

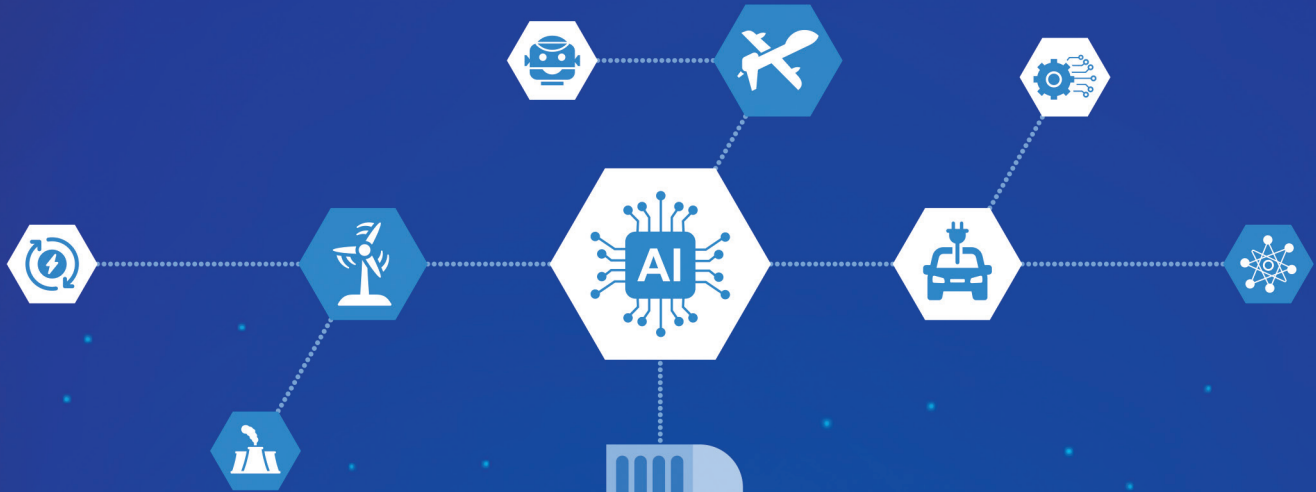


**Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd.**

**諾比侃人工智能科技（成都）股份有限公司**

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

**(Stock Code: 2635)**



**2025**  
**Annual Report**

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# Definitions

*In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Articles of Association”	the articles of association of our Company adopted on October 21, 2024 with effect from the Listing Date, as amended from time to time
“Audit Committee”	the audit committee of the Company
“Board” or “our Board”	the board of Directors of our Company
“Broad General Holding”	Broad General Holding Limited (博將控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on April 16, 2019, being one of our substantial Shareholders
“Company”	Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd.(諾比侃人工智能科技(成都)股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 2635)
“Concert Party Agreements”	the concert party agreement dated 10 March 2019 and the accession agreement dated 29 November 2019, details of which are set out in “History, Development and Corporate Structure – Concert Party Arrangements” in the Prospectus
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Liao Yu, Tieke Chuangzhi, Mr. Tang Taike, Mr. Lin Renhui, Mr. Su Maocai and Tieke Intelligent
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Global Offering”	the global offering of the H Shares in connection with the Listing
“Group”, “our Group”, “our”, “we”, or “us”	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each before the Share Subdivision and with a nominal value of RMB0.10 each after the Share Subdivision, which are subscribed for and traded in Hong Kong dollars and are listed on the Stock Exchange

“HK dollars” or “HK\$”	HK dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies), who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not our connected persons
“Latest Practicable Date”	28 April 2026, being the latest practicable date prior to the publication of this annual report for ascertaining certain information contained herein
“Listing”	listing of the H Shares on the Main Board
“Listing Date”	23 December 2025, on which the H Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of the Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“PRC” or “China”	the People’s Republic of China, excluding for the purposes of this annual report only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“Prospectus”	the prospectus of the Company dated 15 December 2025
“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	the year ended 31 December 2025

## Definitions

“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of our Company, with a nominal value of RMB1.00 each before the Share Subdivision and with a nominal value of RMB0.10 each after the Share Subdivision, comprising our Unlisted Shares and our H Shares
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange” or “Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Strategy Committee”	the strategy committee of the Company
“Share Subdivision”	the subdivision of every ordinary share of par value RMB1.00 each in the issued share capital of the Company into ten (10) ordinary shares of par value RMB0.10 each with effect from 11 March 2026
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Supervisor(s)”	the supervisor(s) of our Company
“Supervisory Committee”	the board of supervisory committee of the Company
“Tieke Chuangzhi”	Chengdu Tieke Chuangzhi Enterprise Management Partnership (Limited Partnership)* (成都鐵科創智企業管理合夥企業(有限合夥)), a limited partnership established in PRC on January 7, 2019, being one of our Controlling Shareholders
“Tieke Intelligent”	Chengdu Tieke Intelligent Enterprise Management Partnership (Limited Partnership)* (成都鐵科智能企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 29, 2019, being one of our Controlling Shareholders

“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Unlisted Shares”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each before the Share Subdivision and with a nominal value of RMB0.10 each after the Share Subdivision, which is/are not listed on any stock exchange
“%”	per cent

\* *For identification purpose only in this annual report*

In this annual report, the terms “associate”, “close associate”, “connected person”, “connected transaction”, “continuing connected transaction”, “controlling shareholder”, “core connected person”, “subsidiary”, “insignificant subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

If there is any inconsistency between the Chinese names of the laws and regulations, governmental authorities, institutions, natural persons, entities or enterprises established in the PRC mentioned in this annual report and their English translations, the Chinese names shall prevail. The English translations of such Chinese names are provided for identification purposes only.

Certain amounts and percentage figures included in this annual report have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

# Corporate Information

## Board of Directors

### Executive Directors

Mr. Liao Yu  
Mr. Tang Taike  
Mr. Liu Bo  
Ms. Wang Li

### Non-executive Directors

Mr. Ruan Jianping  
Mr. Hua Zhangrong

### Independent Non-executive Directors

Ms. Cao Xiaoxue  
Mr. Sang Yongsheng  
Mr. Bau Siu Fung  
Mr. Wang Huan (*appointed on 9 March 2026*)

## Audit Committee

Ms. Cao Xiaoxue (*Chairlady*)  
Mr. Bau Siu Fung  
Mr. Hua Zhangrong

## Remuneration Committee

Mr. Bau Siu Fung (*Chairman*)  
Mr. Sang Yongsheng  
Mr. Liao Yu

## Nomination Committee

Mr. Sang Yongsheng (*Chairman*)  
Mr. Bau Siu Fung  
Mr. Tang Taike

## Strategy Committee

Mr. Liao Yu (*Chairman*)  
Ms. Cao Xiaoxue  
Mr. Ruan Jianping  
Mr. Liu Bo  
Mr. Hua Zhangrong

## Joint Company Secretaries

Ms. Wang Li  
Ms. Wong Hoi Ting

## Authorized Representatives

Mr. Liao Yu  
Ms. Wong Hoi Ting

## Auditor

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

## Legal Advisers

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

### Compliance Adviser

Altus Capital Limited  
21 Wing Wo Street  
Central, Hong Kong

### Headquarter

A9-4, Xin Gu Industrial Park  
No. 338, Guo Xin 4th Road  
Shuangliu District  
Chengdu  
Sichuan Province  
PRC

### Principal Place of Business in Hong Kong

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

### H Share Registrar

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

### Principal Banks

Bank of China Chengdu Chengdong Branch  
No. 6-33, Jianhe Road  
Chenghua District  
Chengdu, Sichuan Province  
PRC

### Company Website

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

### Stock Code

2635

# Financial Highlight

A summary of key financial figures of the Group for the last four financial years, extracted from audited financial statements in this annual report and the Prospectus:

## Results

	For the year ended 31 December			
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)
<b>Revenue</b>	<b>498,159</b>	402,640	363,699	252,620
Cost of sales	<b>(231,973)</b>	(165,407)	(152,351)	(112,257)
<b>Gross profit</b>	<b>266,186</b>	237,233	211,348	140,363
Other income and gains	<b>21,847</b>	23,710	9,228	19,851
Selling and distribution expenses	<b>(14,883)</b>	(16,341)	(17,203)	(10,930)
Research and development expenses	<b>(82,950)</b>	(59,557)	(56,645)	(44,488)
Administrative expenses	<b>(41,672)</b>	(35,812)	(18,972)	(14,994)
Impairment losses on financial and contract assets, net	<b>(12,494)</b>	(19,437)	(28,567)	(15,295)
Other expenses	<b>(1,250)</b>	(277)	(14)	(515)
Finance costs	<b>(4,167)</b>	(3,415)	(2,315)	(1,437)
<b>Profit before tax</b>	<b>130,617</b>	126,104	96,860	72,555
Income tax expense	<b>(12,774)</b>	(10,736)	(8,294)	(9,394)
<b>Profit and total comprehensive income for the year</b>	<b>117,843</b>	115,368	88,566	63,161

## Assets and Liabilities

	As at 31 December			
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)
<b>Assets, Liabilities and Equity</b>				
Total assets	<b>1,467,795</b>	836,195	538,105	465,777
Total liabilities	<b>444,537</b>	196,474	139,838	156,076
Total equity	<b>1,023,258</b>	639,721	398,267	309,701

# Chairman's Statement

Dear Shareholders,

I am pleased to present the annual report of Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group" or "we") for the year ended 31 December 2025.

