724)	–	–	–	–	–	–	(871)	–	(871)
Exercise of restricted shares under Restricted A-share Scheme	–	56,452	214,390	(168,022)	–	–	–	–	102,820	–	102,820
Repurchase of shares (note 35)	–	–	(214,824)	–	–	–	–	–	(214,824)	–	(214,824)
Transaction costs attributable to repurchase of shares	–	–	(21)	–	–	–	–	–	(21)	–	(21)
Transaction with non-controlling interests	–	–	–	40,575	–	–	–	–	40,575	(86,187)	(45,612)
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	5,000	5,000
At 31 December 2025	5,284,327	25,305,337	(280,474)	204,188	179,111	(32,184)	2,642,164	21,720,625	55,023,094	63,949	55,087,043



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>OPERATING ACTIVITIES</b>		
Profit for the year	4,040,764	3,676,855
Adjustments for:		
Taxation	545,238	172,061
Depreciation of property, plant and equipment	5,055,914	4,770,849
Depreciation of right-of-use assets	129,474	115,217
Depreciation of investment properties	49,947	56,260
Amortisation of intangible assets	208,538	210,244
Impairment losses on property, plant and equipment	107,452	226,942
Impairment losses under ECL model, net of reversal	18,250	33,859
Loss on disposal of property, plant and equipment	95,689	16,776
Loss on disposal of intangible assets	—	61
Share-based payment expense	48,305	161,375
Finance costs	269,719	388,438
Interest income	(228,352)	(254,979)
Net gain from changes in fair value of financial assets/liabilities at FVTPL	(92,390)	(207,985)
Release of deferred income	(61,508)	(61,826)
Share of results of investments accounted for using the equity method	(26,987)	(3,899)
Write-down of inventories	827	47,859
Net foreign exchange gains	(19,016)	(193,232)
Operating cash flows before movements in working capital	10,141,864	9,154,875
Withdrawal (placement) of restricted bank deposits	25,507	(25,802)
(Decrease) increase in provision	(18,880)	15,288
Decrease (increase) in inventories	237,373	(525,753)
Decrease (increase) in trade and bills receivables	119,564	(1,511,293)
(Increase) decrease in bills receivables at FVTOCI	(124,346)	102,509
Increase in prepayments and other receivables	(132,035)	(97,428)
Increase in trade and other payables	1,327,571	3,928,419
Increase in deferred income	3,637	14,250
Increase in contract liabilities	19,477	4,482
Cash generated from operations	11,599,732	11,059,547
Income tax paid	(354,612)	(414,224)
Interest received	219,879	243,518
<b>Net cash from operating activities</b>	<b>11,464,999</b>	<b>10,888,841</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial assets/derivatives at FVTPL	3,213,889	1,932,012
Dividends received from investments accounted for using the equity method	26,419	39,601
Proceeds from disposal of property, plant and equipment	194,053	49,223
Repayment from related parties	11,156	4,850
Withdrawal of a time deposit	330,600	—
Acquisition of equity instruments at FVTOCI	(285,080)	—
Proceeds on disposal of investments accounted for using the equity method	—	14,537
Repayment of deposits for project performance	—	100,000
Upfront payments for leasehold land	(306,226)	(118,320)
Purchase of intangible assets	(87,866)	(14,501)
Acquisition of investments accounted for using the equity method	—	(299)
Placement of time deposits	(60,961)	(100,000)
Purchase of property, plant and equipment	(9,048,937)	(6,237,734)
Purchase of financial assets/derivatives at FVTPL	(3,603,572)	(1,719,659)
<b>Net cash used in investing activities</b>	<b>(9,616,525)</b>	<b>(6,050,290)</b>
<b>FINANCING ACTIVITIES</b>		
New borrowings raised	1,655,043	5,120,211
Proceeds from issuance of shares (Note 35)	4,994,176	—
Advance from related parties	40	—
Exercise of restricted shares	102,820	113,013
Capital contribution by non-controlling interests	5,000	—
Repayment to related parties	—	(68)
Repurchase and cancellation of restricted shares	(799)	(2,154)
Transaction costs attributable to repurchase of shares	(21)	—
Interest paid for lease liabilities	(4,989)	(4,022)
Repayment of lease liabilities	(60,064)	(26,558)
Dividends paid to non-controlling shareholders of subsidiaries	(49,065)	(46,327)
Interest paid for loan from a related party	—	(66,603)
Repayment of loan from a related party	—	(1,000,000)
Dividends paid to the shareholders of the Company	(2,506,418)	(1,482,163)
Payment on repurchase of shares	(214,824)	—
Payment for share issue costs	(58,095)	—
Acquisition of partial interest of a subsidiary	(45,612)	—
Interest paid for borrowings	(259,678)	(398,355)
Repayment of borrowings	(6,521,228)	(6,661,379)
<b>Net cash used in financing activities</b>	<b>(2,963,714)</b>	<b>(4,454,405)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(1,115,240)</b>	<b>384,146</b>
Effect of foreign exchange rate changes	(32,005)	59,139
<b>Cash and cash equivalents at the beginning of the year</b>	<b>10,936,804</b>	<b>10,493,519</b>
<b>Cash and cash equivalents at the end of the year</b> , represented by bank balances and cash and cash held by securities brokers	<b>9,789,559</b>	<b>10,936,804</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 1. CORPORATE INFORMATION

Lens Technology Co., Ltd. 藍思科技股份有限公司 (the “**Company**”) was registered in the PRC as a joint stock company with limited liability. The Company was listed on the Shenzhen Stock Exchange (stock code: 300433) and on the HKEx (stock code: 6613) since March 2015 and July 2025, respectively. The Company’s immediate and ultimate holding company is Lens Technology (HK) Co., Ltd. The Company is ultimately controlled by Ms. Chau Kwan Fei and Mr. Cheng Chun Lung (“**Mr. Cheng**”), spouse of Ms. Chau Kwan Fei, who act in concert with each other. Lens Technology (HK) Co., Ltd., Ms. Chau Kwan Fei and Mr. Cheng together are referred to the Controlling Shareholders. The addresses of the registered office and principal place of business of the Company are Liuyang Biomedical Park, Liuyang, Hunan province, the People’s Republic of China (the “**PRC**”).

The Company and its subsidiaries (collectively referred to as the “**Group**”) is a leading provider of one-stop precision manufacturing solutions across the full AI hardware industry chain, driven by technological innovation and intelligent manufacturing, with its business covering structural components, functional modules and complete machine assembly for products such as AI smart terminals (including smartphones, AI glasses, smart vehicles, and embodied intelligence), AI servers and commercial aerospace sectors. Details of the subsidiaries are disclosed in Note 43.

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company.

## 2. APPLICATION OF IFRS ACCOUNTING STANDARDS

### Amendments to IFRS Accounting Standards 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 International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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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 31 December 2025

## 2. APPLICATION OF 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 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 IFRS 18	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>2</sup>
Amendments to IAS 21	Presentation and Disclosure in Financial Statements <sup>3</sup>
	Translation to a Hyperinflationary Presentation Currency <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 1 January 2026.

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

IFRS 18 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 HKFRS 18) and IFRS 7 “Financial Instruments: Disclosures”. 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 1 January 2027, with early application permitted. 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 presentation of the statement of profit or loss and other comprehensive income and disclosures in the future financial statements which, the directors of the Company (the “**Directors**”) anticipate, the impact will not be material.

Except as described above, the Directors anticipate that the application of the amendments to IFRS Accounting Standards will have no material impact on the Group’s financial position and performance in the foreseeable future.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION 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 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 and by the Hong Kong Companies Ordinance.

### 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 investment 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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired.

### Investments in accounted for using the equity method

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

### Revenue from contracts with customers

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Revenue from contracts with customers (Continued)

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

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

#### Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

### Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 "Lease" 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

##### *Short-term leases*

The Group applies the short-term lease recognition exemption to leases for staff quarters and warehouses 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 over the lease term.

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

The cost of right-of-use assets includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date and any initial direct cost incurred by the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Leases (Continued)

#### The Group as a lessee (Continued)

##### *Right-of-use assets (Continued)*

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 their estimated useful lives and the lease terms.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statements of financial position. Right-of-use assets that meet the definition of investment property are presented within "investment properties".

##### *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 as the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments less any lease incentives receivable.

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.

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

### 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 exchange prevailing on the dates of the transactions. At the end of the 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the re-translation 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. RMB) using exchange rates prevailing at the end of the 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

Borrowing costs, other than those 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 deferred income in the consolidated statements 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. Such grants are presented under "other income".

### Employee benefits

#### Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Employees in the PRC are members of a state-managed employee pension scheme operated by the relevant municipal government in the PRC which undertakes to assume the retirement benefit obligations of all existing and future retired employees. The Group's obligation is to make the required contributions under the scheme. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Employee benefits (Continued)

#### 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 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 payment

#### Equity-settled share-based payment transactions

##### *Shares/share options granted to employees*

Equity-settled share-based payments to employees 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 (capital reserve). At the end of the 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 capital reserve.

When share options are exercised, the amount previously recognised in capital reserve will be transferred to share premium.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

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 profit 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 (other than in a business combination) 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 differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the 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 rates (and tax laws) that have been enacted or substantively enacted by the end of the 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 the 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 "Income Taxes" requirements to lease liabilities and the related assets separately.

The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Taxation (Continued)

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, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### Property, plant and equipment

Property, plant 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). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation, where appropriate, and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Buildings, machinery 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 are 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 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 freehold land and 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 the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant 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, plant 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 the reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Intangible assets (Continued)

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is recognised as an expense in the period in which it is incurred where no internally-generated intangible asset can be recognised.

### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives after taking into account of their estimated residual value, using the straight-line method.

### Impairment on property, plant and equipment, right-of-use assets, investment property and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment property 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, plant and equipment, right-of-use assets, investment property 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 CGU to which the asset belongs.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Impairment on property, plant and equipment, right-of-use assets, investment property and intangible assets other than goodwill (Continued)

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 to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or 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.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on the 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.

### 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 the 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 (when the effect of the time value of money is material).

### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. 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 by regulation or convention in the market place.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND 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 “Revenue from Contracts with Customers”. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets 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 assets 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

#### *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 collecting contractual cash flows and selling the financial assets; 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.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 “Business Combinations” applies.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Financial instruments (Continued)

#### Financial assets (Continued)

#### *Classification and subsequent measurement of financial assets (Continued)*

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and bills receivables at FVTOCI. 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. 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) Bills receivables classified at FVTOCI

Subsequent changes in the carrying amounts for bills receivables classified as 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 bills receivables had been measured at amortised cost. All other changes in the carrying amount of these bills 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 bills receivables. 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 bills receivables had been measured at amortised cost. When these bills receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income line item in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Financial instruments (Continued)

#### Financial assets (Continued)

#### *Classification and subsequent measurement of financial assets (Continued)*

(iv) 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 the reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item.

#### *Impairment of financial assets subject to impairment assessment under IFRS 9 “Financial Instruments”*

The Group performs impairment assessment under ECL model on financial assets (including trade and bills receivables, bills receivables at FVTOCI, other receivables, amounts due from related parties, time deposits, restricted bank deposits, cash held by securities brokers and bank balances and cash, equity instruments at FVTOCI, financial assets at FVTPL) which are subject 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. Assessment is done based on the Group’s historical credit loss experience, and factors that are specific to the debtors, general economic conditions and an assessment of both past events and the 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 are assessed individually for debtors with significant balances and credit-impaired and collectively for the remaining debtors using a provision matrix with appropriate groupings.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Financial instruments (Continued)

#### Financial assets (Continued)

#### *Impairment of financial assets subject to impairment assessment under IFRS 9 “Financial Instruments” (Continued)*

(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 each 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.

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.

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 31 December 2025

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

### Financial instruments (Continued)

#### Financial assets (Continued)

#### *Impairment of financial assets subject to impairment assessment under IFRS 9 “Financial Instruments” (Continued)*

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when 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:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- 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;
- 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 31 December 2025

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

### Financial instruments (Continued)

#### Financial assets (Continued)

#### *Impairment of financial assets subject to impairment assessment under IFRS 9 “Financial Instruments” (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. Trade receivables of the Group with significant balances and credit-impaired are assessed for ECL individually. The Group uses a practical expedient in estimating ECL on trade receivables, which are not assessed individually, using a provision matrix taking into consideration historical credit loss experience and forward-looking information 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 effective interest rate determined at initial recognition.

Trade receivables of the Group with significant balances and credit-impaired are assessed for ECL individually. Except as those trade receivables, 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 management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount 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 31 December 2025

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

### Financial instruments (Continued)

#### Financial assets (Continued)

#### *Impairment of financial assets subject to impairment assessment under IFRS 9 “Financial Instruments” (Continued)*

Except for bills 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 bills 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 amounts of these bills receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

#### 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 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.

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 bills receivables at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

#### Financial liabilities and 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

### Financial instruments (Continued)

#### Financial liabilities and equity (Continued)

##### *Financial liabilities*

Financial liabilities including trade and other payables, financial liabilities at FVTPL, lease liabilities, amounts due to related parties and borrowings are subsequently measured at amortised cost using the effective interest method.

##### *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.

##### Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

##### Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### Net realisable value of inventories

As at 31 December 2025, the carrying amount of the Group's inventories is RMB6,932,311,000 (2024: RMB7,160,553,000). During the year ended 31 December 2025, a write-down of inventories of RMB827,000 was recognised in profit or loss. During the year ended 31 December 2024, a write-down of inventories of RMB47,859,000 was recognised in profit or loss.

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

The management assesses the NRV of inventories at the end of the reporting period, which involves (i) determination of the estimated selling prices, with reference to the latest selling prices and the expected subsequent usage or marketability of the inventories, and (ii) determination of costs to completion and costs necessary to make the sale, with reference to the estimated production costs and selling expenses.

### Impairment assessment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU (or group of CGUs) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU (or a CGUs) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 December 2025, the carrying amounts of goodwill was RMB2,970,144,000 (2024: RMB2,970,144,000). Details of the calculation of recoverable amounts are disclosed in Note 20.

### Deferred tax asset

As at 31 December 2025, a deferred tax asset of RMB690,832,000 (2024: RMB824,043,000), in relation to unused tax losses for certain operating subsidiaries has been recognised in the consolidated statements of financial position. No deferred tax asset has been recognised on the tax losses of RMB2,740,597,000 (2024: RMB2,296,299,000), for certain subsidiaries due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on how the ongoing uncertain macroeconomic and geopolitical environment. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### Provision of ECL for trade receivables

Trade receivables of the Group with significant balances and credit-impaired are assessed for ECL individually.

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 ageing 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 each 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 40.

## 5. REVENUE AND SEGMENT INFORMATION

### (i) Revenue

The following is an analysis of the Group's revenue from major end use products and services:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Smartphones and computers	<b>61,184,201</b>	57,754,169
Smart vehicles and cockpits	<b>6,461,659</b>	5,934,795
Intelligent head-mounted displays and smart wearables	<b>3,978,169</b>	3,488,408
Other smart devices	<b>1,051,495</b>	1,408,378
Scraps and materials	<b>566,727</b>	426,465
Revenue from sales of products	<b>73,242,251</b>	69,012,215
Processing fee	<b>829,629</b>	635,804
Others	<b>196,755</b>	108,739
Revenue from contracts with customers	<b>74,268,635</b>	69,756,758
Leases	<b>141,097</b>	140,018
Total	<b>74,409,732</b>	69,896,776

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (i) Revenue (Continued)

#### Geographical information

The Group's operations are located in the PRC (country of domicile), Vietnam, Thailand, Mexico, the United States of America (the "U.S."), Singapore and Japan.

Information about the Group's revenue from external customers is presented based on delivery destination or the shipping destination on customs declaration.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Offshore		
– Special supervision territory in China ( <i>note</i> )	25,407,991	27,496,661
– Vietnam	8,303,961	4,882,063
– Asia (excluding Chinese Mainland and Vietnam)	4,049,340	6,079,024
– North America	2,170,423	2,036,548
– Others	1,023,501	484,087
	40,955,216	40,978,383
Chinese Mainland (excluding special supervision territory) ( <i>note</i> )	33,454,516	28,918,393
	74,409,732	69,896,776

*Note:* During the year ended 31 December 2025, the amount of Group's total revenue from Chinese Mainland (country of domicile), represented by domestic and special supervision territory within the PRC (excluding Hong Kong, Macao and Taiwan) is RMB58,862,507,000 (2024: RMB56,415,054,000).

#### Timing of revenue from contracts with customers recognition

All revenue from contracts with customers within the scope of IFRS 15 are recognised at a point in time.

### (ii) Performance obligations for contracts with customers and revenue recognition policies

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on the receipt of products by customers.

Processing fee is recognised at the point in time when the processing has been completed and the control of the processed product is transferred to customers.

The Group requires an advance payment or grants the customers a credit period from 30 days to 120 days based on the assessed credit worthiness of the customers. A contract liability represents the Group's obligation to transfer goods or services for which the Group has received consideration from the customer.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (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 the remaining performance obligation as the original expected duration of all the contracts from customers of the Group are within one year or less.

### (iv) Leases

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
For operating leases:		
Lease payments that are fixed	141,097	140,018

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with non-cancellable lease terms of between 5 to 15 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term. Lease payments are usually adjusted every year to reflect market rentals. None of the leases includes variable lease payments.

### (v) Segment information

For the purpose of resource allocation and assessment of segment performance, the executive directors of the Company, being the chief operating decision makers, focus on the overall results and financial position of the Group, therefore no other discrete financial information is provided other than the Group's results and financial position as a whole. The Group has only one single operating and reportable segment and only entity-wide disclosures are presented.

#### Geographical information

The details of the Group's revenue from external customers by geographical markets of the products presented based on delivery destination or the shipping destination on customs declaration are set out in Note 5(i). Information about the Group's non-current assets is presented based on the geographical location of the assets.

The Group's non-current assets (excluding deferred tax assets and financial assets) of RMB45,759,072,000 (2024: RMB42,649,416,000) are located in the PRC as at 31 December 2025, respectively. The remaining non-current assets are located in Vietnam, Thailand, Mexico, the U.S., Singapore and Japan, with each jurisdiction's individual non-current assets constituting less than 10% to the Group's non-current assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (vi) Information about major customers

Revenue from customers, being groups of companies under the same holding company, contributing over 10% of the total revenue of the Group are as follow:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Customer A	33,490,790	34,566,472
Customer B	20,619,887	16,328,058

## 6. OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Government grants		
— related to expense items ( <i>note</i> )	166,803	163,015
— related to assets ( <i>Note 34</i> )	61,508	61,826
	228,311	224,841
Interest income	228,352	254,979
Compensation income	20,371	32,567
Dividends from equity instruments at FVTOCI	1,982	—
Others	37,519	54,637
	516,535	567,024

*Note:* The amount mainly represents various subsidies received from the PRC government authorities for the purpose of motivating the business development of the Group. There were no unfulfilled conditions or contingencies relating to these government grants.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 7. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Impairment losses recognised (reversed) on:		
– Trade and bills receivables	21,129	15,600
– Other receivables	(2,611)	18,228
– Amounts due from related parties	(268)	31
	18,250	33,859

Details of impairment assessment are set out in Note 40.

## 8. OTHER GAINS AND LOSSES, NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net foreign exchange gains	19,016	193,232
Net gain from changes in fair value of financial assets/liabilities at FVTPL	92,390	207,985
Loss on disposal of property, plant and equipment and intangible assets	(95,689)	(16,837)
Others	(686)	—
	15,031	384,380

## 9. FINANCE COSTS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest on borrowings	264,429	382,959
Interest on lease liabilities	4,989	4,022
Interest on loan from a related party (Note 41)	—	1,457
Total borrowing costs	269,418	388,438

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 10. INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current tax:		
– PRC Enterprise Income Tax	271,466	291,434
– Hong Kong	29,250	9,264
– Vietnam	41,407	43,011
– U.S.	173	816
– Other jurisdictions	175	215
	342,471	344,740
Under provision in prior years:		
– PRC Enterprise Income Tax	78,050	8,922
Deferred tax ( <i>Note 23</i> )	124,717	(181,601)
	545,238	172,061

### PRC Enterprise Income Tax

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the Group’s PRC subsidiaries is 25%.

The Company and certain of its PRC subsidiaries are accredited as High New Tech Enterprises and are subject to preferential tax rate of 15% during the accredited period.

Pursuant to relevant laws and regulations in the PRC, several subsidiaries are eligible as a Small Low-profit Enterprise (小型微利企業) and are subject to preferential tax treatments during the year.

From 1 January 2023 to 31 December 2027, for Small Low-profit Enterprises, the annual taxable income not exceeding RMB3.0 million was reduced to 25% and taxed at a rate of 20%.

### Hong Kong

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits in both years.

### Vietnam

The Company’s subsidiary domiciled in Vietnam is subject to a corporate income tax rate of 20%.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 10. INCOME TAX EXPENSE (CONTINUED)

### U.S.

Pursuant to the applicable U.S. federal and state income tax laws, the U.S. subsidiaries have provided income taxes on their federal and state taxable income at the 21% U.S. federal statutory corporate income tax rate and states statutory corporate tax rates of up to 8.84% throughout the year.

### Other jurisdictions

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

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before tax	4,586,002	3,848,916
Tax at the preferential tax rate of 15%	687,900	577,337
Tax effect of expenses not deductible for tax purposes	39,559	23,074
Effect of different tax rates of the subsidiaries	61,131	92,298
Tax effect of income not taxable for tax purpose	(23,944)	(54,648)
Utilisation of tax losses previously not recognised	(111,501)	(134,897)
Tax effect of deductible temporary differences and tax losses not recognised	170,242	15,185
Additional deduction of research and development expenses ( <i>note i</i> )	(358,671)	(351,320)
Under provision in prior years	78,050	8,922
Others	2,472	(3,890)
	545,238	172,061

Note:

- (i) According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that have been effective from 2018 onwards, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenditures incurred as tax deductible expenses when determining their assessable profits for the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 11. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Directors' and supervisors' emoluments ( <i>Note 12</i> )	11,638	12,520
Other staffs costs (excluding directors' and supervisors' emoluments)		
— Salaries and other benefit, including share-based payment expenses	12,973,220	12,590,852
— Retirement benefits scheme contributions	952,878	871,074
Total staff costs	13,937,736	13,474,446
Capitalised in inventories	(10,864,566)	(10,482,249)
	3,073,170	2,992,197
Depreciation of property, plant and equipment	5,055,914	4,770,849
Depreciation of right-of-use assets	129,474	115,217
Depreciation of investment properties	49,947	56,260
Amortisation of intangible assets	208,538	210,244
Total depreciation and amortisation	5,443,873	5,152,570
Capitalised in inventories	(4,182,198)	(4,043,350)
	1,261,675	1,109,220
Auditor's remuneration	3,280	2,900
Impairment losses recognised on property, plant and equipment, included in administrative expenses	107,452	226,942
Other expenses		
— Donation	7,017	8,216
Cost of inventories recognised as an expense	62,841,745	59,385,583
Excluding: write-down of inventories	827	47,859

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 12. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of the emoluments paid or payable to the directors and supervisors of the Company during the year disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance are as follows:

	Fees RMB'000	Salaries, bonus and other allowances (note i) RMB'000	Share-based payment RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
<i>For the year ended 31 December 2025</i>					
<b>Executive directors:</b>					
Ms. Chau Kwan Fei	—	4,983	—	17	5,000
Mr. Cheng Chun Lung	—	2,983	—	17	3,000
Mr. Rao Qiaobing	—	883	109	8	1,000
<b>Independent non-executive directors:</b>					
Mr. Liu Yue	130	—	—	—	130
Mr. Peng Diefeng (note ii)	7	—	—	—	7
Mr. Tian Hong (note iii)	123	—	—	—	123
Ms. Wan Wei	130	—	—	—	130
Mr. Xie Zhiming (note iii & v)	111	—	—	—	111
Mr. Yang Songbai (note ii)	7	—	—	—	7
<b>Supervisors (note vii):</b>					
Mr. Chen Xiaoqun (note iii)	—	647	—	5	652
Mr. Kuang Hongfeng (note ii)	—	57	—	1	58
Mr. Tang Jun	—	704	—	6	710
Ms. Zhou Xinyi	—	704	—	6	710
	508	10,961	109	60	11,638

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 12. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

	Fees RMB'000	Salaries, bonus and other allowances (note i) RMB'000	Share-based payment RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
<i>For the year ended 31 December 2024</i>					
<b>Executive directors:</b>					
Ms. Chau Kwan Fei	—	4,984	—	16	5,000
Mr. Cheng Chun Lung	—	2,984	—	16	3,000
Mr. Rao Qiaobing	—	530	462	8	1,000
<b>Independent non-executive directors:</b>					
Mr. Liu Yue	130	—	—	—	130
Mr. Peng Diefeng (note ii)	130	—	—	—	130
Ms. Wan Wei	130	—	—	—	130
Mr. Yang Songbai (note ii)	130	—	—	—	130
<b>Supervisors (note vii):</b>					
Mr. Kuang Hongfeng (note ii)	—	992	—	8	1,000
Mr. Tang Jun	—	992	—	8	1,000
Ms. Zhou Xinyi	—	992	—	8	1,000
	520	11,474	462	64	12,520

**Notes:**

- (i) The discretionary bonus is determined based on the Group's performance, performance of the relevant individual within the Group and comparable market statistics.
- (ii) Mr. Yang Songbai and Mr. Peng Diefeng resigned as an independent non-executive director of the Company on 21 January 2025. Mr. Kuang Hongfeng resigned as a supervisor of the Company on 21 January 2025.
- (iii) Mr. Tian Hong and Mr. Xie Zhiming were appointed as an independent non-executive director of the Company on 21 January 2025. Mr. Chen Xiaoqun was appointed as a supervisor of the Company on 21 January 2025.
- (v) Mr. Xie Zhiming passed away in November 2025 and ceased as an independent non-executive director of the Company.
- (vi) Mr. Tang Xiangxi was appointed as an independent non-executive director of the Company on 29 January 2026.
- (vii) The Company dissolved the Board of Supervisors in accordance with the relevant provisions of the Company Law on 16 September 2025.

The executive directors' emoluments shown above were paid for their services in connection with the management of affairs of the Group and the Company during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 12. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

The supervisors' emoluments shown above were for their services as supervisors of the Company.

During the year, there have been no arrangement under which a director or a supervisor waived or agreed to waive any remuneration.

## 13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group included three (2024: five) directors and supervisors during the years ended 31 December 2025, respectively, details of whose remuneration are set out above. Details of the remuneration for the remaining two (2024: nil) highest paid individual during the years ended 31 December 2025, respectively, are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other benefits, including share-based payment expenses	1,964	—
Discretionary bonus	20	—
Retirement benefit scheme contributions	16	—
	2,000	—

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

	Year ended 31 December	
	2025	2024
	No. of employees	No. of employees
HK\$1,000,001 to HK\$1,500,000 (inclusive)	2	—

No emoluments had been paid by the Group to any of the directors or the supervisors or the five highest paid individuals 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 31 December 2025

## 14. DIVIDENDS

Dividends for ordinary shareholders of the Company recognised as distribution during the year:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
2024 final dividend of RMB0.4 (2023 final dividend of RMB0.3) per ordinary share	<b>1,983,582</b>	1,482,163
2025 interim dividend of RMB0.1 (2024 interim dividend of nil) per ordinary share	<b>527,673</b>	—
	<b>2,511,255</b>	1,482,163

At the board meeting on 30 March 2026, the Board proposed a final dividend of RMB 4.5 per 10 shares (tax inclusive) to all shareholders. There will be no bonus issue and no capitalisation of capital reserve.