The year 2025 was a milestone year for us. During the year, the Company's H shares were listed on the Hong Kong Stock Exchange on 23 December 2025, marking a new chapter in the Company's development. Standing at this new starting point in the capital markets, we continued to execute our established development strategy, deepening the application of artificial intelligence in vertical industries, and continuously driving the co-evolution of our technology platform, industry-specific models, and product solutions. We steadily strengthened our commercialisation capabilities in areas such as complex infrastructure operations and maintenance, safety monitoring and management, and urban governance.

## Standing at a New Starting Point in the Capital Markets, Delivering a Steady and Progressive Annual Performance

Over the past year, the Group adhered to its development strategy of "technology-driven growth and deep scenario penetration", and achieved steady growth in business scale and sustained release of profitability by focusing on deep vertical applications centered on its NBK-INTARI artificial intelligence platform.

For the year ended 31 December 2025, the Group achieved total revenue of RMB498 million, representing a year-on-year increase of 23.7% from RMB403 million in 2024. This strong growth was mainly attributed to our in-depth expansion into vertical areas such as urban governance, particularly a significant increase in project-based business carried out in cooperation with core customers.

In terms of profitability, we continue to maintain an industry-leading level. In 2025, the Group achieved a gross profit of RMB266 million, representing a year-on-year increase of 12.2%; the overall gross profit margin reached 53.4%. The Group recorded a profit for the year of RMB118 million, representing a year-on-year increase of 2.1%, demonstrating that while expanding our scale, we still possess solid self-sustaining ability. In addition, the Group has a good cash flow position, recording positive operating cash inflow of RMB85.85 million, a significant increase of 113.4% compared with 2024. Cash and cash equivalents reached RMB385 million as of the end of the year, laying a solid financial foundation for our future continuous R&D investment and business expansion.

## Cultivating a High-Quality Customer Base to Strengthen Our First-Mover Advantage

In customer development and service, we have accumulated extensive experience in serving clients with stringent supplier selection processes. Our core customer base includes high-quality end customers such as the National Railway Administration and its affiliated entities, large-scale power grid companies, petrochemical enterprises, and local urban governance platforms. Our well-established customer base and first-mover advantages across diverse vertical industries have not only provided us with a stable source of revenue, but have also enabled us to continuously refine and optimise our AI industry models through data feedback from real-world scenarios, thereby forming a virtuous commercial loop of "technology-scenario-data".

### Focus on Vertical Industries and Deepen Multi-scenario Applications

We primarily develop and sell monitoring and inspection products and solutions for railway operation and power grid companies, and urban management solutions in the PRC. We mainly provide integrated software and hardware solutions adopting comprehensive AI industry models for monitoring, inspection and maintenance purposes. With a focus on this positioning, we continue to advance the development of underlying capabilities with the NBK-INTARI artificial intelligence platform as the core. We further integrate the platform capabilities with the demands of vertical scenarios including transportation, energy and urban governance, so as to continuously strengthen productisation and project delivery capabilities.

In 2025, our three major business segments witnessed distinct structural changes. The transportation solution business recorded revenue of RMB168.3 million, accounting for 33.8% of the total revenue; the energy solution business recorded revenue of RMB84.7 million, accounting for 17.0% of the total revenue; and the urban management solution business recorded revenue of RMB245.2 million, accounting for 49.2% of the total revenue and serving as the key driver of revenue growth during the year.

**Transportation Solution: We will consolidate our core business and explore new frontiers.** As our core area of strength, we continued to deepen our presence in the rail transit sector in 2025, providing customers with full-scenario solutions including inspection of railway traction power supply systems, monitoring of railway external environment and inspection of cargo train operation status. During the year, the gross profit margin of this business increased by 17 percentage points to 88% as compared with last year. We continue to maintain a leading market position in China in the field of catenary checking systems. At the same time, we are actively extending into city transportation and airport scenarios. The comprehensive traffic management solution developed in collaboration with a city industrial platform has entered the on-site trial run stage. Our machine vision-based aircraft docking product is also undergoing trial runs, and our NSABS visual docking guidance system obtained the first mandatory certification for civil aviation specialised equipment in China in December 2025, fully preparing us for future commercial sales.

**Energy Solutions: Focusing on the electricity sector while breaking through into the chemical engineering.** In the electricity sector, we continue to provide grid companies with integrated software and hardware solutions such as, IT operation and maintenance of integrated grid construction and defect detection of power transmission and distribution lines. In 2025, the gross margin of this segment was 48%, placing it at an industry-leading level. Furthermore, leveraging a technology reuse rate of 70% based on the NBK-INTARI artificial intelligence platform, we have successfully extended AI technology into the refining process for chemical engineering. We have developed inspection robotic patrol system for substations for large petrochemical enterprises in China and provide chemical engineering solutions for the safety management of oil depots. Some of these products have already passed customer acceptance, marking a major breakthrough for us in the energy segment.

**Urban management solutions: achieving explosive growth and creating a new growth engine.** In 2025, our urban management business experienced explosive growth and recorded revenue of RMB245 million, representing a dramatic increase of 1,207.0% as compared with 2024, with its proportion to total revenue uplifting to 49.2%. This was mainly attributable to our profound experience and expertise accumulated in scenarios such as park management. Furthermore, leveraging the NBK Industry Application Platform and domain-specific products, we provided system integrators and end customers with efficient intelligent solutions, successfully forging a new growth engine for the Group's performance.

### **Commitment to Technology as the Foundation and Building Core Barriers**

As a technology-driven artificial intelligence enterprise, we have always regarded R&D and innovation as the core driving force behind our development. In 2025, our research and development expenses reached RMB82.95 million, representing a significant increase of 39.3% compared to 2024.

We continue to iterate our core NBK-INTARI AI Platform, which integrates the full-process capabilities of data collection, preprocessing, annotation and analysis, model training and optimization. Our multimodal AI industry model incorporates vision, simulation, language and hardware modalities, effectively enabling interconnectivity across multiple scenarios and industries. Through sustained and intensive investment in R&D equipment and talent teams, we have further consolidated our technological barriers in areas such as underlying algorithms, hardware-software integration, and end-to-end control.

### **Strategic Transformation: From One-time Equipment Sales to Long-term Operation and Maintenance Services**

To adapt to changing market demands and enhance business sustainability, the Group is actively driving a structural adjustment of its business model – transitioning from a single, one-time equipment sales model to one that places equal emphasis on long-term operation and maintenance (O&M) services. This transformation aims to establish deeper and more stable customer relationships by providing continuous, AI-based monitoring, assessment and maintenance services. For example, in the Transportation Solution Business, certain products have been shifted from one-time sales to a service fee collection model; in the Energy Solution Business, the Group has moved from selling inspection robots to continuously providing integrated O&M services such as “unattended equipment rooms” or integrated “inspection + operation” solutions, charging integrated intelligent O&M management fees on a per-site or per-annum basis; in the Urban Management Solution Business, leveraging a cloud-based AI platform, the Group provides on-demand subscription services for AI computing power and scenario-specific algorithms for applications including industrial parks, campuses and emergency management, with service fees charged based on the number of access channels or on a monthly basis. Through this model, the Group not only lowers the initial investment threshold for customers but also transforms “low-frequency sales” into “high-frequency services”, significantly enhancing the recurring and predictable nature of revenue. Going forward, the Group will further deepen this strategy by leveraging AI technology to deliver real-time monitoring, fault prediction and intelligent maintenance for infrastructure, providing customers with full-lifecycle operation management services, thereby achieving deeper customer engagement and value co-creation.

### Looking ahead: Focusing on “AI + vertical scenarios” to Continue to Forge ahead towards Higher-quality Growth

2026 marks the inaugural year of the 15th Five-Year Plan. Artificial intelligence is rapidly becoming a new quality productive force that reshapes all industries and sectors. Looking ahead, Nuobikan will continue to leverage the capital advantages of the listed platform. The relevant raised funds will be utilized in accordance with the intended purposes as set out in the prospectus, with a focus on the continued research of core technologies, the iteration of AI industry models, the advancement of core underlying technologies of the NBK-INTARI AI platform, the development and iteration of hardware and equipment, the construction of testing environments, the construction of R&D facilities and headquarters buildings, potential investment and acquisition opportunities, and general corporate purposes. If there are no significant changes in the circumstances, we expect that the net proceeds will be fully utilized by December 31, 2027.

We will continue to deepen the application of the NBK-INTARI artificial intelligence platform in areas such as intelligent operation and maintenance of transportation infrastructure and safety monitoring and management, while steadily extending into verticals including energy and urban governance, and actively expanding application scenarios in smart energy and urban safety. Driven by a dual engine of technological innovation and market expansion, we are confident to continue developing competitive artificial intelligence solutions and to facilitate the broader deployment of AI technologies across a wider range of industries.

Lastly, on behalf of the Board, I would like to express my sincerest gratitude to all shareholders, customers, business partners and members of the community for their continued trust and support, and to extend my heartfelt appreciation to all employees of the Group for their dedication and outstanding contributions over the past year. We will continue to move forward together to deliver enhanced returns to our shareholders and create greater value for society.

#### **Liao Yu**

*Chairman and Executive Director*

Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd.

Chengdu, the PRC, April 28 2026

# Management Discussion and Analysis

## Business Review

We primarily develop and sell monitoring and inspection products and solutions for railway operation and power grid companies, and other urban management solutions in the PRC. We mainly provide integrated software and hardware solutions adopting comprehensive AI industry models for monitoring, inspection and maintenance purposes.

We serve customers in various industries. During the Reporting Period, we generated revenue from businesses including (i) rail transit for transportation solution business, (ii) electricity for energy solution business, and (iii) urban management solution business.

In 2025, the Group recorded total revenue of RMB498.2 million, representing a year-on-year growth of 23.7%; gross profit of RMB266.2 million, representing a year-on-year growth of 12.2%; and profit and total comprehensive income of RMB117.8 million, representing a year-on-year growth of 2.1%. The Group recorded positive operating cash inflow of RMB85.8 million, which was in a good cash flow condition.