Such dividends are to be approved by the shareholders at the forthcoming annual general meeting of the Company. The proposed dividend is not reflected as a dividend payable in these consolidated financial statements.

## 15. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share, as applicable, attributable to the owners of the Company is based on the following data:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Earnings (RMB'000):		
Profit for the year attributable to owners of the Company	<b>4,017,827</b>	3,623,901
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic earnings per share ( <i>note</i> )	<b>5,079,545</b>	4,936,803
Effect of dilutive potential ordinary shares:		
Restricted A-share Scheme	—	11,783
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>5,079,545</b>	4,948,586

*Note:* Treasury shares subject to repurchase and restricted shares subject to conditions were excluded in calculating the weighted average number of ordinary shares of the purpose of basic earnings per share.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 16. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Freehold land	Machinery and equipment	Motor vehicles	Electronic equipment	Office and other equipment	Construction in progress ("CIP")	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST								
At 1 January 2024	19,400,285	—	37,259,154	577,305	4,364,999	5,927,370	892,139	68,421,252
Additions	3,220	—	2,796,601	10,081	544,431	310,920	2,117,094	5,782,347
Transfers	794,269	—	597,765	21	58,437	162,286	(1,612,778)	—
Transfers from investment properties (Note 18)	125,371	—	—	—	—	—	—	125,371
Disposals	(10,131)	—	(791,634)	(10,068)	(64,356)	(33,334)	(10,091)	(919,614)
Exchange adjustments	(23,719)	—	(38,762)	951	(3,951)	(1,937)	—	(67,418)
At 31 December 2024	20,289,295	—	39,823,124	578,290	4,899,560	6,365,305	1,386,364	73,341,938
Additions	275,335	17,540	4,246,476	13,078	1,301,561	591,361	2,986,603	9,431,954
Transfers	2,076,937	—	957,655	18	116,147	236,669	(3,387,426)	—
Transfers to investment properties (Note 18)	—	—	—	—	—	—	(4,099)	(4,099)
Transfers to right-of-use assets (Note 17)	—	—	—	—	—	—	(12,451)	(12,451)
Disposals	(1,011)	—	(1,391,071)	(2,579)	(159,698)	(187,800)	(3,924)	(1,746,083)
Exchange adjustments	(36,651)	—	(29,740)	(241)	997	(755)	—	(66,390)
At 31 December 2025	22,603,905	17,540	43,606,444	588,566	6,158,567	7,004,780	965,067	80,944,869

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings	Freehold land	Machinery and equipment	Motor vehicles	Electronic equipment	Office and other equipment	CIP	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>DEPRECIATION</b>								
At 1 January 2024	4,667,823	—	18,988,452	192,409	2,659,351	4,403,923	—	30,911,958
Provided for the year	945,502	—	2,847,027	27,875	447,202	503,243	—	4,770,849
Transfers from investment properties (Note 18)	69,310	—	—	—	—	—	—	69,310
Eliminated on disposals	(6,673)	—	(583,359)	(9,120)	(58,309)	(29,046)	—	(686,507)
Exchange adjustments	(5,252)	—	(6,204)	(6)	(672)	(492)	—	(12,626)
At 31 December 2024	5,670,710	—	21,245,916	211,158	3,047,572	4,877,628	—	35,052,984
Provided for the year	1,027,046	—	2,930,414	29,332	584,438	484,684	—	5,055,914
Eliminated on disposals	(342)	—	(997,855)	(2,242)	(88,182)	(164,639)	—	(1,253,260)
Exchange adjustments	(8,891)	—	(8,382)	(88)	271	(807)	—	(17,897)
At 31 December 2025	6,688,523	—	23,170,093	238,160	3,544,099	5,196,866	—	38,837,741
<b>IMPAIRMENT</b>								
At 1 January 2024	—	—	354,037	107	19,592	3,315	42,933	419,984
Provided for the year	—	—	184,307	101	3,224	5,367	33,943	226,942
Eliminated on disposals	—	—	(151,506)	(190)	(4,964)	(547)	(9,901)	(167,108)
At 31 December 2024	—	—	386,838	18	17,852	8,135	66,975	479,818
Provided for the year	—	—	91,958	28	2,792	2,236	10,438	107,452
Eliminated on disposals	—	—	(223,890)	(14)	(5,270)	(8,031)	(9,958)	(247,163)
At 31 December 2025	—	—	254,906	32	15,374	2,340	67,455	340,107
<b>CARRYING VALUES</b>								
At 31 December 2025	15,915,382	17,540	20,181,445	350,374	2,599,094	1,805,574	897,612	41,767,021
At 31 December 2024	14,618,585	—	18,190,370	367,114	1,834,136	1,479,542	1,319,389	37,809,136

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group's property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Transfers to, or from, investment property are made when, and only when, there is a change in use, evidenced by (i) commencement of owner-occupation, for a transfer from investment property to owner-occupied property; (ii) end of owner-occupation, for a transfer from owner-occupied property to investment property.

The above items of property, plant and equipment except for construction in progress and freehold land are depreciated on a straight-line basis over the useful lives as follows:

Buildings	20 years
Machinery and equipment	10 years
Motor vehicles	3 to 25 years
Electronic equipment	5 years
Office and other equipment	3 to 10 years

As at 31 December 2025, the Group is in the process of obtaining the property ownership certificates of buildings with carrying amounts of RMB8,423,000 (2024: RMB207,479,000).

### Impairment Assessment:

Management of the Group concluded there was indication for impairment when an equipment is not expected to be used in the operations, this is normally when the cost of upgrading or maintaining the equipment outweighed its use. The assessment is performed on individual asset base. Impairment amounted to RMB107,452,000 (2024: RMB226,942,000) are recognised during the years ended 31 December 2025.

## 17. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Leased properties RMB'000	Others RMB'000	Total RMB'000
<b>As at 31 December 2025</b>				
Carrying amounts	3,490,963	171,389	373	3,662,725
<b>As at 31 December 2024</b>				
Carrying amounts	3,252,462	188,695	—	3,441,157
<b>For the year ended 31 December 2025</b>				
Depreciation charge	77,503	51,933	38	129,474
<b>For the year ended 31 December 2024</b>				
Depreciation charge	75,076	40,141	—	115,217

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 17. RIGHT-OF-USE ASSETS (CONTINUED)

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Expense relating to short-term leases	<b>98,960</b>	80,846
Total cash outflow for leases	<b>470,239</b>	229,746
Addition to right-of-use assets	<b>344,827</b>	303,393

The Group lease plant and staff quarters for its operations. Lease terms are negotiated by the Group on an individual basis and contain a wide range of different terms and conditions. The terms are fixed with various period, from 1 to 10 years (2024: 1 to 10 years). In determining the lease term and assessing the length of the non-cancellable period, the Group apply the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for staff quarters and warehouses. As at 31 December 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.

In addition, the Group own several office buildings and industrial buildings. The industrial buildings are where its manufacturing facilities are primarily located. The Group are the registered owners of these property interests. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably. The leasehold lands are depreciated on a straight-line basis over the term of the lease from 40 to 50 years (2024: 40 to 50 years).

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased properties may not be used as security for borrowing purposes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 18. INVESTMENT PROPERTIES

	Buildings	Leasehold lands	Total
	RMB'000	RMB'000	RMB'000
COST			
As at 1 January 2024	1,085,693	221,161	1,306,854
Transfers to property, plant and equipment (Note 16)	(125,371)	—	(125,371)
Transfer to right-of-use assets	—	(11,085)	(11,085)
As at 31 December 2024	960,322	210,076	1,170,398
Transfer from CIP (Note 16)	4,099	—	4,099
As at 31 December 2025	964,421	210,076	1,174,497
DEPRECIATION			
As at 1 January 2024	254,685	31,864	286,549
Charge for the year	51,619	4,641	56,260
Transfers to property, plant and equipment (Note 16)	(69,310)	—	(69,310)
Transfer to right-of-use assets	—	(3,878)	(3,878)
As at 31 December 2024	236,994	32,627	269,621
Charge for the year	45,674	4,273	49,947
As at 31 December 2025	282,668	36,900	319,568
CARRYING VALUES			
At 31 December 2025	681,753	173,176	854,929
At 31 December 2024	723,328	177,449	900,777

The above investment properties are depreciated on a straight-line basis on the following bases:

Buildings	20 years
Leasehold lands	40–50 years

The Group leases out office units, a factory and commercial property units under operating leases with rentals payable monthly. The leases typically run for an initial period of 5 to 15 years (2024: 5 to 15 years), with unilateral rights to extend the lease beyond initial period held by lessees only. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 18. INVESTMENT PROPERTIES (CONTINUED)

Details of the fair value of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Buildings	1,209,730	1,246,400
Leasehold lands	333,650	332,690
	<b>1,543,380</b>	1,579,090

The fair value has been arrived at based on a valuation carried out by an independent qualified professional valuer not connected with the Group.

The fair value of the investment properties was determined based on the income approach or the cost approach, whereby the income approach takes into account the projected future earnings of the property and discounted by using an appropriate rate of compensation or capitalisation to determine the value of the property; the cost approach takes into account the replacement or reconstruction cost of the property at the time of valuation, and subtracts depreciation from the replacement cost or reconstruction cost. The fair value of the Group's investment property as at 31 December 2025 and 2024 is grouped into Level 3 of fair value measurement. There has been no change from the valuation technique used in the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 19. INTANGIBLE ASSETS

	Software RMB'000	Proprietary technology RMB'000	Customer relationships RMB'000	Others RMB'000	Total RMB'000
<b>COST</b>					
As at 1 January 2024	176,049	472,030	1,994,430	33,766	2,676,275
Additions	14,501	—	—	—	14,501
Disposals	—	—	—	(138)	(138)
Exchange adjustments	(62)	—	—	—	(62)
As at 31 December 2024	190,488	472,030	1,994,430	33,628	2,690,576
Additions	87,216	—	—	650	87,866
Exchange adjustments	(87)	—	—	27	(60)
As at 31 December 2025	277,617	472,030	1,994,430	34,305	2,778,382
<b>AMORTISATION</b>					
As at 1 January 2024	91,175	141,609	398,886	26,716	658,386
Charge for the year	25,368	47,203	132,962	4,711	210,244
Disposals	—	—	—	(77)	(77)
Exchange adjustments	(18)	—	—	—	(18)
As at 31 December 2024	116,525	188,812	531,848	31,350	868,535
Charge for the year	27,897	47,203	132,962	476	208,538
Exchange adjustments	(43)	—	—	2	(41)
As at 31 December 2025	144,379	236,015	664,810	31,828	1,077,032
<b>CARRYING VALUES</b>					
At 31 December 2025	133,238	236,015	1,329,620	2,477	1,701,350
At 31 December 2024	73,963	283,218	1,462,582	2,278	1,822,041

All of the Group's proprietary technology and customer relationships were purchased as part of a business combination in prior years.

The above items of intangible assets are amortised on a straight-line basis at the following estimated useful lives:

Software	3–10 years
Proprietary technology	10 years
Customer relationships ( <i>note</i> )	15 years
Others	3–10 years

*Note:* The useful life of customer relationships has been estimated based on management's expectation of their beneficial life in conjunction with past collaborations and with reference to comparable companies and industry experience.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 20. GOODWILL

	2025 RMB'000	2024 RMB'000
COST AND CARRYING VALUES		
As at 1 January and 31 December	<b>2,970,144</b>	2,970,144

Goodwill acquired in a business combination of Lens Taizhou (as defined in note 43) in the year ended 31 December 2020 is tested for impairment annually. For the purposes of impairment testing, goodwill has been allocated to the CGU comprising the assets and liabilities of lens Taizhou, as these generate cash flows together with the related goodwill (the "Taizhou CGU").

The recoverable amount of Taizhou CGU has been determined based on value in use calculations. The value in use calculation is based on cash flow projections with reference to financial budgets approved by management covering a five-year period, and a pre-tax discount rate of 10.46% (2024: 10.6%) at 31 December 2025. Cash flows beyond the five-year period are extrapolated using a steady growth rate of 0% (2024: 0%) at 31 December 2025. Expected cash inflows/outflows, which include estimations of growth rates of business volume, unit price and cost of sales, have been determined based on past performance and management's expectations of the market development. The discount rate used reflects the cost of capital of Taizhou CGU and the industry specific factors.

The Group engages an independent qualified valuer, Beijing Zhonglin Assets Appraisal Co. Ltd. to assess the growth rates and discount rates used in the value in use calculation.

During the year ended 31 December 2025, management of the Group determines that there is no impairment of the Taizhou CGU as the recoverable amount exceeds its carrying amount by RMB 266,807,000 (2024: RMB554,112,000), respectively. If the pre-tax discount rate was changed to 10.66% (2024: 11.1%), while other parameters remain constant, the recoverable amount of Taizhou CGU would equal its carrying amount.