## Transportation Solution Business

- **Rail Transit:** We provide integrated software and hardware solutions to rail transit customers for various application scenarios, in particular, (a) inspection of railway traction power supply systems, (b) monitoring of railway external environment, and (c) inspection of cargo train operation status.

During the Reporting Period, our sales for rail transit solution business covered 27 provinces in China and with sales mainly targeting (i) distributors, mainly being companies engaged in the provision of information technology products and services and having established business relationships with railway bureaus and other end customers, and (ii) direct customers, mainly comprising end customers such as railway bureaus and their subordinate units.

- **City Transportation and Airport:** For city transportation, we are cooperating with a city industrial platform for the development, commercialization and promotion of a comprehensive solution targeted to facilitate daily administration of city transportation. As of the Latest Practicable Date, the project was at the stage of onsite trial run in preparation for commercialization. For airport, we are in the process of development of airport docking products which are machine vision products suitable for assisting airplanes in precise docking at close parking positions. As of the Latest Practicable Date, we were in the process of trial run and necessary product access certification of our airport docking products in preparation for commercialization for sales targeting customers such as airport operators.

# Management Discussion and Analysis

## Energy Solution Business

- **Electricity:** We provide products and solutions for such business mainly under two application scenarios. One scenario is for IT operation and maintenance of integrated grid construction covering aspects including IT operation support, monitoring, operation and maintenance and big data processing and analysis. During the Reporting Period, we mainly provided under this application scenario AI-based software products to system integrators serving power grid companies.

The other scenario is for power grid inspection, especially for defect detection of power transmission and distribution lines. During the Reporting Period, we mainly provided under this application scenario integrated software and hardware solutions to direct customers such as inspection and analysis service providers of power grid companies.

- **Chemical Engineering:** In the area of refining process for chemical engineering, we are developing, for a large-scale petrochemical enterprise in China, an inspection robotic patrol system for a refining substation. As of the Latest Practicable Date, we had submitted the product development proposal of the inspection system to this petrochemical enterprise which was subsequently approved for entering into the contract signing stage. We also provide chemical engineering solutions for the safety management of oil depots in respect of special operation management, personnel location monitoring and dual prevention of accidents from occurrence and escalation. As of the Latest Practicable Date, we had entered the delivery stage for the sale of oil depot safety management system to an oil depot operator customer with customer acceptance completed for a portion of the products delivered.

## Urban Management Solution Business

We provide products and solutions for urban management solution business covering a wide suites of application scenarios which mainly include: (i) park management, (ii) campus management, (iii) emergency management and (iv) community management.

We mainly provide integrated software and hardware solutions for urban management solution business. The key types of products we provide for such business include: (i) NBK Industry Application Platform (NBK行業應用平台) which is a general-purpose tool platform, and (ii) domain specific products with customized functions for specific application scenarios.

During the Reporting Period, our urban management products and solutions were primarily sold to: (i) system integrators mainly being companies engaged in the integration of information technology products and services to end customers of urban management projects, and (ii) direct customers such as urban management service providers.

## Financial Review

### Revenue

The following table sets forth the breakdown of our revenue by business line for the years indicated:

	For the year ended 31 December			
	2025	% of total	2024	% of total
	(RMB'000)	revenue	(RMB'000)	revenue
Transportation solution business	168,269	33.8%	209,381	52.0%
Energy solution business	84,671	17.0%	174,497	43.3%
Urban management solution business	245,219	49.2%	18,762	4.7%
<b>Total</b>	<b>498,159</b>	<b>100.0%</b>	<b>402,640</b>	<b>100.0%</b>

#### **Revenue from Transportation Solution Business**

During the Reporting Period, revenue generated from our transportation solution business was all from the area of rail transit. For the year ended 31 December 2025, our revenue from transportation solution business was RMB168.3 million, representing a decrease of 19.6 % from RMB209.4 million for the year ended 31 December 2024. The decrease was primarily due to the pilot implementation of new products in 2024, such as the Equipment Status Assessment System and the Safety Operation Control System, in three designated railway bureaus, the pilot scope was not expanded in 2025. For certain products not included in the expanded pilot scope in 2025, the pricing model has shifted from one-time sales to service fees.

#### **Revenue from Energy Solution Business**

During the Reporting Period, revenue generated from our energy solution business was all from the area of electricity. For the year ended 31 December 2025, our revenue from energy solution business was RMB84.7 million, representing a decrease of 51.5% from RMB174.5 million for the year ended 31 December 2024. The decrease was primarily due to the project-based business signed with Customer C (as disclosed in Note 4 to the financial statements) in 2023 being delivered in 2024. The revenue recognition for project-based business was affected such the implementation.

#### **Revenue from Urban Management Solution Business**

During the Reporting Period, revenue generated from our urban management solution business was from the urban management – park sector. For the year ended 31 December 2025, our revenue from urban management solution business was RMB245.2 million, representing an increase of 1,207.0% from RMB18.8 million for the year ended 31 December 2024. The increase was primarily due to the increase in project-based business from collaborations with Customer A and Customer B (as disclosed in Note 4 to the financial statements). The revenue recognition for project-based business was affected by such implementation.

## Management Discussion and Analysis

### Cost of Sales

The following table sets out a breakdown of our cost of sales by nature in absolute amounts and as percentages of our cost of sales for the years indicated:

	For the year ended 31 December			
	2025	% of total cost of revenue	2024	% of total cost of revenue
	(RMB'000)		(RMB'000)	
Procurement cost of software	41,652	18.0%	20,655	12.5%
Hardware-dominant procurement cost	119,187	51.4%	128,354	77.6%
Procurement cost of ancillary services	68,395	29.5%	15,877	9.6%
Labor costs	2,739	1.1%	521	0.3%
<b>Total</b>	<b>231,973</b>	<b>100.0%</b>	<b>165,407</b>	<b>100.0%</b>

Our cost of sales primarily consisted of procurement cost of software, hardware-dominant procurement cost, procurement cost of ancillary services, and labor costs. Our cost of sales increased to RMB232.0 million for the year ended 31 December 2025 as compared with RMB165.4 million for the year ended 31 December 2024, which was mainly attributable to the increase in procure cost of software, cost of ancillary services and labor costs resulting from higher income.

### Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross profit margin by business line for the years indicated:

	For the year ended 31 December			
	2025	Gross profit margin	2024	Gross profit margin
	(RMB'000)	(%)	(RMB'000)	(%)
Transportation solution business	147,438	87.6%	148,399	70.9%
Energy solution business	40,593	47.9%	86,527	49.6%
Urban management solution business	78,155	31.9%	2,307	12.3%
<b>Total</b>	<b>266,186</b>	<b>53.4%</b>	<b>237,233</b>	<b>58.9%</b>

For the year ended 31 December 2025, the gross profit of the Group increased by 12.2% to RMB266.2 million as compared with RMB237.2 million for the year ended 31 December 2024, which was primarily attributable to a significant increase in revenue from urban management solution business. The gross margin of the Group decreased to approximately 53.4% for the year ended 31 December 2025 from 58.9% for the year ended 31 December 2024, mainly attributable to the increase in revenue from the urban management solution business, which has a lower gross profit margin compared to other businesses.

### **Other Income and Gains**

Our other income and gains primarily consisted of (i) value-added tax refund received by us in relation to the sale of eligible self-developed software contained in our products and solutions, (ii) government grant representing subsidies received from the local governments to support our research and development activities and operation or a reward for our financial contribution, and (iii) bank interest income. For the year ended 31 December 2025, our other income and gains decreased by 7.9% to RMB21.8 million as compared with RMB23.7 million for the year ended 31 December 2024, mainly attributable to the reduce in VAT refunds in 2025 compared to 2024.

### **Selling and Distribution Expenses**

Selling and distribution expenses represented the fees incurred in our marketing activities, primarily consisted of (i) staff salaries and benefits of our sales and marketing personnel, and (ii) entertainment expenses and travelling expenses. For the year ended 31 December 2025, our selling and distribution decreased by 8.9% to RMB14.9 million as compared with RMB16.3 million for the year ended 31 December 2024, mainly attributable to our improved management of the sales team.

### **Research and Development Expenses**

Our research and development expenses primarily consisted of (i) staff salaries and benefits of our R&D staff, (ii) data-related service fees mainly representing fees paid to outsourced data related service providers for data collection, cleansing, rendering and annotation, (iii) other outsourced fees mainly in relation to other outsourced services in connection with our R&D activities, such as equipment testing and software development fees, (iv) use of equipment fees representing expenses for AI computing support services to our R&D activities, (v) depreciation and amortization, and (vi) material expenses. For the year ended 31 December 2025, our research and development expenses increased by 39.3% to RMB83.0 million as compared with RMB59.6 million for the year ended 31 December 2024, mainly attributable to the higher R&D investment and increased equipment depreciation

# Management Discussion and Analysis

## **Administrative Expenses**

Our administrative expenses primarily consisted of (i) staff salaries and benefits mainly of our management, administrative and finance staff, (ii) listing expenses in connection with the Listing, (iii) consultancy and professional service fees mainly representing consultancy service fees for training and general consulting, and professional fees for legal and auditing services, (iv) office expenses, travelling expenses and entertainment expenses, (v) taxes and surcharges were mainly in relation to additional levies of VAT, and (vi) depreciation. For the year ended 31 December 2025, our administrative expenses increased by 16.4% to RMB41.7 million as compared with RMB35.8 million for the year ended 31 December 2024, mainly attributable to the fact that some assets were put into use in December 2024, and the related expenses were amortized from 2025 onwards.

## **Net Impairment Losses on Financial and Contract Assets**

Our net impairment losses on financial and contract assets primarily consisted of impairment losses (and reversal of impairment losses) in relation to (i) trade receivables, (ii) contract assets, and (iii) financial assets included in prepayments, other receivables and other assets. For the year ended 31 December 2025, our net impairment losses on financial and contract assets decreased by 35.7% to RMB12.5 million as compared with RMB19.4 million for the year ended 31 December 2024, mainly attributable to the fact that the long-aged accounts were settled during the Reporting Period, leading to a decrease in the credit loss rate for long-aged accounts.

## **Other Expenses**

Our other expenses primarily represented the exchange losses and miscellaneous expenses. For the year ended 31 December 2025, our other expenses increased by 351.3% to RMB1.3 million as compared with RMB0.3 million for the year ended 31 December 2024, mainly attributable to exchange losses.

## **Finance Costs**

Our finance costs primarily consists of (i) interest on bank loans, representing interest on our bank borrowings with financial institutions in the PRC and (ii) interest on leases liabilities primarily in connection with our leased properties from third parties in the PRC. For the year ended 31 December 2025, our finance costs increased by 22.0% to RMB4.2 million as compared with RMB3.4 million for the year ended 31 December 2024, mainly attributable to the increase in interest expenses caused by the increase in bank loans in 2025.

## **Income Tax**

For the year ended 31 December 2025, our income tax increased by 19.0% to RMB12.8 million as compared with RMB10.7 million for the year ended 31 December 2024, mainly attributable to the increase in total profit and taxable income.

## Profit for the Year

As a result of foregoing, for the year ended 31 December 2025, our net profit increased by 2.1% to RMB117.8 million as compared with RMB115.4 million for the year ended 31 December 2024.

## Liquidity and Capital Resources

We have funded our working capital principally from cash generated from operations, capital contributions from Shareholders, bank loans, as well as the net proceeds from the Global Offering.

The following table sets out our cash flows for the years indicated:

	For the year ended 31 December		
	2025 (RMB'000)	2024 (RMB'000)	Change (%)
Net cash flows from operating activities	<b>85,848</b>	40,223	<b>113.4%</b>
Net cash flows used in investing activities	<b>(258,328)</b>	(76,107)	<b>239.4%</b>
Net cash flows from financing activities	<b>390,748</b>	118,677	<b>229.3%</b>
Net cash increase in cash and cash equivalents	<b>218,268</b>	82,793	<b>163.6%</b>
Cash and cash equivalents at beginning of the year	<b>167,332</b>	84,539	<b>97.9%</b>
Effect of foreign exchange rate changes, net	<b>(1,023)</b>	–	<b>N/A</b>
Cash and cash equivalents at end of the year	<b>384,577</b>	167,332	<b>129.8%</b>

### Operating Activities

For the year ended 31 December 2025, net cash flows from operating activities was RMB85.8 million, compared with RMB40.2 million from operating activities for the year ended 31 December 2024, representing an increase of 113.4%. The increase was mainly attributable to an increase in collections from the sale of goods and services provided.

### Investing Activities

For the year ended 31 December 2025, net cash flows used in investing activities was RMB258.3 million, compared with RMB76.1 million used in investing activities for the year ended 31 December 2024, representing an increase of 239.4%. The increase was mainly attributable to increased investment in research and development equipment.

### Financing Activities

For the year ended 31 December 2025, net cash flows from financing activities was RMB390.7 million, compared with RMB118.7 million from financing activities for the year ended 31 December 2024, representing an increase of 229.3%. The increase was mainly attributable to the receiving of proceeds from the Global Offering and the increase in bank loans.

# Management Discussion and Analysis

## **Cash and Cash Equivalents**

As a result of the foregoing, our cash and cash equivalents, which were mainly held in RMB as of 31 December 2025, increased by 129.8% from approximately RMB167.3 million as of 31 December 2024 to approximately RMB384.6 million as of 31 December 2025.

## **Foreign Currency Exchange Risks**

During the Reporting Period, substantially all of our revenues and expenditures were denominated in Renminbi, while the net proceeds from the Global Offering are in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar may affect the relative purchasing power in Renminbi terms of the proceeds from the Global Offering. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend issued by our PRC subsidiaries.

During the Reporting Period, the Group had not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risks. The management of the Group continued to pay attention to the market environment and the Group's own foreign exchange risk profile, and considered to taking appropriate hedging measures when necessary.

## **Contingent Liabilities**

We did not have any significant contingent liabilities against us as at 31 December 2025.

## **Gearing Ratio**

As at 31 December 2025, our gearing ratio, which is calculated as total debt divided by total assets, was 30.3%, as compared with 23.5% as at 31 December 2024.

## **Capital Expenditure**

Our capital expenditures comprise expenditures for purchases of property, plant and equipment, including servers, leasehold improvements, furniture and equipment and motor vehicles, and purchase of intangible assets of data assets model materials. For the year ended 31 December 2025 and 2024, total capital expenditure amounted to RMB98.5 million and RMB76.6 million respectively, representing an increase of 28.6%. The increase was mainly attributable to increased investment in research and development equipment.

## **Significant Investments Held/Future Plans for Significant Investments or Capital Assets**

Save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, as at 31 December 2025, there was no significant investment held by the Group or future plans for significant investments or capital assets.

### **Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures**

During the Reporting Period, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures.

### **Charge on Assets**

As at 31 December 2025, no property, plant and equipment were pledged.

### **Employees and Remuneration Policies**

As at 31 December 2025, we had a total of 193 full-time employees, the majority of which were based in our headquarters in Chengdu, Sichuan Province in the PRC. For the year ended 31 December 2025, cost of employees' remuneration and benefit was approximately RMB36.3 million as compared with RMB35.8 million for the year ended 31 December 2024.

We recruit high-quality talents from multiple channels based on a number of factors, including work experience, educational background and the requirements of a relevant vacancy. We enter into employment contracts with our full-time employees to cover matters such as wages, benefits and grounds for termination. The remuneration package of our employees includes salary and bonus, which are generally based on their qualifications, industry experience, position and performance. We assess our employees based on their performance to determine their salary, promotion and career development. We consider the remuneration package of our employees to be competitive among our competitors. We also provide our employees with regular feedback as well as internal and external training to upgrade their skills and knowledge continuously. We have maintained good working relationships with our employees. We determine the compensation of our Directors and Supervisors based on each Director and Supervisor's responsibilities, qualification, position, seniority, individual performance, the Group's operating performance and comparable market practices.

We will focus on embracing diversity within our organization and equal and respectful treatment of our employees in their hiring, training, wellness and professional and personal development. While maximizing equal career opportunity for everyone, we will also continue to promote work-life balance and create a happy culture in our workplace for our employees.

### **Outlook**

2026 marks the inaugural year of the 15th Five-Year Plan. Against the backdrop of the continued advancement of the national "AI+" initiative, Nuobikan will seize the opportunities arising from industrial digitalization and intelligent transformation, with a focus on deep vertical applications centered on its NBK-INTARI artificial intelligence platform. We will continue to deepen the platform's applications in areas such as intelligent operation and maintenance of transport infrastructure and safety monitoring and management. Driven by both technological innovation and market expansion, we aim to achieve rapid business growth and further consolidate our industry-leading position.

Looking ahead, Nuobikan will adhere to its development strategy of "technology-driven growth and deep scenario penetration." Building on its foundation in the transportation sector, the Company will steadily expand into verticals such as energy and urban governance, actively broadening application scenarios in areas including smart energy and urban safety. We will continue to develop competitive AI solutions to create greater value for our customers and promote the widespread adoption of artificial intelligence across industries.

# Directors, Supervisors and Senior Management

## Overview

Our Board currently consists of ten Directors, comprising four executive Directors, two non-executive Directors and four independent non-executive Directors. Our Board of Directors is responsible and has general powers for the management and conduct of our business. Our Directors are appointed for a term of three years commencing from the date of appointment. Our Directors may be re-appointed subject to the Shareholders' approval.

Our Supervisory Committee currently consists of three Supervisors. It is primarily responsible for supervising the performance of our Board and members of the senior management and performing other supervisory duties. Our Supervisors are appointed for a term of three years commencing from the date of appointment, renewable upon re-election.

The senior management is responsible for the management of day-to-day operations of the Company.

## Biographical Details of Directors, Supervisors and Senior Management

### Directors

**Mr. Liao Yu (廖峪)**, aged 45, is our founder, Chairman and executive Director. Mr. Liao founded our Group and was appointed as a Director in March 2015. He was re-designated as an executive Director in October 2024. Mr. Liao is mainly responsible for the overall management, strategy planning and major decision-making of our Group. Mr. Liao also acts as the executive director of Nuobikan Chongqing, Haitang Dongsheng, Zhonggui Railway, Youjia Dongsheng and Zhongzhou Chuangzhi, as well as the general manager of Zhonggui Railway and the manager of Zhongzhou Chuangzhi. From December 2022 to June 2024, Mr. Liao served as the General Manager.

From August 2007 to August 2016, Mr. Liao accumulated extensive experience in the information technology and AI sectors through his experiences of working as technical staff at other software development enterprises, namely Chengdu Ruizhishi Technology Co., Ltd.\* (成都銳之獅科技有限公司) and Chengdu Bulusi Video Technology Co., Ltd.\* (成都布露思視訊科技有限公司), where Mr. Liao was primarily responsible for software and technology development and management.

Mr. Liao obtained a master's degree in software engineering from Sichuan University (四川大學) in December 2008.