## 21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cost of investment	<b>317,100</b>	317,100
Share of post-acquisition profit, net of dividends received	<b>21,098</b>	8,565
	<b>338,198</b>	325,665

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Details of each of the Group's investments accounted for using the equity method at the end of the reporting period are as follows:

Name of entities	Country of incorporation/ principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
		2025 %	2024 %	2025 %	2024 %	
Dongguan Yuya Technology Co., Ltd. ("Dongguan Yuya") 東莞市裕雅科技有限公司	The PRC	40.00	40.00	40.00	40.00	Computer, communications and other electronic equipment manufacturing
Hunan Huajiang Education Consulting Co., Ltd. ("Hunan huajiang") 湖南華匠教育諮詢有限公司	The PRC	49.00	49.00	49.00	49.00	Research and experimental development
Hunan Juhong Technology Co., Ltd. ("Hunan Juhong") 湖南鉅宏科技有限公司	The PRC	40.00	40.00	40.00	40.00	Professional and technical services
Ningxia Xinjingsheng Electronic Materials Co., Ltd. ("Ningxia Xinjingsheng") 寧夏鑫晶盛電子材料有限公司	The PRC	49.00	49.00	49.00	49.00	Computer, communications and other electronic equipment manufacturing
Shenzhen Guoxin Lens No.1 Investment Fund Partnership Enterprise (Limited Partnership) ("Shenzhen Guoxin Lens No.1 Investment") 深圳市國信藍思壹號投資基金合夥企業 (有限合夥) (note)	The PRC	60.61	60.61	28.57	28.57	Investment
Changsha Sinocera New Material Co., Ltd. ("Changsha Sinocera") 長沙國瓷新材料有限公司	The PRC	49.00	49.00	49.00	49.00	Research and experimental development
Changsha Ruihong Technology Co., Ltd. ("Changsha Ruihong") 長沙睿鴻科技有限公司	The PRC	40.00	40.00	40.00	40.00	Research and experimental development
Changsha Intelligent Robot Research Institute Co., Ltd. ("Changsha Intelligent Robot") 長沙智能機器人研究院有限公司	The PRC	20.00	20.00	20.00	20.00	Research and experimental development
Zibo Jincheng New Materials Co., Ltd. ("Zibo Jincheng") 淄博金成新材料有限公司	The PRC	40.00	40.00	40.00	40.00	Chemical raw materials and chemical products manufacturing

Note: The entity is an investment partnership. The Group holds 60.61% of the issued partnership share of the entity. Pursuant to the limited partnership agreement, the Group has the right to appoint two out of seven members of the investment committee and all investment resolutions need to be passed and to be confirmed by six out of seven members of the investment committee. The directors of the Company considered that the Group has significant influence over the entity.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

The directors of the Company considered that all investments accounted for using the equity method are not individually material.

### Aggregate information of investments accounted for using the equity method that are not individually material

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
The Group's share of profit and total comprehensive income for the year	26,987	3,899
Aggregate carrying amount of the Group's interests in these investees	338,198	325,665

## 22. EQUITY INSTRUMENTS AT FVTOCI

	2025	2024
	RMB'000	RMB'000
Listed equity securities ( <i>note</i> )	200,050	—
Unlisted equity instruments ( <i>note</i> )	552,438	445,109
Total	752,488	445,109

*Note:* These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments as accounted for as FVTOCI as they believe that recognising short-term fair value fluctuations in these instruments in profit or loss would not be consistent with the Group's strategy of holding these instruments for long-term purposes and realising their performance potential in the long run.

Details of the fair value hierarchy and major assumptions used in valuation for the financial assets are set out in Note 40.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 23. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets	1,208,725	1,387,226
Deferred tax liabilities	(356,346)	(385,058)
	<b>852,379</b>	<b>1,002,168</b>

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the current and prior years:

	Provision for impairment of assets RMB'000	Depreciation of fixed assets RMB'000	Unrealised profit on internal transactions RMB'000	Deferred income RMB'000	Tax losses RMB'000	Share-based payment RMB'000	Increase in fair value of consolidated assets not under common control RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	140,387	167,551	100,417	88,555	665,545	8,486	(386,769)	(21,833)	762,339
Charge to profit or loss	21,477	(32,353)	4,995	(4,093)	158,498	(25,201)	31,536	26,742	181,601
Credit to equity for the year	—	—	—	—	—	58,228	—	—	58,228
At 31 December 2024	161,864	135,198	105,412	84,462	824,043	41,513	(355,233)	4,909	1,002,168
Charge to profit or loss	(15,184)	26	3,272	1,487	(133,211)	(19,712)	32,052	6,553	(124,717)
Charge to other comprehensive income	—	—	—	—	—	—	—	(3,271)	(3,271)
Charge to equity for the year	—	—	—	—	—	(21,801)	—	—	(21,801)
At 31 December 2025	146,680	135,224	108,684	85,949	690,832	—	(323,181)	8,191	852,379

No deferred tax asset has been recognised on deductible temporary differences of RMB948,712,000 (2024: RMB963,512,000) as at 31 December 2025, respectively, as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

As at 31 December 2025, the Group has unused tax losses of RMB7,295,692,000 (2024: RMB7,789,918,000) available for offset against future profits. Deferred tax assets have been recognised in respect of RMB4,555,095,000 (2024: RMB5,493,619,000) of such losses and no deferred tax asset has been recognised on remaining RMB2,740,597,000 (2024: RMB2,296,299,000) as at 31 December 2025, due to the unpredictability of future profit streams. The unrecognised tax losses with expiry dates are disclosed in the following table.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 23. DEFERRED TAXATION (CONTINUED)

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
2025	—	237,471
2026	198,675	494,053
2027	511,997	456,110
2028	80,223	80,345
2029	108,774	131,003
2030	299,660	—
2031	276,988	282,483
2032	444,366	444,988
2033	165,532	166,301
2034	3,750	113
2035	648,114	—
Indefinitely	2,518	3,432
	<b>2,740,597</b>	<b>2,296,299</b>

## 24. FINANCIAL ASSETS (LIABILITIES) AT FVTPL

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Structured deposits	627,000	354,917
Unlisted equity instruments at FVTPL	278,932	—
Deliverable forwards	(78,562)	(9,620)
	<b>827,370</b>	<b>345,297</b>
Analysed for reporting purposes as:		
Financial assets at FVTPL	905,932	354,917
Financial liabilities at FVTPL	(78,562)	(9,620)
Analysed for reporting purposes as:		
Current assets	627,000	354,917
Non-current assets	278,932	—
Current liabilities	(78,562)	(9,620)

The structured deposits are classified as current as the management expects to realise these financial assets within twelve months after the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 24. FINANCIAL ASSETS (LIABILITIES) AT FVTPL (CONTINUED)

The above unlisted equity investments represent the Group's equity interest in private companies established in the PRC.

The Group's deliverable forwards outstanding as at the end of the reporting period are marked to market with the resulting gain or loss taken to profit or loss.

Details of the fair value hierarchy and major assumptions used in valuation for the financial assets are set out in Note 40.

## 25. INVENTORIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Raw materials	997,804	1,151,628
Work in progress	2,351,404	1,938,450
Finished goods	2,666,996	3,286,086
Goods in transit	1,006,141	1,029,114
Consumables and others	362,149	206,631
	<b>7,384,494</b>	<b>7,611,909</b>
Less: provision	(452,183)	(451,356)
	<b>6,932,311</b>	<b>7,160,553</b>

## 26. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	10,944,641	11,006,529
Bills receivables	724	7,519
Less: allowance for ECL	(169,041)	(148,312)
	<b>10,776,324</b>	<b>10,865,736</b>

As at 1 January 2024, the carrying amount of trade and bills receivables, net of allowance for ECL, from contracts with customers of the Group amounted to RMB9,308,444,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 26. TRADE AND BILLS RECEIVABLES (CONTINUED)

Ageing of trade receivables is prepared based on the invoice date, which approximated the respective revenue recognition dates, as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Not past due	<b>10,694,781</b>	10,610,390
Past due:		
0–90 days	<b>154,838</b>	363,411
91–180 days	<b>23,529</b>	9,396
181–365 days	<b>48,402</b>	4,236
Over 365 days	<b>23,091</b>	19,096
	<b>10,944,641</b>	11,006,529

The normal credit term to the customers ranged from 30 days to 120 days.

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB249,860,000 (2024: RMB396,139,000) which are past due and with aggregate carrying amount of RMB95,022,000 (2024: RMB32,728,000) which are past due 90 days or more.

Out of the balances that are past due 90 days or more, RMB91,742,000 (2024: RMB29,404,000) is not considered as in default due to the historical and expected subsequent repayment from the debtors and the remaining trade receivables past due 90 days or more amounting to RMB3,280,000 (2024: RMB3,324,000) has become credit-impaired. The Group does not hold any collateral over these balances.

Details of the impairment assessment of trade and bills receivables are set out in Note 40.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 27. PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Prepayments for property, plant and equipment	1,136,235	1,020,338
Value-added tax recoverable	518,172	344,998
Prepayments for materials and others	112,665	174,304
Refundable deposits for land use rights	200,000	200,000
Refundable deposits for project performance	150,000	150,000
Rental and other deposits	46,976	48,213
Other receivables	218,142	141,181
	<b>2,382,190</b>	2,079,034
Less: allowance for ECL	<b>(37,656)</b>	(40,265)
	<b>2,344,534</b>	2,038,769
Analysed for reporting purposes as:		
Current assets	1,178,503	1,000,455
Non-current assets	1,166,031	1,038,314
	<b>2,344,534</b>	2,038,769

Details of impairment assessment of other receivables are set out in Note 40.

## 28. TIME DEPOSITS/RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH AND CASH HELD BY SECURITIES BROKERS

The ranges of interest rates on the time deposits, restricted bank deposits, cash held by securities brokers and bank balances are as follows:

	As at 31 December	
	2025	2024
	%	%
Fixed-rate time deposits	2.15–4.15	2.55–3.40
Fixed-rate/variable-rate restricted bank deposits	0.00–0.45	0.01–2.10
Variable-rate bank balances	0.00–4.18	0.00–5.55
Fixed-rate cash held by securities brokers	0.05	N/A

As at 31 December 2025, the Group's restricted bank deposits amounting to RMB2,320,000 (2024: RMB41,500,000), were restricted due to an ongoing litigation case involving immaterial claims.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 28. TIME DEPOSITS/RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH AND CASH HELD BY SECURITIES BROKERS (CONTINUED)

Details of impairment assessment of time deposits, restricted bank deposits, cash held by securities brokers and bank balances are set out in Note 40.

## 29. BILLS RECEIVABLES AT FVTOCI

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Bills receivables at FVTOCI	134,125	9,779

As at 1 January 2024, bills receivables at FVTOCI from contracts with customers amounted to RMB112,288,000.

The balance represents bills receivables held by the Group which are issued or guaranteed by reputable PRC banks with high credit ratings. The bills receivables had a maturity of within six months at the end of the reporting period. The bills receivables are measured at FVTOCI since the bills are held within the business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding. The Group believes that the bills receivables do not expose to significant credit risk and will not cause significant losses due to the bank default. The changes in the fair value of the bills receivables are minimal due to its short-term nature.

In addition, the Group has discounted certain bills receivables to banks and endorsed certain bills receivables to its suppliers to settle its payables. The directors of the Company consider the probabilities on default of the discounted or endorsed bills receivables are limited and the Group has derecognised the full carrying amount of these bills receivables and the associated trade and other payables, if applicable, when the bills receivables are endorsed or discounted. Details of the transferred trade and bills receivables are set out in Note 40(d).

The ageing analysis of the bills receivables at FVTOCI based on the invoice date is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0-180 days	134,125	9,779

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 30. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	10,961,230	10,388,566
Bills payables	591,095	91,623
	<b>11,552,325</b>	10,480,189
Accrued staff cost	1,309,527	1,532,142
Construction payables	4,567,431	3,616,325
Other accrued charges	264,682	306,028
Other tax payables	226,305	267,313
Deposits received	111,725	86,499
Dividends payable	5,000	—
Others	91,437	77,338
	<b>18,128,432</b>	16,365,834

The following is the ageing analysis of trade payables based on the date of goods and services received at the end of the reporting period:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	10,917,293	10,388,566
1–2 years	43,937	—
	<b>10,961,230</b>	10,388,566

The credit period on purchases of goods and services of the Group and Company is within 120 days. All the bills payable with maturity within one year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 31. BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Unsecured bank borrowings		
— Variable-rate	7,645,510	10,889,990
— Fixed-rate	2,012,681	3,436,575
	<b>9,658,191</b>	14,326,565
The carrying amounts of the above borrowings are repayable*:		
— Within one year	5,291,614	6,518,634
— Within a period of more than one year but not exceeding two years	3,098,621	4,640,250
— Within a period of more than two years but not exceeding five years	1,267,956	3,097,525
— Over five years	—	70,156
	<b>9,658,191</b>	14,326,565
Less: amounts due within one year shown under current liabilities	<b>(5,291,614)</b>	(6,518,634)
Amounts shown under non-current liabilities	<b>4,366,577</b>	7,807,931

\* The amounts due are based on scheduled repayment dates set out in the loan agreements.

The Group's variable-rate bank borrowings carry interest at Loan Prime Rate ("LPR") adjusted by floating up or down a certain percentage. The interest rate is reset at regular intervals, ranging from 3 to 12 months.

The range of effective interest rates (which are also equal to contracted interest rates) on the borrowings is as follows:

	As at 31 December	
	2025	2024
	%	%
Effective interest rate:		
Fixed-rate borrowings	0.87–2.60	1.35–2.80
Variable-rate borrowings	1.80–2.80	2.20–3.15

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 32. LEASE LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	52,868	47,659
Within a period of more than one year but not more than two years	22,825	32,142
Within a period of more than two years but not more than five years	55,421	62,760
Over five years	43,048	56,627
	174,162	199,188
Less: amount due for settlement within 12 months shown under current liabilities	(52,868)	(47,659)
Amount due for settlement after 12 months shown under non-current liabilities	121,294	151,529

The weighted average incremental borrowing rates applied to lease liabilities is 2.61% (2024: 2.8%) as at 31 December 2025.

## 33. CONTRACT LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Sales of goods	32,078	12,601

As at 1 January 2024, the Group's contract liabilities amounted to RMB8,119,000.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 34. DEFERRED INCOME

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Balance at the beginning	741,578	789,154
Additions	3,637	14,250
Released to other income	(61,508)	(61,826)
Balance at the end	683,707	741,578

Deferred income consists of government grants provided by the relevant PRC government authorities for the purposes of financing the purchase of plant and machinery. The amounts are recognised as income to match with related expenses or on systematic basis over the useful lives of the relevant assets starting from the completion of inspection by the related government authorities.

## 35. SHARE CAPITAL

	Number of shares	Share capital RMB'000
Ordinary shares of RMB1 each		
<b>Registered, issued and fully paid</b>		
At 1 January 2024	4,983,227,981	4,983,228
Repurchase and cancellation of restricted shares under Restricted A-share Scheme ( <i>note i</i> )	(348,710)	(349)
At 31 December 2024	4,982,879,271	4,982,879
Issue of shares upon listing on the HKEx ( <i>note ii</i> )	301,595,200	301,595
Repurchase and cancellation of restricted shares under Restricted A-share Scheme ( <i>note i</i> )	(146,880)	(147)
At 31 December 2025	5,284,327,591	5,284,327

Notes:

- (i) For the year ended 31 December 2025, the Company repurchased and cancelled of 146,880 (2024: 348,710) restricted shares under Restricted A-share Scheme with an aggregate consideration of RMB871,000 (2024: RMB2,154,000) paid.

During the year ended 31 December 2025, 4,557,611 (2024: 4,694,782) restricted shares under Restricted A-share Scheme were released upon satisfaction of the vesting conditions. As at 31 December 2025, no restricted shares remained outstanding (2024: 4,704,491).

Details of Restricted A-share Scheme are set out in Note 37.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 35. SHARE CAPITAL (CONTINUED)

Notes: (Continued)

- (ii) On 9 July 2025, upon listing on the HKEx, the Company issued 262,256,800 H shares with par value of RMB1 each at HK\$18.18 (equivalent to approximately RMB16.57) each with gross proceeds of approximately HK\$4,767,828,000 (equivalent to approximately RMB4,345,208,000).

On 3 August 2025, upon the exercise of Over-Allotment Option, the Company issued 39,338,400 H shares with par value of RMB1 each at HK\$18.18 (equivalent to approximately RMB16.54) each with gross proceeds of approximately HK\$715,172,000 (equivalent to approximately RMB650,578,000).

- (iii) During the year ended 31 December 2025, the Company repurchased its own ordinary shares through the Shenzhen Stock Exchange as follows:

Month of repurchase	No. of ordinary shares	Price per share		Aggregated consideration paid RMB'000
		Highest RMB	Lowest RMB	
July 2025	322,600	22.65	22.50	7,268
September 2025	1,164,395	30.15	29.86	34,900
October 2025	2,196,962	30.24	29.77	65,704
November 2025	3,625,650	29.84	26.98	104,052
December 2025	100,000	29.00	29.00	2,900
	7,409,607			214,824

Movement of the Company's treasury shares is as follows:

	Aggregated Number of shares	Consideration paid RMB'000
At 1 January 2024	42,527,893	500,057
Transferred ( <i>note</i> )	(18,710,726)	(220,038)
At 31 December 2024	23,817,167	280,019
Repurchased	7,409,607	214,845
Transferred ( <i>note</i> )	(18,230,446)	(214,390)
At 31 December 2025	12,996,328	280,474

Note: Pursuant to the Restricted A-share Scheme, the Company transferred 18,230,446 (2024: 18,710,726) restricted shares previously granted to incentive recipients with a deduction from the treasury shares of RMB214,390,000 (2024: RMB220,038,000) during the year ended 31 December 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 36. CAPITAL COMMITMENTS

### The Group

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Capital expenditure contracted for but not provided for in the consolidated financial statements		
— Property, plant and equipment	4,502,492	2,217,417
— Others	5,287	—
	4,507,779	2,217,417

## 37. SHARE-BASED PAYMENT

On 18 August 2023, the Company adopted the Restricted A-share Scheme, pursuant to which the Company granted restricted shares to eligible participants (“**Participants**”) include, but not limited to, the Group’s directors, senior management and other employees.

The Company granted both Type I (“**Type I Restricted Shares**”) and Type II restricted shares (“**Type II Restricted Shares**”) under the Restricted A-share Scheme. Type I Restricted Shares valid for a maximum of 48 months from the date of completion of registration of the grant to the date of release or cancellation on repurchase; Type II Restricted Shares valid for a maximum of 48 months from the date of grant to the date of full vesting or lapsing.

The particulars of the Type I Restricted Shares and Type II Restricted Shares are as follows:

### (a) Type I Restricted Shares

Type I Restricted Shares refer to ordinary shares issued to the Participants with certain restrictions stipulated under the Restricted A-share Scheme. On the grant date, the Participants of Type I Restricted Shares were entitled to receive newly issued ordinary shares of the Company and were required to pay the purchase price (the “**Purchase Price**”) upon accepting the Type I Restricted Shares.

Type I Restricted Shares shall be locked up immediately upon grant. The release of the restriction of the restricted shares granted to the Participants shall be subject to performance conditions and a lock-up period of 12 months and 24 months after the date of registration. The Type I Restricted Share held by Participants shall be unlocked in two tranches in the proportions of 50% and 50% of the total number of the restricted shares granted. The restriction on the Type I Restricted Share would only be released upon both the performance conditions of the Group and the individuals are met.

If either of the performance conditions is not met, the Company will automatically repurchase the Type I restricted shares from the Participants at the Purchase Price. The total considerations paid by the participants are recognised as liabilities and will only be reversed by portion to other reserve when the shares are vested.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 37. SHARE-BASED PAYMENT (CONTINUED)

### (a) Type I Restricted Shares (Continued)

On 22 September 2023 (the date of grant), the board of directors approved to grant 10,631,973 Type I Restricted Share to 2,754 eligible participants and the grant price was RMB6.34 per share. Except for 282 participants (who were granted a total of 883,990 Type I Restricted Share) who voluntarily decided not to participate in the grant, 2,472 participants had accepted and subscribed for a total of 9,747,983 of the Type I Restricted Shares granted to them.

The grant date fair value of each of the Type I Restricted Shares was RMB5.80, which was determined based on the difference between the grant date closing price of the Company's A Share and the Purchase Price. The grant date closing price of the Company's A Shares was RMB12.14.

Set out below are details of the movements of the outstanding Type I Restricted Share:

	Year ended 31 December	
	2025	2024
Outstanding at the beginning of the year	4,644,791	9,710,783
Lapsed	(87,180)	(371,210)
Released	(4,557,611)	(4,694,782)
Outstanding at the end of the year	—	4,644,791

### (b) Type II Restricted Shares

Type II Restricted Shares refer to the ordinary shares that Participants could subscribe upon the satisfaction of both the Group's and the individual's performance under the Restricted A-share Scheme. Upon the satisfaction of the Group's and the individuals' performance conditions under the Restricted A-share Scheme, the Participants have the right to subscribe ordinary shares which were repurchased by the Company through its dedicated repurchase account.

Type II Restricted Shares shall be vested over a two-year period, with 50% and 50% of total shares vesting on each anniversary date after the vesting commencement date upon the satisfaction of the Group's and the individual's performance conditions under the Restricted A-share Scheme. The shares before the Participants' subscription do not give the participants the right to obtain dividends or the right to vote at the shareholders' meeting.

On 22 September 2023 (the date of grant), the board of directors approved to grant 42,527,893 Type II restricted shares to 2,754 eligible participants and the exercise price was RMB6.34 per share.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 37. SHARE-BASED PAYMENT (CONTINUED)

### (b) Type II Restricted Shares (Continued)

Set out below are details of the movements of the outstanding restricted shares of Type II Restricted Shares:

	Year ended 31 December	
	2025	2024
Outstanding at the beginning of the year	<b>18,586,367</b>	38,843,133
Exercised	<b>(18,230,446)</b>	(18,710,726)
Forfeited	<b>(355,921)</b>	(1,546,040)
Outstanding at the end of the year	—	18,586,367
Exercisable at the end of the year	—	—

In respect of the Type II Restricted Shares exercised during the year ended 31 December 2025, the weighted average share price at the dates of exercise was RMB11.76 (2024: RMB16.22).

For the year ended 31 December 2025, the Group recognised the total expense of RMB48,305,000 (2024: RMB161,375,000) in relation to the Restricted A-share Scheme.

## 38. RETIREMENT BENEFIT SCHEME

The employees of the Group's subsidiaries in the PRC are members of a state-managed defined contribution retirement scheme operated by the PRC government. The PRC subsidiary is required to contribute a certain percentage of their payroll to the retirement benefit scheme subject to certain cap as governed by the social fund bureau. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

The Group has joined the MPF Scheme in Hong Kong which is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and the employees are each required to make contributions to the scheme at the rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. Under the MPF Scheme, there will not be any forfeited contribution available to reduce the contribution payable by the Group.

The Group participates in a defined contribution plan managed by the Vietnam government whereby the Group is required to make contributions to the plan. The applicable rates are 17.5% of total contractual salaries for the employer's portion of social and health insurance in Vietnam. The Group has no obligation for the payment of retirement benefits other than the contributions described above. The Group's contributions vest fully with the employees when contributed into the plan.

The Group also operates a number of defined contribution schemes in other overseas locations where it operates. Arrangements for these staff retirement benefits vary from country to country and are made in accordance with local regulations and custom.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 38. RETIREMENT BENEFIT SCHEME (CONTINUED)

The total retirement benefits scheme contributions to those plans recognised as employee benefit charged to profit or loss and capitalised as inventories, amounting to RMB952,938,000 (2024: RMB871,138,000) for the year ended 31 December 2025, representing contributions paid and payable to the retirement benefits scheme by the Group.

## 39. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern with maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged during the year.

The capital structure of the Group consists of net debt, which includes the borrowings and lease liabilities disclosed in Notes 31 and 32, respectively, net of bank balances and cash and equity attributable to the owners of the Company, mainly comprising issued share capital, share premium, reserves and retained profits.

The management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with the capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

## 40. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Financial assets</b>		
Amortised cost	21,334,287	22,803,927
Equity instruments at FVTOCI	752,488	445,109
Financial assets at FVTPL	627,000	354,917
Bills receivables at FVTOCI	134,125	9,779
	<b>22,847,900</b>	<b>23,613,732</b>
<b>Financial liabilities</b>		
Amortised cost	26,250,857	28,892,970
Financial liabilities at FVTPL	78,562	9,620
	<b>26,329,419</b>	<b>28,902,590</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies

The Group's major financial instruments include trade and bills receivables, other receivables, time deposits, amounts due from related parties, restricted bank deposits, bank balances and cash, cash held by securities brokers, equity instruments at FVTOCI, financial assets at FVTPL, bills receivables at FVTOCI, trade and other payables, financial liabilities at FVTPL, lease liabilities, amounts due to related parties and borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest 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 in a timely and effective manner.

#### Market risk

##### (i) Currency risk

Certain Group entities have sales and purchases/bank balances/borrowings denominated in US\$, Japanese Yen ("JPY"), HK\$ and Euro ("EUR"), other than their functional currencies.

The carrying amounts of the Group's foreign currencies denominated monetary assets and liabilities at the end of the reporting period are as follows:

	Assets	
	As at 31 December	
	2025	2024
	RMB'000	RMB'000
US\$	11,390,402	12,544,082
JPY	8,389	36,522
HK\$	9,922	63,726
EUR	27,499	246,707
	<b>11,436,212</b>	<b>12,891,037</b>
	Liabilities	
	As at 31 December	
	2025	2024
	RMB'000	RMB'000
US\$	2,151,182	3,154,403
JPY	120,565	91,870
HK\$	1,885	1,062
EUR	100	311
	<b>2,273,732</b>	<b>3,247,646</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 40. 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 RMB against US\$. 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 US\$ denominated monetary items and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A negative number below indicates a decrease in post-tax profit where RMB strengthens 10% against US\$. For a 10% weakening of RMB against US\$, there would be an equal and opposite impact on the post-tax profit and the amounts below would be positive.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
US\$	(427,463)	(854,868)

During the year, the currency exposure of RMB against currencies other than US\$ is immaterial, and accordingly, no sensitivity analysis is disclosed.

In relation to deliverable forwards:

If the relevant exchange rate had been 5% depreciation/appreciation of RMB against US\$ and all other variables were held constant, the Group's profit after taxation for the year would increase/decrease by approximately RMB3,338,000 (2024: RMB409,000) as at 31 December 2025.

##### (ii) Interest risk

The Group are exposed to fair value interest rate risk in relation to restricted bank deposits (see Note 28), fixed-rate bank borrowings (see Note 31 for details of these borrowings), and lease liabilities (see Note 32 for details). The Group are exposed to cash flow interest rate risk in relation to variable-rate bank balances (see Note 28 for details). Furthermore, the Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (see Note 31 for details). The cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances of the Group and fluctuation on LPR on the Group's variable-rate bank borrowings. The Group aims at keeping borrowings at a combination of fixed and variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and economic outlook. The management will review the proportion of borrowings in fixed and variable rates and ensure they are within reasonable range.

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (Continued)

#### Market risk (Continued)

##### (ii) Interest risk (Continued)

###### 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. A 50 basis point increase or decrease in variable-rate bank borrowings are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been 50 basis point higher/lower and all other variables were held constant, the Group's post-tax profit for the year would decrease/increase by RMB8,768,000 (2024: RMB46,282,000) for the year ended 31 December 2025. This is mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings.