## Directors, Supervisors and Senior Management

**Mr. Tang Taike (唐泰可)**, aged 51, is our executive Director and chief technology officer. Mr. Tang joined our Group in December 2016 as the chief technology officer of our Company. He was appointed as a Director in May 2017 and was re-designated as an executive Director in October 2024. Mr. Tang is mainly responsible for overseeing daily operations and management of our Group, as well as leading the overall technology development of our Group. Mr. Tang also serves as the supervisor of Zhonggui Railway and Zhongzhou Chuangzhi.

Prior to joining our Group, Mr. Tang accumulated extensive experience in the information technology and AI sectors through his experience of working as technical staff at a number of software development enterprises, where Mr. Tang was primarily responsible for software and technology development and management. From October 2001 to September 2003, Mr. Tang worked as a system development and maintenance engineer at Sichuan Yin Hai Software Co., Ltd.\* (四川銀海軟件有限責任公司). From October 2003 to March 2004, Mr. Tang worked at Sichuan Qimingxing Yin Hai Information Technology Co., Ltd.\* (四川啟明星銀海信息技術有限公司). From April 2004 to April 2005, Mr. Tang worked at Sichuan Zhongdian Qimingxing Information Technology Co., Ltd.\* (四川中電啟明星信息技術有限公司). From August 2005 to June 2007, Mr. Tang worked at the Chengdu representative office of ECWISE. INC. From September 2007 to February 2008, Mr. Tang worked as a technical director at Chengdu Ruizhishi Technology Co., Ltd.\* (成都銳之獅科技有限公司). From March 2008 to February 2009, Mr. Tang worked at Chengdu Bulusi Video Technology Co., Ltd.\* (成都布露思視訊科技有限公司). From February 2009 to September 2016, Mr. Tang worked as a technical director at Chengdu Ruizhishi Technology Co., Ltd.\* (成都銳之獅科技有限公司).

Mr. Tang graduated from Sichuan United University (四川聯合大學) (currently known as Sichuan University (四川大學)) with a bachelor's degree in library and information studies in July 1997.

**Mr. Liu Bo (劉波)**, aged 47, is our executive Director and General Manager, primarily responsible for managing corporate operations and investor relations affairs of our Group. Mr. Liu joined our Group in November 2020. He acted as the deputy general manager of our Company from March 2022 to June 2024, acted as the secretary of the Board of our Company from December 2022 to June 2024. Mr. Liu has been acting as our General Manager since June 2024 and one of the executive Directors since January 2025. Mr. Liu also serves as the manager of Nuobikan Chongqing, as well as the supervisor of Haitang Dongsheng and Youjia Dongsheng.

From March 2007 to September 2016, Mr. Liu acted as the deputy general manager of Sichuan Qiangyou Computer Service Co., Ltd.\* (四川省強友計算機服務有限公司). From September 2016 to November 2020, Mr. Liu worked at Sichuan Province Ecological Civilization Promotion Association\* (四川省生態文明促進會).

Mr. Liu obtained his graduation certificate majoring in business management from the Central Radio and Television University (中央廣播電視大學) (currently known as the Open University of China (國家開放大學)) in July 2004.

## Directors, Supervisors and Senior Management

**Ms. Wang Li (王麗)**, aged 42, is our executive Director, chief financial officer, secretary of the Board and joint company secretary. Ms. Wang joined our Group in January 2017 as the chief financial officer of our Company. She was appointed as a Director in July 2022 and was re-designated as an executive Director in October 2024. Ms. Wang is mainly responsible for overseeing the financial affairs of our Group. Ms. Wang has been acting as the secretary of the Board since June 2024 and has been acting as the joint company secretary since October 2024.

Prior to joining our Group, from February 2015 to December 2017, Ms. Wang worked at Chengdu Hao Xu Accounting Consulting Co., Ltd.\* (成都昊栩會計諮詢有限公司). She has been acting as the supervisor of the same company since May 2016.

Ms. Wang obtained her graduation certificate majoring in accounting from the Central Radio and Television University (中央廣播電視大學) (currently known as the Open University of China (國家開放大學)) in July 2010. Ms. Wang obtained the intermediate accounting professional qualification issued by the Ministry of Human Resources and Social Security (中華人民共和國人力資源和社會保障部) and the Ministry of Finance (中華人民共和國財政部) in September 2020.

**Mr. Ruan Jianping (阮建平)**, aged 54, is our non-executive Director. Mr. Ruan was appointed as a Director in September 2024 and was re-designated as a non-executive Director in October 2024. Mr. Ruan is mainly responsible for providing strategic advice to our business and operations.

Mr. Ruan has been acting as the director of Shanghai Bojiang since April 2019, where he is mainly responsible for the management of the risk control, legal and funds department. Since June 2023, Mr. Ruan has been acting as an executive Director of Brand General Holding.

Mr. Ruan graduated from Zhejiang Gongshang University (浙江工商大學) with a bachelor's degree in accounting in June 2004, and obtained a master's degree of business administration from Peking University (北京大學) in July 2021. Mr. Ruan obtained the fund practitioner qualification certificate (中國證券投資基金業從業證書) from the Asset Management Association of China (中國證券投資基金業協會) in September 2018.

**Hua Zhangrong (華樟榮)** (with former name as Hua Zhangrong (華章榮)), aged 36, is our non-executive Director. Mr. Hua was appointed as a Director in September 2024 and was re-designated as a non-executive Director in October 2024. Mr. Hua is mainly responsible for providing strategic advice to our business and operations.

From October 2013 to August 2017, Mr. Hua worked at Yong Zheng Sensing (Hangzhou) Co., Ltd.\* (永正傳感(杭州)有限公司). Mr. Hua is currently working as an advanced sales representative at Zhejiang Sheng Nuo Meng Gujia Sponge Co., Ltd.\* (浙江聖諾盟顧家海綿有限公司), a subsidiary of Sinomax Group Limited, a company whose shares are listed on the Stock Exchange (stock code: 1418).

Mr. Hua obtained his bachelor's degree majoring in mechanical design and automation from Zhejiang A&F University (浙江農林大學) in June 2013.

## Directors, Supervisors and Senior Management

**Ms. Cao Xiaoxue (曹曉雪)**, aged 56, is our independent non-executive Director. Ms. Cao was appointed as an independent Director in March 2023 and was subsequently reconfirmed as an independent non-executive Director in October 2024. Ms. Cao is primary responsible for supervising and providing independent advice to our Board.

Ms. Cao has been working at Jilin University of Finance and Economics (吉林財經大學) (previously known as the School of Accounting of Changchun Taxation College (長春稅務學院) and Jilin College of Finance and Trade (吉林財貿學院)) since July 1995, and her current position is a professor at the School of Accounting. Ms. Cao successively worked as a teaching assistant, a lecturer and an associate professor at Jilin University of Finance and Economics from July 1995 to September 2010. Ms. Cao has been serving as a research expert of the Jilin Provincial Accounting Society (吉林省會計學會) since May 2022, and a management accounting consulting expert for the Department of Finance of Jilin Provincial (吉林省財政廳) since January 2023.

Ms. Cao obtained her bachelor's degree majoring in accounting from Jilin University of Finance and Economics (吉林財經大學) in July 1992. Ms. Cao obtained a master's degree in economics from the same university in June 1995. In June 2004, Ms. Cao graduated from China University of Mining & Technology (中國礦業大學) with a doctor's degree in management. Ms. Cao obtained a Professor Qualification Certificate in Accounting (會計學教授資格) from the Department of Human Resources and Social Security Department of Jilin Province (吉林省人力資源和社會保障廳) in September 2010.

**Mr. Sang Yongsheng (桑永勝)**, aged 52, is our independent non-executive Director. Mr. Sang was appointed as an independent Director in March 2023 and was subsequently reconfirmed as an independent non-executive Director in October 2024. Mr. Sang is primary responsible for supervising and providing independent advice to our Board.

Since July 2011, Mr. Sang has been working at the School of Computer Science of Sichuan University (四川大學) and his current position is an associate professor. He has also been serving as the chief secretary of the Big Data Special Committee\* (大數據專委會) of the Sichuan Province Computer Federation\* (四川省計算機學會) since June 2016.

Mr. Sang graduated from University of Electronic Science and Technology of China (電子科技大學) with a doctor's degree in computer application technology in December 2010.

**Mr. Bau Siu Fung (鮑小豐)**, aged 59, is our independent non-executive Director. He is primarily responsible for supervising and providing independent judgment to our Board.

Mr. Bau served as an auditor at Ernst & Young (Hong Kong) and Ernst & Young Huazhen LLP, both auditing and financial services firms, from June 2004 to October 2011, where he served as a manager at the time of leaving. Mr. Bau then served as an executive director from June 2012 to January 2017, and the chief financial officer and company secretary from June 2012 to September 2017, of Sheen Tai Holdings Group Company Limited, a conglomerate company listed on the Stock Exchange (stock code: 1335), where he was responsible for its financial management and compliance matters. Mr. Bau then served as an executive Director, the chief financial officer and company secretary of Chen Lin Education Group Holdings Limited, a higher-education provision company listed on the Stock Exchange (stock code: 1593), primarily responsible for formulating financial strategies, from September 2018 to May 2021. Mr. Bau served at Fulcrum Global (Hong Kong) Limited, an investment management company from May 2021 to August 2022, where he left as its managing director, finance.

## Directors, Supervisors and Senior Management

Mr. Bau has been serving as an independent non-executive director of various companies listed on the Stock Exchange, primarily responsible for providing independent advice to the respective boards. Mr. Bau has been serving as an independent non-executive director of AUX International Holdings Limited, an investment holding company listed on the Stock Exchange (stock code: 2080) since May 2015, and of FSM Holdings Limited, a company which is a sheet metal fabricator with a focus on precision engineering and a precision machine service provider, listed on the Stock Exchange (stock code: 1721) since June 2018.

Mr. Bau is currently a member of the Hong Kong Institute of Certified Public Accountants. Mr. Bau graduated from Idaho State University with a bachelor of business administration in Accounting and Finance in the United States in August 1997.

**Mr. Wang Huan (王歡)**, aged 48, graduated from Zhongnan University of Economics and Law (中南財經政法大學) with a Bachelor's degree in Management, and is currently pursuing a Master's degree in Computational Mathematics at Renmin University of China (中國人民大學). Mr. Wang is a Chinese Certified Public Accountant, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants (ACCA) and a Certified Internal Auditor, possessing multiple professional qualifications. Mr. Wang was also awarded the May Fourth Youth Medal in 2013 as a representative of the national accounting sector, and has extensive influence in the industry.

Mr. Wang has over 20 years of professional experience. Since 2011, he has held various professional and management positions at Deloitte China, including Audit and Financial Advisory Partner, National Lead Partner of Family Office, Southern Region Lead Partner of the TMT Industry, Fujian Market Leader Partner, and Partner-in-Charge of the Xiamen Office. He possesses a solid theoretical foundation and extensive practical experience in auditing, financial advisory, corporate strategy, and capital market operations. As a core project leader, Mr. Wang has led several major projects involving initial public offerings (IPOs), financing, mergers and acquisitions, industrial planning, and business restructuring implemented in Chinese mainland, Hong Kong, and the U.S. markets, demonstrating outstanding comprehensive execution and resource integration capabilities. Since 12 December 2025, Mr. Wang has been serving as an independent non-executive Director of 160 Health International Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 2656).

Mr. Wang actively participates in industry and public affairs. He currently holds positions including Co-Secretary General of the Guangdong-Hong Kong-Macao Specialized, Refined, Differential and Innovative Enterprise Industry Promotion Association, Consultant of the Shandong Province Large, Medium and Small Enterprise Integration Alliance, and Vice President of the Hangzhou Association for the Promotion of Entrepreneurship and Development of Overseas Returnees, and has accumulated extensive experience in promoting industrial synergy and local economic development. Mr. Wang also holds other positions such as Vice President of the Fujian Institute of Certified Public Accountants and Visiting Professor at the School of Accounting of Zhongnan University of Economics and Law, and is continuously committed to industry innovation, professional exchange, and talent cultivation.

## Directors, Supervisors and Senior Management

### Supervisors

**Mr. Lin Renhui (林仁輝)**, aged 41, is the chairman of our Supervisory Committee and research and development director. Mr. Lin is primary responsible for directing the activities of our Supervisory Committee, monitoring and supervising our operational and financial activities and performing other supervisory duties as a Supervisor and supervising the day-to-day technology development affairs of our Group. Mr. Lin has been acting as the research and development director since September 2016 and has been acting as the Supervisor since August 2019. Prior to joining our Group, from January 2010 to June 2016, Mr. Lin worked at Chengdu Ruizhishi Technology Co., Ltd.\* (成都銳之獅科技有限公司).

Mr. Lin obtained a bachelor's degree in computer science and technology from Sichuan Agricultural University (四川農業大學) in June 2008.

**Mr. Jiang Dengming (姜登明)**, aged 40, is our Supervisor. Mr. Jiang is primary responsible for monitoring and supervising our operational and financial activities and performing other supervisory duties as a Supervisor. Mr. Jiang has been acting as a Supervisor since April 2022. Mr. Jiang is the investment director of Beijing Heng Kuan Pufeng International Equity Investment Management Co., Ltd.\* (北京衡寬普豐國際創業投資管理有限公司) (previously known as Beijing Yi Zhuang Pufeng International Venture Investment Management Co., Ltd.\* (北京亦莊普豐國際創業投資管理有限公司)).

Mr. Jiang obtained a master's degree in business administration from Renmin University of China (中國人民大學) in June 2021. Mr. Jiang also obtained the senior information system project management practitioner qualification (高級信息系統項目管理師) issued by the Ministry of Human Resources and Social Security (中華人民共和國人力資源和社會保障部) and the MIIT in May 2018.

**Mr. Wang Wei (王威)** (with former name as Wang Jian (王建)), aged 39, is our employee representative Supervisor and research and development director. Mr. Wang is primary responsible for monitoring and supervising our operational and financial activities, performing other supervisory duties as a Supervisor and supervising the day-to-day technology development affairs of our Group. Mr. Wang Wei has been acting as the research and development director since October 2018 and has been acting as a Supervisor since December 2022.

Prior to joining our Group, from August 2013 to July 2015, Mr. Wang worked at Chengdu Aerospace Communication Equipment Co., Ltd.\* (成都航天通信設備有限公司). From July 2015 to October 2018, Mr. Wang worked at Sichuan Southwest Jiaotong Railway Development Co., Ltd.\* (四川西南交大鐵路發展有限公司).

Mr. Wang graduated from the University of Electronic Science and Technology of China (電子科技大學) with a master's degree in electronic and communication engineering in June 2013.

## Directors, Supervisors and Senior Management

### Senior Management

Our senior management team comprises all of our executive Directors. See “Directors, Supervisors and Senior Management – Directors”.

### Joint Company Secretaries

**Ms. Wang Li (王麗)**. See “Directors, Supervisors and Senior Management – Directors”.

**Ms. Wong Hoi Ting (黃凱婷)** is the other joint company secretary of our Company. She currently serves as a manager in the listing services department of TMF Hong Kong Limited. She is responsible for providing corporate secretarial and compliance services to listed companies.

Ms. Wong has approximately ten years of experience in the corporate secretarial field. She obtained her bachelor’s degree in social sciences from Lingnan University (嶺南大學) in Hong Kong in October 2009. She further obtained her master of science degree in professional accounting and corporate governance from City University of Hong Kong (香港城市大學) in Hong Kong in July 2014. Ms. Wong is an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) in Hong Kong and The Chartered Governance Institute in the United Kingdom.

### Changes in Information of Directors

Mr. Wang Huan was appointed as an independent non-executive Director on 9 March 2026.

On 28 April 2026, Mr. Ruan Jianping has delivered to the Board his resignation letter and resigned as a non-executive Director and a member of the Strategy Committee. The Board approved to nominate Mr. Luo Tian as a candidate for a non-executive Director subject to the Shareholders’ approval at the annual general meeting to be held on 28 May 2026 (the “**AGM**”). Mr. Ruan will continue to perform his duties as a non-executive Director and a member of the Strategy Committee until the date of election of the new Director at the AGM. For details, please refer to the announcement of the Company dated 28 April 2026.

Save as disclosed above, as at the date of this annual report, there is no other change in information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

# Report of Directors

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

## Business

### Principal Activities

We primarily develop and sell monitoring and inspection products and solutions for railway operation and power grid companies, and other urban management solutions in the PRC. We mainly provide integrated software and hardware solutions adopting comprehensive AI industry models for monitoring, inspection and maintenance purposes. During the reporting period, the Group's principal activities remained unchanged with no significant change. Details of the principal activities of the Group's major subsidiaries are set out in note 1 to the consolidated financial statements in this annual report.

### Results of Operations

The consolidation results of the Group for the year ended 31 December 2025 are set out on consolidated financial statements of this annual report.

### Business Overview

A pertinent review of the Group's business, including an analysis of the Group's financial performance, indicators of the likely future development of the Group's business are set out in the "Chairman's Statement" and "Management Discussion and Analysis" sections of this annual report. These discussions form part of the Group's business review.

## Final Dividends

No dividend has been paid or declared by the Company for the year ended 31 December 2025.

## Closure of Register of Members

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 22 May 2026 to 28 May 2026 (both days inclusive) during which period no transfer of shares will be registered. The Shareholders whose names appear on the register of members of the Company on 28 May 2026 will be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, unregistered holders of H Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 21 May 2026.

## Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2025 are set out in Note 13 to the consolidated financial statements of this annual report.

# Report of Directors

## Environmental Policies and Performance

The Group is not exposed to significant environmental risks. During the Reporting Period, no fines or other penalties were imposed on the Group for non-compliance with environmental regulations.

Details of the Group's environmental policy and performance are set out in the Company's environmental, social and governance report (the "**ESG Report**").

## Relations with Employees, Customers and Suppliers

The success of the Group relies on the support of important relations such as employees, suppliers and customers. The Company maintains a good relationship with its employees, customers and suppliers in order to ensure smooth business operation.

## Share Capital

Details of the movements in share capital of the Company during the year ended 31 December 2025 are set out in Note 26 to the consolidated financial statements of this annual report.

## Capital Reserves and Distributable Reserves

Details of the movement in the reserves during the Reporting Period are set out in consolidated statement of changes in equity of this annual report.

During the Reporting Period, the Company had distributable reserves of RMB376.0 million.

## Bank Loans and Other Borrowings

Details of bank loans or other borrowings of the Group during the Reporting Period are set out in Note 24 to the consolidated financial statements of this annual report.

## Issuance of Debentures

During the Reporting Period, no debentures were issued by the Group.

## Purchase, Sale or Redemption of the Company's Listed Securities

From the Listing Date up to the Latest Practicable Date, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 31 December 2025 and the Latest Practicable Date, the Company has no treasury shares.