#### 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 bills receivables, bills receivables at FVTOCI, restricted bank deposits, bank balances, time deposits, cash held by securities brokers, other receivables and amounts due from related parties. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

##### *Trade receivables arising from contracts with customers and bills 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 this regard, the management considers that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical markets is mainly in Asia, which accounted for 96% (2024: 96%) of the total trade receivables as at 31 December 2025. The Group has concentration of credit risk as 42% (2024: 48%) of the total trade receivables was due from the Group's largest customer as at 31 December 2025. The Group has concentration of credit risk as 72% (2024: 72%) of the total trade receivables was due from the Group's five largest customers as at 31 December 2025.

For trade receivables, the Group has applied the simplified approach of IFRS 9 to measure the loss allowance at lifetime ECL. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables are grouped based on shared credit risk characteristics by reference to the Group's ageing of outstanding balances. Details of the quantitative disclosures are set out below in this note.

For bills receivables, the Group has applied the simplified approach of IFRS 9 to measure the loss allowance at lifetime ECL. Based on the average loss rates, the lifetime ECL on bills receivables is considered to be insignificant and therefore no loss allowance was recognised.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (Continued)

#### Credit risk and impairment assessment (Continued)

##### *Bills receivables at FVTOCI*

Bills receivables at FVTOCI were all bank-issued notes. Since the issuers were reputable banks of good credit quality, the management of the Group considered the credit risk of these bank issued bills is insignificant and no impairment was provided on them at the end of the reporting period.

##### *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. Details of the quantitative disclosures are set out below in this note.

##### *Restricted bank deposits/time deposits/bank balances/cash held by securities brokers*

Credit risk on restricted bank deposits/time deposits/bank balances/cash held by securities brokers is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for time deposits/restricted bank deposits/cash held by securities brokers and bank balances 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 time deposits/restricted bank deposits/cash held by securities brokers and bank balances is considered to be insignificant and therefore no loss allowance was recognised.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Descriptions	Trade receivables	Financial assets other than trade receivables
Low risk	The counterparty has a low risk of default	Lifetime ECL — not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group and the Company has no realistic prospect of recovery	Amount is written off	Amount is written off

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 40. 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:

As at 31 December 2025

	External/ internal credit rating	12m or lifetime ECL	Average loss rate %	Gross carrying amount RMB'000	Impairment loss allowance RMB'000
<b>Debt instruments at FVTOCI</b>					
Bills receivables at FVTOCI	<i>note i</i>	12m ECL	—	134,125	—
<b>Financial assets at amortised cost</b>					
Time deposits	AAA/BBB+ <i>note i</i>	12m ECL	—	164,943	—
Bank balances	AAA/BBB+ <i>note i</i>	12m ECL	—	9,653,204	—
Cash held by securities brokers	AAA <i>note i</i>	12m ECL	—	136,355	—
Restricted bank deposits	AAA/BBB+ <i>note i</i>	12m ECL	—	25,769	—
Trade receivables	<i>note ii</i>	Lifetime ECL (not credit-impaired)	1.51	10,941,361	165,761
		Lifetime ECL (credit-impaired)	100.00	3,280	3,280
Bills receivables	<i>note i</i>	12m ECL	—	724	—
Other receivables	<i>note iii</i>	12m ECL (not credit-impaired)	0.91	582,269	5,291
		Lifetime ECL (credit-impaired)	98.53	32,849	32,365
Amounts due from related parties	<i>note iii</i>	12m ECL (not credit-impaired)	0.86	232	2
				21,540,986	206,699

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (Continued)

#### Credit risk and impairment assessment (Continued)

As at 31 December 2024

	External/ internal credit rating	12m or lifetime ECL	Average loss rate %	Gross carrying amount RMB'000	Impairment loss allowance RMB'000
<b>Debt instruments at FVTOCI</b>					
Bills receivables at FVTOCI	<i>note i</i>	12m ECL	—	9,779	—
<b>Financial assets at amortised cost</b>					
Time deposits	AAA/BBB+ <i>note i</i>	12m ECL	—	426,109	—
Bank balances	AAA/BBB+ <i>note i</i>	12m ECL	—	10,936,804	—
Restricted bank deposits	AAA/BBB+ <i>note i</i>	12m ECL	—	51,276	—
Trade receivables	<i>note ii</i>	Lifetime ECL (not credit-impaired)	1.32	11,003,205	144,984
		Lifetime ECL (credit-impaired)	100.00	3,324	3,324
Bills receivables	<i>note i</i>	12m ECL	0.05	7,519	4
Other receivables	<i>note iii</i>	12m ECL (not credit-impaired)	0.95	503,466	4,760
		Lifetime ECL (credit-impaired)	98.82	35,928	35,505
Amounts due from related parties	<i>note iii</i>	12m ECL (not credit-impaired)	1.08	25,144	271
				22,992,775	188,848

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (Continued)

#### Credit risk and impairment assessment (Continued)

Notes:

- (i) The counterparties are reputable banks with high credit ratings and the risk of default is limited.
- (ii) For trade receivables, the Group applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for receivables from debtors with significant balances or credit-impaired, which are assessed individually, the Group determine the ECL on the remaining trade receivables on a collective basis using provision matrix, grouped by the ageing of the trade receivables. As part of the Group's credit risk management, the Group uses the ageing of the trade receivables to assess the impairment for its trade receivables in relation to its operation because these customers have common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group's trade receivables at amortised cost with significant balances or credit-impaired with gross carrying amounts of RMB7,930,786,000 (2024: RMB8,443,358,000) as at 31 December 2025, were assessed individually. The remaining trade receivables are assessed based on provision matrix, and the impairment losses recognised were insignificant.

The estimated loss rates used in the provision matrix are estimated based on historical credit loss experience of debtors taking into consideration the historical default rates and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The following table shows the movement in lifetime ECL that has been recognised for trade and bills receivables under the simplified approach.

	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2024	131,031	3,583	134,614
Impairment loss recognised (reversed), net	15,859	(259)	15,600
Write-off	(1,557)	—	(1,557)
Exchange adjustments	(345)	—	(345)
As at 31 December 2024	144,988	3,324	148,312
Impairment loss recognised (reversed), net	21,177	(48)	21,129
Write off	—	(19)	(19)
Exchange adjustments	(404)	—	(404)
As at 31 December 2025	165,761	3,257	169,018

- (iii) For the purposes of internal credit risk management, the ECL on other receivables of the Group is assessed individually.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (Continued)

#### Liquidity risk

In the management of the liquidity risk, the Group monitor and maintains a level of bank balances and cash deemed adequate by the management to finance the operations of the Group, and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings, if necessary.

The following tables detail the Group's remaining contractual maturity for its financial liabilities and lease liabilities. The tables have been drawn up based on the undiscounted cash flows of and financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived based on management's best estimates at the end of the reporting period.

In addition, the following tables detail the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as the management of the Group considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

	Weighted average effective interest rate %	On demand/ less than 1 year RMB'000	1 year to 3 years RMB'000	Over 3 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount RMB'000
<b>As at 31 December 2025</b>						
<i>Non-derivative financial liabilities</i>						
Borrowings	2.31	5,456,025	4,459,525	—	9,915,550	9,658,191
Trade and other payables	—	16,592,600	—	—	16,592,600	16,592,600
Lease liabilities	2.61	56,758	51,240	80,328	188,326	174,162
Amounts due to related parties	—	66	—	—	66	66
		22,105,449	4,510,765	80,328	26,696,542	26,425,019
Derivatives — net settlement Financial liabilities at FVTPL	—	78,562	—	—	78,562	78,562

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Weighted average effective interest rate %	On demand/ less than 1 year RMB'000	1 year to 3 years RMB'000	Over 3 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount RMB'000
<b>As at 31 December 2024</b>						
<i>Non-derivative financial liabilities</i>						
Borrowings	2.36	6,793,531	7,925,326	70,413	14,789,270	14,326,565
Trade and other payables	—	14,566,379	—	—	14,566,379	14,566,379
Lease liabilities	2.80	52,223	61,666	103,808	217,697	199,188
Amounts due to related parties	—	26	—	—	26	26
		21,412,159	7,986,992	174,221	29,573,372	29,092,158
Derivatives — net settlement						
Financial liabilities at FVTPL	—	9,620	—	—	9,620	9,620

### (c) Fair value measurements of financial instruments

Fair value of the Group's financial instruments measured at fair value on a recurring basis

Some of the Group's and financial instruments are measured at fair value at the end of the reporting period. The following tables give information about how the fair values of these financial instruments are determined (in particular, the valuation technique and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### (c) Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial instruments measured at fair value on a recurring basis (Continued)

Set out below is the information about how the fair values of the Group's financial instruments that are measured at fair value are determined, including the valuation technique and inputs used:

Financial assets/(liabilities)	As at 31 December		Fair value hierarchy	Valuation technique and key input(s)	Significant unobservable input
	2025 RMB'000	2024 RMB'000			
Bills receivables at FVTOCI	<b>134,125</b>	9,779	Level 2	Discounted cash flow Risk-adjusted discount rate and cash flow are key inputs	N/A
Deliverable forwards	<b>(78,562)</b>	(9,620)	Level 2	Discounted cash flow were estimated based on the applicable forward foreign exchange rates	N/A
Structured deposits	<b>627,000</b>	354,917	Level 2	Income approach — The discounted cash flow method was used to estimate the interest from the underlying bank deposits	N/A
Equity instruments at FVTOCI — Listed	<b>200,050</b>	NA	Level 1	Quoted bid prices in an active markets	N/A
Equity instruments at FVTOCI — Listed, restricted Shares	<b>68,360</b>	NA	Level 3	Net assets value of the underlying investments	The higher the net assets value, the higher the fair value.
Equity instruments at FVTOCI — Unlisted	<b>484,078</b>	445,109	Level 3	Net assets value of the underlying investments	The higher the net assets value, the higher the fair value.
Unlisted equity instruments at FVTPL	<b>278,932</b>	NA	Level 3	Net assets value of the underlying investments	The higher the net assets value, the higher the fair value.

A change in the unobservable input would not change the fair value of the relevant financial instrument significantly, therefore no sensitivity analysis is disclosed.

#### Fair value of financial instruments that are recorded at amortised cost

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 40. FINANCIAL INSTRUMENTS (CONTINUED)

### (c) Fair value measurements of financial instruments (Continued)

#### Reconciliation of Level 3 fair value measurements

The following table presents the changes in level 3 financial instruments during the year:

	Equity instruments at FVTOCI RMB'000	Unlisted equity instruments at FVTPL RMB'000
At 1 January 2024	465,563	—
Fair value changes through other comprehensive income, net of reclassification adjustment to retained profits	(20,454)	—
At 31 December 2024	445,109	—
Purchases	107,329	278,932
At 31 December 2025	552,438	278,932

### (d) Transferred financial assets that are derecognised in their entirety but have continuing involvement

As of 31 December 2025, the Group has derecognised the bills receivables endorsed to its suppliers amounting to nil (2024: RMB1,440,000). If the bills cannot be accepted at maturity, the relevant banks or suppliers have the right to require the Group to pay off the outstanding balance. These bills are issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company consider the probabilities on default of the discounted or endorsed bills receivables are limited and the Group has derecognised the full carrying amount of these bills receivables and the associated trade and other payables when the bills receivables are endorsed or discounted.

## 41. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party and/or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are under control or joint control by the same party. Members of key management of the Group and their close family members are also considered as related parties.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 41. RELATED PARTY TRANSACTIONS (CONTINUED)

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business for the reporting period.

### (a) Related parties and relationship

During the reporting period, the following parties are identified as related parties to the Group and the respective relationships are set out below:

Name of Related Parties	Relationship
Ms. Chau Kwan Fei	The Controlling Shareholder
Lens Technology (HK) Co., Limited 藍思科技(香港)有限公司	The holding Company
Changsha Intelligent Robot	An associate
Changsha Sinocera	An associate
Hunan Juhong	An associate
Dongguan Yuya	An associate
Dongguan Yutong	An associate (disposed of on December 2024)
Zibo Jincheng	An associate
Changsha Ruihong	An associate
Ningxia Xinjingsheng	An associate
Hunan Hualian Special Yuanhua Co.,Ltd. ("Hunan Hualian Special Yuanhua") 湖南華聯特種陶瓷有限公司	A company controlled by non-controlling shareholder
Hunan Hualian Torch Porcelain Insulator & Electrical Apparatus Co.,Ltd ("Hunan Hualian Torch") 湖南華聯火炬電瓷電器有限公司	A company controlled by non-controlling shareholder
HAWEMA Werkzeugschleifmaschinen GmbH ("HAWEMA")	A company controlled by Ms. Chau Kwan Fei
Hunan Miaomiao Shopping Commercial Co., Ltd ("Hunan Miaomiao") 湖南妙妙購商業有限公司	A company controlled by a close member of Ms. Chau Kwan Fei
Ms. Zhou Xinyi 周新益	Supervisor (no more related parties relationship since 16 September 2025)
Mr. Jiang Weiping 蔣衛平	A close family member of Ms. Chau Kwan Fei
Ms. Zhou Yihui 周藝輝	A close family member of Ms. Chau Kwan Fei
Changsha Maijing Technology Co., Ltd ("Changsha Maijing") 長沙麥睛科技股份有限公司	An associate of a company controlled by Ms. Chau Kwan Fei
Shenzhen Nanke Jia'an Robot Technology Co., Ltd ("Shenzhen Nanke Jia'an") 深圳市南科佳安機器人科技有限公司	An associate of a company controlled by Ms. Chau Kwan Fei

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 41. RELATED PARTY TRANSACTIONS (CONTINUED)

The Group entered into the following transactions/balances with the related parties:

### (b) Transactions with related parties

#### (i) Purchase

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Associates:		
Changsha Intelligent Robot	5,933	2,386
Changsha Ruihong	9,925	20,364
Changsha Sinocera	41,533	42,509
Dongguan Yutong	NA	136,518
Dongguan Yuya	313	13,596
Hunan Juhong	491,990	375,272
Zibo Jincheng	88,518	138,207
Ningxia Xinjingsheng	166,404	322,542
	<b>804,616</b>	<b>1,051,394</b>
An associate of a company controlled by Ms.Chau Kwan Fei:		
Shenzhen Nanke Jia'an	30,444	13,445
Changsha Majijing	95,003	86,174
	<b>125,447</b>	<b>99,619</b>
A company controlled by Ms.Chau Kwan Fei:		
HAWEMA	5,320	3,515
	<b>935,383</b>	<b>1,154,528</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 41. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Transactions with related parties (Continued)

#### (ii) Revenue

Name of related parties	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Associates:		
Dongguan Yuya	—	2,761
Dongguan Yutong	NA	2,341
Changsha Ruihong	2	—
Changsha Sinocera	365	229
Hunan Juhong	314	294
	<b>681</b>	<b>5,625</b>
A close family member of Ms. Chau Kwan Fei:		
Ms. Zhou Yihui	24	47
A company controlled by Ms. Chau Kwan Fei:		
HAWEMA	1,872	—
Associates:		
An associate of a company controlled by Ms. Chau Kwan Fei:		
Changsha Maijing	989	8,529
Shenzhen Nanke Jia'an	11	8
	<b>1,000</b>	<b>8,537</b>
	<b>3,577</b>	<b>14,209</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 41. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Transactions with related parties (Continued)

#### (iii) Rental income

Name of related parties	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Associates:		
Dongguan Yutong	NA	13,737
Dongguan Yuya	292	3,216
Changsha Sinocera	269	279
Changsha Ruihong	15	17
Hunan Juhong	340	422
	<b>916</b>	<b>17,671</b>
A close family member of Ms. Chau Kwan Fei:		
Ms. Zhou Yihui	40	43
Mr. Jiang Weiping	73	—
	<b>113</b>	<b>43</b>
A company controlled by a close member of Ms. Chau Kwan Fei:		
Hunan Miaomiao	460	510
An associate of a company controlled by Ms. Chau Kwan Fei		
Changsha Maijing	570	732
Shenzhen Nanke Jia'an	30	40
	<b>600</b>	<b>772</b>
	<b>2,089</b>	<b>18,996</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 41. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Transactions with related parties (Continued)

#### (iv) Finance costs — Interest on lease liabilities

Name of related party	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
The Controlling Shareholder: Ms. Chau Kwan Fei	21	25

#### (v) Finance costs — interest on loan from a related party

Name of related party	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
The holding Company: Lens Technology (HK) Co., Limited	—	1,457

#### (vi) Expense relating to short-term leases

Name of related party	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
A company controlled by non-controlling shareholder: Hunan Hualian Torch	—	275

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 41. RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Related party balances

#### (i) Trade and bills receivables

Name of related parties	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Associate:		
Changsha Ruihong	1	—
Changsha Sinocera	146	—
Dongguan Yutong	NA	2,557
Hunan Juhong	491	329
	<b>638</b>	<b>2,886</b>
An associate of a company controlled by Ms. Chau Kwan Fei:		
Changsha Maijing	272	6,946
Shenzhen Nanke Jia'an	40	—
	<b>312</b>	<b>6,946</b>
A company controlled by Ms. Chau Kwan Fei:		
HAWEMA	1,859	—
A company controlled by a close member of Ms. Chau Kwan Fei:		
Hunan Miaomiao	37	—
A close family member of Ms. Chau Kwan Fei:		
Mr. Jiang Weiping	4	—
Ms. Zhou Yihui	36	—
	<b>40</b>	<b>—</b>
	<b>2,886</b>	<b>9,832</b>

The amounts are in trade nature, unsecured, non-interest bearing and aged within one year at the end of the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 41. RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Related party balances (Continued)

#### (ii) Amounts due from related parties

Name of related parties	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Associate:		
Dongguan Yuya	69	16,700
Dongguan Yutong	NA	7,707
Changsha Sinocera	—	117
Hunan Juhong	—	64
Changsha Ruihong	—	2
	<b>69</b>	<b>24,590</b>
A close family member of Ms. Chau Kwan Fei:		
Ms. Zhou Yihui	—	4
The Controlling Shareholder:		
Ms. Chau Kwan Fei	161	165
A company controlled by a close member of Ms. Chau Kwan Fei:		
Hunan Miaomiao	—	85
An associate of a company controlled by Ms. Chau Kwan Fei		
Shenzhen Nanke Jia'an	—	29
	<b>230</b>	<b>24,873</b>

Except for RMB162,000 (2024: RMB781,000) as at 31 December 2025, respectively, which are rental and other deposits, unsecured and repayable according to the mutually agreed terms of payment, the remaining amounts are non-trade in nature, unsecured, interest-free and repayable on demand.

#### Maximum amounts due from a director

Name of a director	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Ms. Chau Kwan Fei	161	165

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 41. RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Related party balances (Continued)

#### (iii) Prepayments for property, plant and equipment

Name of related parties	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Associates:		
Hunan Juhong	26,549	27,930
Changsha Ruihong	2,134	839
	<b>28,683</b>	28,769
An associate of a company controlled by Ms. Chau Kwan Fei:		
Changsha Maijing	177	6,433
A company controlled by Ms. Chau Kwan Fei:		
HAWEMA	5,403	4,801
	<b>34,263</b>	40,003

The amounts are in non-trade nature, unsecured, non-interest bearing and the property, plant and equipment will be delivered to the respective entities in accordance with the terms of respective agreements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 41. RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Related party balances (Continued)

#### (iv) Trade and other payables

Name of related parties	As at 31 December	
	2025	2024
	RMB'000	RMB'000
A company controlled by Ms. Chau Kwan Fei:		
HAWEMA	108	—
A company controlled by non-controlling shareholder:		
Hunan Hualian Special Yuanhua	—	295
Hunan Hualian Torch	—	25
	<b>108</b>	<b>320</b>
An associate of a company controlled by Ms. Chau Kwan Fei:		
Changsha Maijing	57,508	38,242
Shenzhen Nanke Jia'an	23,185	4,579
	<b>80,693</b>	<b>42,821</b>
Associates:		
Changsha Intelligent Robot	3,312	2,280
Changsha Ruihong	4,850	6,815
Changsha Sinocera	10,356	11,027
Dongguan Yutong	—	27,016
Dongguan Yuya	—	8,649
Hunan Juhong	236,155	117,217
Ningxia Xinjingsheng	48,977	138,423
Zibo Jincheng	43,422	57,002
	<b>347,072</b>	<b>368,429</b>
	<b>427,873</b>	<b>411,570</b>

The amounts are trade in nature, unsecured, interest-free and repayable within 120 days.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 41. RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Related party balances (Continued)

#### (v) Amounts due to related parties

Name of related parties	As at 31 December	
	2025	2024
	RMB'000	RMB'000
A close family member of Ms. Chau Kwan Fei:		
Ms. Zhou Yihui	20	—
Mr. Jiang Weiping	20	—
	40	—
Associates:		
Hunan Juhong	20	20
Changsha Ruihong	1	1
	21	21
An associate of a company controlled by Ms. Chau Kwan Fei:		
Shenzhen Nanke Jia'an	5	5
	66	26

The amounts RMB66,000 (2024: RMB26,000) as at 31 December 2025, which are rental and other deposits, unsecured and repayable according to the mutually agreed terms of payment.

#### (vi) Contract liabilities

Name of related parties	As at 31 December	
	2025	2024
	RMB'000	RMB'000
An associate of a company controlled by Ms. Chau Kwan Fei:		
Changsha Maijing	—	1,216
Shenzhen Nanke Jia'an	—	1
	—	1,217

The amounts are trade in nature, unsecured and non-interest bearing.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 41. RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Related party balances (Continued)

#### (vii) Lease liabilities

Name of related parties	As at 31 December	
	2025	2024
	RMB'000	RMB'000
The Controlling Shareholder: Ms. Chau Kwan Fei	986	955

The amounts are non-trade in nature and represent leasing of office and repayable as per the lease contracts.

### (d) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management of the Group during the year is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, allowances and other benefits	10,597	11,702
Discretionary bonus	5,008	5,714
Retirement benefit scheme contributions	90	104
	15,695	17,520

The remuneration of directors, supervisors and other members of key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 42. 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.

	Borrowings	Loan from a related party	Lease liabilities	Amounts due to related parties	Dividend payable	Accrued share issue cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	15,258,076	1,065,146	48,499	94	—	—	16,371,815
Financing cash flows	(1,939,523)	(1,066,603)	(30,580)	(68)	(1,528,490)	—	(4,565,264)
Dividends declared	—	—	—	—	1,528,490	—	1,528,490
New leases entered	—	—	177,866	—	—	—	177,866
Early termination of lease	—	—	(619)	—	—	—	(619)
Non-cash transactions ( <i>note</i> )	625,740	—	—	—	—	—	625,740
Exchange adjustments	(687)	—	—	—	—	—	(687)
Interest expenses	382,959	1,457	4,022	—	—	—	388,438
At 31 December 2024	14,326,565	—	199,188	26	—	—	14,525,779
Financing cash flows	(5,125,863)	—	(65,053)	40	(2,555,483)	(58,095)	(7,804,454)
Dividends declared	—	—	—	—	2,578,421	—	2,578,421
New leases entered	—	—	38,601	—	—	—	38,601
Early termination of lease	—	—	(3,563)	—	—	—	(3,563)
Non-cash transactions	193,060	—	—	—	(17,938)	—	175,122
Issue costs incurred	—	—	—	—	—	58,095	58,095
Interest expenses	264,429	—	4,989	—	—	—	269,418
At 31 December 2025	9,658,191	—	174,162	66	5,000	—	9,837,419

*Note:* The amount represents the drawdown of borrowings used for direct settlement of the Group's obligations to its suppliers, as agreed upon between the other financial institution and the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

### General information of subsidiaries

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiaries	Place of incorporation/ registration and operation	Registered capital	Proportion of effective ownership interest held by Company				Principal activities
			Directly		Indirectly		
			At 31 December 2025	2024	At 31 December 2025	2024	
			%	%	%	%	
Lens International (HK) Limited 藍思國際(香港)有限公司 (Lens International)	Hong Kong 5 November 2010	USD1,514,292,700	100.00	100.00	—	—	Trade and investment
Lens Technology (Kunshan) Co., Ltd. 藍思科技(昆山)有限公司 (Lens Kunshan)	The PRC 31 December 2006	USD25,000,000	75.00	75.00	25.00	25.00	Manufacturing and sales of consumer electronics
Lens One Technology (Shenzhen) Co., Ltd. 藍思旺科技(深圳)有限公司 (Lens One Shenzhen)	The PRC 19 April 2006	HKD120,000,000	75.00	75.00	25.00	25.00	Manufacturing and sales of consumer electronics
Shenzhen Lens Technology Co., Ltd. 深圳市藍思科技有限公司 (Lens Shenzhen)	The PRC 18 September 2003	RMB50,000,000	—	—	100.00	100.00	Sales of products and research and development
Lens Technology (Changsha) Co., Ltd. 藍思科技(長沙)有限公司 (Lens Changsha)	The PRC 26 January 2011	USD3,456,597,667	85.94	84.34	14.06	15.66	R&D, production and sales of window protection screens, smart wearables and smart vehicle cockpits
Hunan Lanshi Hualian Jingci Co., Ltd. 湖南藍思華聯精瓷有限公司 (Lens Hualian)	The PRC 13 June 2012	RMB20,000,000	—	—	51.00	51.00	Manufacturing and Sales of consumer electronics
Lens Technology (Xiangtan) Co., Ltd. 藍思科技(湘潭)有限公司 (Lens Xiangtan)	The PRC 23 July 2012	RMB3,760,308,439	60.68	57.33	39.32	42.67	R&D, production, assembly and sales of electronic products and spare parts business
Lens Technology, Inc. (Lens US)	U.S. 9 January 2015	USD1,000,000	—	—	100.00	100.00	Trading
Lens Robot (Changsha) Co., Ltd. 藍思智能機器人(長沙)有限公司 (Lens Intelligent Robot)	The PRC 22 July 2016	RMB159,249,802	62.79	60.00	33.90	—	R&D of intelligent equipment and robot
Lens One Technology (Dong Guan) Co., Ltd. 藍思旺科技(東莞)有限公司 (Lens One Dongguan)	The PRC 16 January 2012	USD60,000,000	—	—	100.00	100.00	Manufacturing and sales of consumer electronics
Lens Technology (Dongguan) Co., Ltd. 藍思科技(東莞)有限公司 (Lens Dongguan)	The PRC 6 July 2010	RMB3,225,987,115	100.00	100.00	—	—	R&D, production and sales of window protection screens

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

### General information of subsidiaries (Continued)

Name of subsidiaries	Place of incorporation/ registration and operation	Registered capital	Proportion of effective ownership interest held by Company				Principal activities
			Directly		Indirectly		
			At 31 December 2025	2024	At 31 December 2025	2024	
			%	%	%	%	
Lens Precision (Dongguan) Co., Ltd. 藍思精密(東莞)有限公司 (Lens Precision Dongguan)	The PRC 24 February 2017	RMB1,060,666,700	100.00	100.00	—	—	Manufacturing and sales of consumer electronics
Lens Intelligent Control (Changsha) Co., Ltd. 藍思智控(長沙)有限公司 (Lens Intelligent Control)	The PRC 18 March 2017	RMB826,112,640	33.24	33.24	66.76	66.76	Manufacture of electronic components
Lens Technology Vietnam Co., Ltd. (Lens Viet Nam)	VIET NAM 12 June 2017	USD494,500,000	—	—	100.00	100.00	Production of electronic components and maintenance of electronic and optical equipment
Liuyang Panzhi Consulting Co., Ltd. 瀏陽磐智諮詢有限公司 (Liuyang Panzhi)	The PRC 28 October 2018	RMB8,000,000	100.00	100.00	—	—	Business service industry
Changsha Lens New Material Co., Ltd. 長沙藍思新材料有限公司 (Changsha Lens New Material)	The PRC 10 October 2018	RMB100,000,000	100.00	100.00	—	—	Sales of consumer electronics
Lens System Co., Ltd. 藍思系統集成有限公司 (Lens System Integration)	The PRC 22 March 2019	RMB110,116,718	100.00	100.00	—	—	Provision of information system R&D and integration services, including the industrial Internet
Changsha Yong'an New Materials Co., Ltd. 長沙永安新材料有限公司 (Yong'an New Materials)	The PRC 25 September 2019	RMB10,000,000	51.00	51.00	—	—	Sales of consumer electronics
Lens Precision (Taizhou) Co., Ltd. 藍思精密(泰州)有限公司 (Lens Taizhou)	The PRC 3 May 2016	RMB4,611,397,559	2.17	2.17	97.83	97.83	R&D, manufacture and sales of aluminum, magnesium and other new alloy materials for mid- frames and related components of consumer electronics
Hunan Lens New Energy Co., Ltd. 湖南藍思新能源有限公司 (Hunan Lens New Energy)	The PRC 28 October 2021	RMB1,000,000,000	100.00	100.00	—	—	Sales of consumer electronics
Shenzhen Lens One Supply Chain Management Co., Ltd. 深圳市藍思旺供應鏈管理有限公司 (Lens One Supply Chain)	The PRC 17 June 2022	RMB100,000,000	—	—	100.00	100.00	Supply chain management
Shenzhen Lens System Integration Co., Ltd. 深圳市藍思系統集成有限公司 (Shenzhen Lens System)	The PRC 5 May 2022	RMB5,000,000	—	—	100.00	100.00	Sales of consumer electronics

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

### General information of subsidiaries (Continued)

Name of subsidiaries	Place of incorporation/ registration and operation	Registered capital	Proportion of effective ownership interest held by Company				Principal activities
			Directly		Indirectly		
			At 31 December 2025	2024	At 31 December 2025	2024	
			%	%	%	%	
Shenzhen Lens Intelligent Manufacturing Technology Co., Ltd. 深圳藍思智能智造科技有限公司 (Shenzhen Intelligent Manufacturing) (note)	The PRC 26 April 2022	RMB2,000,000	—	—	—	100.00	Sales of consumer electronics
Shenzhen Lens Intelligence Robot Co., Ltd. 深圳藍思智能機器人有限公司 (Shenzhen Lens Intelligence Robot)	The PRC 18 August 2022	RMB100,000,000	—	—	100.00	100.00	Sales of consumer electronics
MOSS TECHNOLOGY S.A.DE C.V. (墨西哥藍思)	Mexico 4 May 2022	MXN50,000	—	—	100.00	100.00	Sales of consumer electronics
Lens One Technology (Guangxi) Co., Ltd. 藍思旺科技(廣西)有限公司 (Lens One Guangxi)	The PRC 31 May 2022	USD2,000,000	—	—	100.00	100.00	Sales of consumer electronics
Hunan Blue Crystal Photovoltaic Technology Co., Ltd. 湖南藍晶光伏科技有限公司 (Hunan Blue Crystal Photovoltaic) (note)	The PRC 10 April 2023	RMB50,000,000	—	—	—	100.00	Sales of consumer electronics
Lens Technology Japan Co., Ltd. Lens Technology Japan 株式會社(日本藍思)	Japan 26 September 2022	JPY88,880,000	—	—	100.00	100.00	Sales of consumer electronics
Fortiter Technology Pte Ltd (新加坡藍思)	Singapore 18 April 2024	SGD10,000	—	—	100.00	100.00	Sales of consumer electronics
Fortiter Technology (泰國藍思)	Thailand 28 May 2024	THB505,000,000	—	—	98.06	98.06	Sales of consumer electronics
Hunan Zhiqi Future Technology Co., Ltd. 湖南智啟未來科技有限公司 (Zhiqi Future)	The PRC 31 March 2025	RMB10,000,000	70.00	—	—	—	Development, production and sale of intelligent robots and AI systems
Lens Optoelectronics Technology (Changsha) Co., Ltd. 藍思光電科技(長沙)有限公司 (Lens Opto)	The PRC 17 September 2025	RMB100,000,000	100.00	—	—	—	Manufacture and sale of optical and electronic components.
Hunan Zhiqi Future Artificial Intelligence and Robotics Research Institute Co., Ltd. 湖南省智啟未來人工智能與機器人研究院有限公司 (Zhiqi AI & Robotics)	The PRC 4 November 2025	RMB10,000,000	75.00	—	—	—	Research and development of artificial intelligence and robot technologies

Note: During the year ended 31 December 2025, this company was disposed of or de-registered.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

### General information of subsidiaries (Continued)

All the subsidiaries of the Company are limited liability companies. All subsidiaries have adopted 31 December, as their financial year end date.

### Material non-controlling interests

The group has no significant non-controlling interests for the year ended 31 December 2025.

## 44. EVENT AFTER THE END OF THE REPORTING PERIOD

Except as disclosed in note 14 of the consolidated financial statements, the Group has no other significant event after the end of the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Non-current assets</b>		
Investments in subsidiaries	36,202,908	34,753,669
Property, plant and equipment	9,223,762	8,489,707
Amounts due from subsidiaries	2,542,237	661,692
Right-of-use assets	793,162	730,497
Investment properties	818,287	329,815
Intangible assets	93,540	52,305
Investments accounted for using the equity method	284,806	284,710
Equity instruments at FVTOCI	507,146	445,109
Financial assets at FVTPL	190,489	—
Time deposits	103,676	103,697
Deferred tax assets	65,178	101,059
Prepayments and other receivables	138,185	123,749
	50,963,376	46,076,009
<b>Current assets</b>		
Inventories	1,320,014	1,023,288
Trade and bills receivables	5,729,189	6,767,472
Prepayments and other receivables	647,032	475,558
Amounts due from subsidiaries	470,114	498,716
Financial assets at FVTPL	627,000	100,000
Time deposits	—	322,412
Bank balances and cash	4,324,747	5,268,284
	13,118,096	14,455,730
<b>Current liabilities</b>		
Trade and other payables	5,867,720	5,374,209
Financial liabilities at FVTPL	70,408	3,903
Amounts due to subsidiaries	1,693,753	2,318,226
Income tax payable	40,695	47,248
Borrowings	2,287,046	2,389,631
Lease liabilities	15,509	34,993
Contract liabilities	720	2,013
	9,975,851	10,170,223
<b>Net current assets</b>	3,142,245	4,285,507
<b>Total assets less current liabilities</b>	54,105,621	50,361,516

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Non-current liabilities</b>		
Loans from subsidiaries	1,656,582	2,051,240
Borrowings	2,600,700	3,888,168
Lease liabilities	95,198	110,707
Deferred tax liabilities	32,336	28,250
Deferred income	44,138	51,193
	4,428,954	6,129,558
<b>Net assets</b>	49,676,667	44,231,958
<b>Capital and reserves</b>		
Share capital	5,284,327	4,982,879
Reserves	44,392,340	39,249,079
<b>Total equity</b>	49,676,667	44,231,958

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 45. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

### Movement in the Company's reserves

	Share premium RMB'000	Treasury share RMB'000	Capital reserve RMB'000	FVTOCI reserve RMB'000	Statutory reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	20,731,568	(500,057)	218,041	160,083	2,404,249	15,255,045	38,268,929
Profit for the year	—	—	—	—	—	2,160,207	2,160,207
Total comprehensive income for the year	—	—	—	—	—	2,160,207	2,160,207
Transfer to statutory reserve	—	—	—	—	216,021	(216,021)	—
Distribution	—	—	—	—	—	(1,482,163)	(1,482,163)
Repurchase and cancellation of restricted shares under Restricted A-share Scheme	(1,805)	—	—	—	—	—	(1,805)
Exercise of restricted shares under restricted A-share Scheme	26,814	220,038	(133,839)	—	—	—	113,013
Recognition of equity-settled share-based payments	—	—	190,898	—	—	—	190,898
At 31 December 2024	20,756,577	(280,019)	275,100	160,083	2,620,270	15,717,068	39,249,079
Profit for the year	—	—	—	—	—	3,051,980	3,051,980
Other comprehensive income for the year	—	—	—	23,154	—	—	23,154
Total comprehensive income for the year	—	—	—	23,154	—	3,051,980	3,075,134
Transfer to statutory reserve	—	—	—	—	21,894	(21,894)	—
Issue of new shares	4,694,191	—	—	—	—	—	4,694,191
Transaction costs attributable to issue of new shares	(58,095)	(21)	—	—	—	—	(58,116)
Distribution	—	—	—	—	—	(2,511,255)	(2,511,255)
Recognition of equity-settled share-based payments	—	—	56,036	—	—	—	56,036
Repurchase and cancellation of restricted shares under Restricted A-share Scheme	(724)	—	—	—	—	—	(724)
Exercise of restricted shares under restricted A-share Scheme	56,451	214,390	(168,022)	—	—	—	102,819
Transaction costs attributable to repurchase of shares	—	—	—	—	—	—	—
Repurchase of shares	—	(214,824)	—	—	—	—	(214,824)
At 31 December 2025	25,448,400	(280,474)	163,114	183,237	2,642,164	16,235,899	44,392,340

## FOUR-YEAR FINANCIAL SUMMARY

The following table summarizes the results, assets, and liabilities of the Group for the past four financial years, as extracted from the audited financial statements:

	For the year ended December 31,			
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Revenue	<b>74,409,732</b>	69,896,776	54,490,734	46,698,546
Gross profit	<b>11,110,707</b>	10,183,493	8,491,864	8,546,916
Profit before tax	<b>4,586,002</b>	3,848,916	3,253,889	2,914,890
Profit for the year	<b>4,040,764</b>	3,676,855	3,041,827	2,519,821

	As at December 31,			
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Total non-current assets	<b>54,865,486</b>	50,243,266	49,389,065	49,734,453
Total current assets	<b>29,473,114</b>	30,772,781	28,080,676	28,611,319
Total current liabilities	<b>23,723,633</b>	23,065,161	19,056,316	22,167,061
Total non-current liabilities	<b>5,527,924</b>	9,104,976	11,891,798	11,797,468
Net assets	<b>55,087,043</b>	48,845,910	46,521,627	44,381,243

# DEFINITIONS

In this annual report, unless the context otherwise requires, the following terms shall have the meanings set out below:

“A Share(s)”	domestic ordinary share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are traded in Renminbi and listed on the Shenzhen Stock Exchange
“AI”	Artificial Intelligence
“AIoT”	Artificial Intelligence & Internet of Things
“AR”	Augmented Reality
“Articles of Association”	the articles of association of the Company
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors
“CASBE”	the China Accounting Standards for Business Enterprises
“Company Law”	the Company Law of the PRC
“Company”, “our Company” or “Lens Technology”	Lens Technology Co., Ltd. (藍思科技股份有限公司)
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company
“ESG”	environmental, social and governance
“Global Offering”	the offer of the H Shares for subscription by the public in Hong Kong and outside the United States in offshore transactions, details of which are set out in the Prospectus
“Group”, “our”, “we”, or “us”	the Company and its subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by our Company and/or its subsidiaries and their predecessors (if any)
“HDD”	Hard Disk Drive
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign ordinary shares in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange

“Listing Date”	July 9, 2025, being the date on which the H shares of the Company became listed on the Hong Kong Stock Exchange
“Lens Changsha”	Lens Technology (Changsha) Company Limited (藍思科技(長沙)有限公司)
“Lens Dongguan”	Lens Technology (Dong Guan) Company Limited (藍思科技(東莞)有限公司)
“Lens International”	Lens International (HK) Ltd.
“Lens Xiangtan”	Lens Technology (Xiangtan) Company Limited (藍思科技(湘潭)有限公司)
“Lens Intelligent Control”	Lens Intelligent Control (Changsha) Company Limited (藍思智控(長沙)有限公司)
“Lens Intelligent”	Lens Intelligent Robot (Changsha) Company Limited (藍思智能機器人(長沙)有限公司)
“Lens Precision”	Lens Precision (Taizhou) Company Limited (藍思精密(泰州)有限公司)
“Lens VietNam”	Lens Technology (VietNam) Company (藍思科技(越南)有限公司)
“Lens U.S.”	Lens Technology, Inc.
“Lens Thailand”	Fortiter Technology Co., Ltd.
“Lens Singapore”	FORTITER TECHNOLOGY PTE. LTD.
“ODM”	Original Design Manufacturing
“OEM”	Original Equipment Manufacturing
“Prospectus”	the prospectus of the Company dated June 30, 2025 in connection with the Global offering
“Reporting Period”, “this Reporting Period” or “FY 2025”	from January 1, 2025 to December 31, 2025
“RMB”	RMB
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising our A Shares and our H Shares
“Shareholder(s)”	holder(s) of the Share(s)

## DEFINITIONS

“SSD”	Solid State Disk
“Supervisor(s)”	supervisor(s) of the Company
“US\$” or “USD” or “U.S. dollars”	United States dollars, the lawful currency of the United States of America
“UTG”	Ultra-Thin Glass
“%”	per cent

*For ease of reference, the names of PRC laws and regulations, government authorities, institutions, natural persons, or other entities (including certain subsidiaries of the Company) in this annual report are set out in both Chinese and English. In the event of any inconsistency, the Chinese version shall prevail. English translations of company names and other Chinese terms are provided for identification purposes only.*