## Use of Net Proceeds from Global Offering

The H Shares of the Company were listed on the Stock Exchange on 23 December 2025. A total of 3,786,600 H Shares (before the Share Subdivision) were issued at HK\$80.0 each for a total of approximately HK\$302.93 million. The net proceeds (after deduction of the underwriting fees and commissions and other expenses paid and payable by the Company in connection with the Global Offering) raised from the Global Offering amounted to approximately HK\$257.43 million. The net proceeds from the Global Offering will be utilized in accordance with the intended use of the proceeds set out in the Prospectus. The following table sets forth the status of the use of net proceeds from the Global Offering:

Use of net proceeds	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	The amount utilized between the Listing Date and 31 December 2025 (HK\$ million)	As at 31 December 2025		Expected timeline for utilizing the remaining net proceeds <sup>(2)</sup>
			Utilized amount (HK\$ million)	Unutilized amount (HK\$ million)		

### Continued Research on Core

**Technologies: to conduct and enhance the continued research on our core technologies for cementing the foundation of our technology capabilities and functions of product and service offerings**

	40.0%	102.97	0	0	102.97	By 31 December 2027
(1) Industry Model Iteration: for the iteration of our AI industry models, including transportation, energy, and urban management industry models	17.7%	45.57	0	0	45.57	By 31 December 2027
(i) R&D staff recruitment: the hiring of additional R&D staff to support the development and iteration of our major AI industry models	10.9%	28.06	0	0	28.06	By 31 December 2027
(ii) Iteration related expenses: to pay for other expenses in connection with our industry model iteration, which mainly include data-related service fees for data collection, cleansing, rendering and annotation	6.8%	17.51	0	0	17.51	By 31 December 2026
(2) Core Technology Iteration: for the recruitment of high-end R&D staff dedicated to the advancement and iteration of core technologies underlying the NBK-INTARI AI Platform, paving the way to expansion into new technological directions	13.6%	35.01	0	0	35.01	By 31 December 2027

# Report of Directors

Use of net proceeds	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	The amount utilized between the Listing Date and 31 December 2025 (HK\$ million)	As at 31 December 2025		Expected timeline for utilizing the remaining net proceeds <sup>(2)</sup>
				Utilized amount (HK\$ million)	Unutilized amount (HK\$ million)	
(3) Hardware Iteration: for the development and iteration of hardware and equipment	5.7%	14.67	0	0	14.67	By 31 December 2026
(4) Testing Environments Construction: the preparation and setting up of testing environments (such as robotics labs, server rooms, and simulation software) for the long-term testing and simulation of various business application scenarios for inspection robots, rail transit infrastructure, and airport aprons	3.0%	7.72	0	0	7.72	By 31 December 2026
<b>R&amp;D Facilities and Headquarters</b>						
<b>Construction: to establish and build our R&amp;D technology center and new headquarters</b>	<b>40.0%</b>	<b>102.97</b>	0	0	102.97	By 31 December 2027
(1) Technology Center: the establishment of our state-of-the-art R&D technology center (the "Technology Center")	23.5%	60.50	0	0	60.50	By 31 December 2026
(i) Hardware related Use: the purchase of hardware equipment needed for the establishment and development of the Technology Center, including key hardware equipment	21.3%	54.83	0	0	54.83	By 31 December 2026
(ii) Software related Use: the investment in necessary software licenses, operating systems, databases, virtualization software, firewalls and monitoring tools to support our R&D activities in connection with the Technology Center, as well as costs of annual maintenance and software updates	2.2%	5.66	0	0	5.66	By 31 December 2026
(2) Headquarters Base: the purchase and construction of our new headquarters base in Chengdu, Sichuan province	16.5%	42.48	0	0	42.48	By 31 December 2027

Use of net proceeds	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	The amount utilized between the Listing Date and 31 December 2025 (HK\$ million)	As at 31 December 2025		Expected timeline for utilizing the remaining net proceeds <sup>(2)</sup>
				Utilized amount (HK\$ million)	Unutilized amount (HK\$ million)	
<b>Potential Investment and Acquisition</b>						
<b>Opportunities: to pursue potential strategic investments and acquisition opportunities so as to implement our long-term growth strategy to optimize our products and solutions and expand and/or penetrate the end-customer industries that we cover</b>	10.0%	25.74	0	0	25.74	By 31 December 2026
<b>General Corporate Purposes: for working capital and general corporate purposes</b>	10.0%	25.74	0	0	25.74	By 31 December 2026
<b>Total</b>	<b>100.0%</b>	<b>257.43</b>	<b>0</b>	<b>0</b>	<b>257.43</b>	<b>By 31 December 2027</b>

Note:

- (1) The figures in the table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (2) The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to changes based on the current and future development of the market conditions.

We expect the net proceeds allocated to the foregoing purposes will be fully utilised by 31 December 2027, presuming that there is no significant change of conditions. In case of any shortfall for any of the foregoing expenditure, we plan to supplement such shortfall with internal resources or bank borrowings, as appropriate.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will only deposit those net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the SFO or the applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed use of proceeds.

## Pre-emptive Rights

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

# Report of Directors

## The Board

The Board currently consists of the following members:

### Executive Directors

Mr. Liao Yu  
Mr. Tang Taike  
Mr. Liu Bo  
Ms. Wang Li

### Non-executive Directors

Mr. Ruan Jianping  
Mr. Hua Zhangrong

### Independent Non-executive Directors

Ms. Cao Xiaoxue  
Mr. Sang Yongsheng  
Mr. Bau Siu Fung  
Mr. Wang Huan (*appointed on 9 March 2026*)

## Biographical Details of the Directors, Supervisors and the Senior Management

Biographical details of the Directors, Supervisors and the senior management of the Group as at the date of this annual report are set out on pages 22 to 28 under the section headed “Directors, Supervisors and Senior Management” of this annual report.

## Service Contracts of Directors and Supervisors

We have entered into a service contract or a letter of appointment with each of our Directors and Supervisors in respect of, among other things, compliance with relevant laws and regulations and the Articles of Association.

The principal terms of these service contracts and letters of appointment comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to the Shareholders’ approval.

None of the Directors and Supervisors has any unexpired service contract with the Company or any member of the Group, which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

## Interests of Directors and Supervisors in Transactions, Arrangement or Contract of Significance

There was no transaction, arrangement and contract of significance subsisting during or at the end of the Reporting Period in which a Director, a Supervisor or an entity connected with a Director or a Supervisor is or was materially interested, either directly or indirectly.

## Remuneration and Compensation of Directors, Supervisors and Senior Management

Our Directors, Supervisors and senior management receive compensation from our Group in the form of salaries, social security, housing benefits and other employee benefits, the employer's contribution to the pension plans and discretionary bonuses.

Details of the emoluments of Directors, Supervisors and the five highest paid individuals in the Group are set out in Note 9 to the consolidated financial statements of this annual report.

Details of the remuneration of the current senior management of the Company by band for the Reporting Period are set out as follows:

Range	Number of individuals
Nil to RMB1,000,000	3
Over RMB1,000,000	0

For the year ended 31 December 2025, no emoluments were paid by the Group to any Director, any Supervisor or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments for the year ended 31 December 2025.

Save as disclosed above, no other payments have been made or are payable, during the Reporting Period, by the Group to or on behalf of any of the Directors.

## Directors' Interests in Competing Business

During the Reporting Period and up to the Latest Practicable Date, none of the Directors, Supervisors, chief executive of the Company has any interests in any business, which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

## Conflict of Interest Between Our Group and Our Controlling Shareholders

Reference is made to the “Relationship with our Controlling Shareholders” in the Prospectus.

Based on the information provided by the Controlling Shareholders, our independent non-executive Directors have confirmed that there is no conflict of interests between our Group and the Controlling Shareholders.

## Directors’, Supervisors’ and Chief Executives’ Interests in Securities

As at 31 December 2025 and the Latest Practicable Date, the interests or short positions of the Directors, the Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director or chief executive	Position	Nature of interest	Description of Shares	Number of Shares interested <sup>(1)</sup>	As at 31 December 2025		As at the Latest Practicable Date		
					Unlisted Shares/H Shares	Approximate percentage of the Company's total share capital <sup>(2)</sup>	Number of Shares interested <sup>(1)</sup>	Unlisted Shares/H Shares	Approximate percentage of the Company's total share capital <sup>(3)</sup>
Mr. Liao Yu	Chairman and executive Director	Beneficial owner; interest in controlled corporations <sup>(4)</sup> ; interest held jointly with another person <sup>(5)</sup>	Unlisted Shares	4,470,016	60.1%	11.8%	44,700,160	60.1%	11.8%
			H Shares	12,957,951	42.6%	34.2%	129,579,510	42.6%	34.2%
Mr. Tang Taik	Executive Director and chief technology officer	Beneficial owner; interest held jointly with another person <sup>(6)</sup>	Unlisted Shares	4,470,016	60.1%	11.8%	44,700,160	60.1%	11.8%
			H Shares	12,957,951	42.6%	34.2%	129,579,510	42.6%	34.2%
Mr. Lin Renhui	Chairman of the Supervisory Committee and research and development director	Beneficial owner; interest held jointly with another person <sup>(7)</sup>	Unlisted Shares	4,470,016	60.1%	11.8%	44,700,160	60.1%	11.8%
			H Shares	12,957,951	42.6%	34.2%	129,579,510	42.6%	34.2%
Mr. Su Maocai	research and development director	Beneficial owner; interest held jointly with another person <sup>(8)</sup>	Unlisted Shares	4,470,016	60.1%	11.8%	44,700,160	60.1%	11.8%
			H Shares	12,957,951	42.6%	34.2%	129,579,510	42.6%	34.2%

Notes:

- (1) All interest stated are long positions.
- (2) The calculation is based on the total number of 37,866,600 Shares (consisting of 7,432,022 Unlisted Shares and 30,434,578 H Shares) in issue as at 31 December 2025.
- (3) The calculation is based on the total number of 378,666,000 Shares (consisting of 74,320,220 Unlisted Shares and 304,345,780 H Shares as a result of the Share Subdivision) in issue as at the Latest Practicable Date.
- (4) As at 31 December 2025 and the Latest Practicable Date, Mr. Liao acts as the general partner of Tieke Chuangzhi (holding 2,281,459 Shares) before Share Subdivision; 22,814,590 Shares after Share Subdivision and Tieke Intelligent (holding 633,726 Shares before Share Subdivision; 6,337,260 Shares after Share Subdivision). Accordingly, Mr. Liao is deemed to be interested in such number of Shares held by Tieke Chuangzhi and Tieke Intelligent under the SFO.
- (5) As at 31 December 2025 and the Latest Practicable Date, Mr. Liao Yu is deemed to be interested in 6,252,928 Shares before Share Subdivision; 62,529,280 Shares after Share Subdivision as a result of being a party acting-in-concert with Tang Taike, Lin Renhui, Su Maocai, Tieke Chuangzhi and Tieke Intelligent pursuant to the Concert Party Agreements.
- (6) As at 31 December 2025 and the Latest Practicable Date, the Shares in which Mr. Tang Taike is interested consist of (i) 1,112,581 Shares before Share Subdivision; 11,125,810 Shares after Share Subdivision held by him in his own capacity; and (ii) 16,315,386 Shares before Share Subdivision; 163,153,860 Shares after Share Subdivision in which Tang Taike is deemed to be interested as a result of being a party acting-in-concert with Mr. Liao, Lin Renhui, Su Maocai, Tieke Chuangzhi and Tieke Intelligent pursuant to the Concert Party Agreements.
- (7) As at 31 December 2025 and the Latest Practicable Date, the Shares in which Lin Renhui is interested consist of (i) 1,112,581 Shares before Share Subdivision; 11,125,810 Shares after Share Subdivision held by him in his own capacity; and (ii) 16,315,386 Shares before Share Subdivision; 163,153,860 Shares after Share Subdivision in which Lin Renhui is deemed to be interested as a result of being a party acting-in-concert with Mr. Liao, Tang Taike, Su Maocai, Tieke Chuangzhi and Tieke Intelligent pursuant to the Concert Party Agreements.
- (8) As at 31 December 2025 and the Latest Practicable Date, the Shares in which Su Maocai is interested consist of (i) 1,112,581 Shares before Share Subdivision; 11,125,810 Shares after Share Subdivision held by him in his own capacity; and (ii) 16,315,386 Shares before Share Subdivision; 163,153,860 Shares after Share Subdivision in which Su Maocai is deemed to be interested as a result of being a party acting-in-concert with Mr. Liao, Tang Taike, Lin Renhui, Tieke Chuangzhi and Tieke Intelligent.

## Report of Directors

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as our Directors are aware, as at 31 December 2025 and the Latest Practicable Date, the following persons (other than the Directors, Supervisors and chief executives of the Company) have interests or short positions in Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be maintained by the Company under Section 336 of the SFO:

Name	Nature of interest	Description of Shares	As at 31 December 2025			As at the Latest Practicable Date		
			Number of Shares interested <sup>(1)</sup>	Approximate percentage of the Unlisted Shares/ H Shares	Approximate percentage of the Company's total share capital <sup>(2)</sup>	Number of Shares interested <sup>(1)</sup>	Approximate percentage of the Unlisted Shares/ H Shares	Approximate percentage of the Company's total share capital <sup>(3)</sup>
Tieke Chuangzhi	Beneficial owner; interest held jointly with another person <sup>(4)</sup>	Unlisted Shares	4,470,016	60.1%	11.8%	44,700,160	60.1%	11.8%
		H Shares	12,957,951	42.6%	34.2%	129,579,510	42.6%	34.2%
Tieke Intelligent	Beneficial owner; interest held jointly with another person <sup>(5)</sup>	Unlisted Shares	4,470,016	60.1%	11.8%	44,700,160	60.1%	11.8%
		H Shares	12,957,951	42.6%	34.2%	129,579,510	42.6%	34.2%
Ms. Wang Ronghua	Interest of spouse <sup>(6)</sup>	Unlisted Shares	4,470,016	60.1%	11.8%	44,700,160	60.1%	11.8%
		H Shares	12,957,951	42.6%	34.2%	129,579,510	42.6%	34.2%
Shanghai Bojiang	Interest in controlled corporations <sup>(7)</sup>	H Shares	5,464,660	18.0%	14.4%	54,646,600	18.0%	14.4%
Bojiang Group Co., Ltd.* (博將集團有限公司) ("Bojiang Group")	Interest in controlled corporations <sup>(7)</sup>	H Shares	5,464,660	18.0%	14.4%	54,646,600	18.0%	14.4%
Hangzhou Hanrui Enterprise Management Co., Ltd.* (杭州翰瑞企業管理有限公司) ("Hangzhou Hanrui")	Interest in controlled corporations <sup>(7)</sup>	H Shares	5,464,660	18.0%	14.4%	54,646,600	18.0%	14.4%
Hanrui Enterprise Management (Hangzhou) Co., Ltd.* (漢瑞企業管理(杭州)有限公司) ("Hanrui Enterprise")	Interest in controlled corporations <sup>(7)</sup>	H Shares	5,464,660	18.0%	14.4%	54,646,600	18.0%	14.4%

Name	Nature of interest	Description of Shares	As at 31 December 2025			As at the Latest Practicable Date		
			Number of Shares interested <sup>(1)</sup>	Unlisted Shares/H Shares	Approximate percentage of the Company's total share capital <sup>(2)</sup>	Number of Shares interested <sup>(1)</sup>	Unlisted Shares/H Shares	Approximate percentage of the Company's total share capital <sup>(3)</sup>
Broad General Capital Limited ("Broad Capital")	Interest in controlled corporations <sup>(7)</sup>	H Shares	5,464,660	18.0%	14.4%	54,646,600	18.0%	14.4%
Broad General Holding	Interest in controlled corporations <sup>(7)</sup>	H Shares	5,464,660	18.0%	14.4%	54,646,600	18.0%	14.4%
Luo Tian	Interest in controlled corporations <sup>(7)</sup>	H Shares	5,464,660	18.0%	14.4%	54,646,600	18.0%	14.4%
Yang Mengqiao	Interest in controlled corporations <sup>(7)</sup>	H Shares	5,464,660	18.0%	14.4%	54,646,600	18.0%	14.4%
Chengdu Innovation Investment Group Co., Ltd.* (成都創新風險投資有限公司) ("Chengdu Innovation Investment")	Interest in controlled corporations <sup>(8)</sup> ; interest held jointly with another person <sup>(9)</sup>	Unlisted Shares H Shares	479,520 1,560,480	6.5% 5.1%	1.3% 4.1%	4,795,200 15,604,800	6.5% 5.1%	1.3% 4.1%
Chengdu Industrial Investment Group Co., Ltd.* (成都產業投資集團有限公司) ("Chengdu Industrial Investment")	Interest in controlled corporations <sup>(8)</sup> ; interest held jointly with another person <sup>(9)</sup>	Unlisted Shares H Shares	479,520 1,560,480	6.5% 5.1%	1.3% 4.1%	4,795,200 15,604,800	6.5% 5.1%	1.3% 4.1%

Notes:

- (1) All interest stated are long positions.
- (2) The calculation is based on the total number of 37,866,600 Shares (consisting of 7,432,022 Unlisted Shares and 30,434,578 H Shares) in issue as at 31 December 2025.
- (3) The calculation is based on the total number of 378,666,000 Shares (consisting of 74,320,220 Unlisted Shares and 304,345,780 H Shares as a result of the Share Subdivision) in issue as at the Latest Practicable Date.
- (4) As at 31 December 2025 and the Latest Practicable Date, Tieke Chuangzhi is deemed to be interested in 15,146,508 Shares before Share Subdivision; 151,465,080 Shares after Share Subdivision as a result of being a party acting-in-concert with Mr. Liao Yu, Tang Taikhe, Mr. Lin Renhui, Mr. Su Maocai and Tieke Intelligent pursuant to the Concert Party Agreements.

## Report of Directors

- (5) As at 31 December 2025 and the Latest Practicable Date, Tieke Intelligent is deemed to be interested in 16,794,241 Shares before Share Subdivision; 169,742,410 Shares after Share Subdivision as a result of being a party acting-in-concert with Mr. Liao Yu, Mr. Tang Taike, Mr. Lin Renhui, Mr. Su Maocai and Tieke Chuangzhi pursuant to the Concert Party Agreements.
- (6) Ms. Wang Ronghua is the spouse of Mr. Liao Yu. Accordingly, Ms. Wang Ronghua is deemed to be interested in such number of Shares that Mr. Liao Yu is interested in under the SFO.
- (7) As at 31 December 2025 and the Latest Practicable Date, Shanghai Bojiang is the general partner of each of Lishui Bojiang Furui Equity Investment Fund Partnership (Limited Partnership)\* (麗水博將福睿股權投資基金合夥企業(有限合夥)) (holding 2,057,140 Shares before Share Subdivision; 20,571,400 Shares after Share Subdivision), Lishui Bojiang Chuangfu No. 2 Equity Investment Partnership (Limited Partnership)\* (麗水博將創富二號股權投資合夥企業(有限合夥)) (holding 1,028,572 Shares before Share Subdivision; 10,285,720 Shares after Share Subdivision), Lishui Bojiang Xingyi Equity Investment Partnership (Limited Partnership)\* (麗水博將興奕股權投資合夥企業(有限合夥)) (holding 451,129 Shares before Share Subdivision; 4,511,290 Shares after Share Subdivision), Lishui Bojiang Science and Technology Innovation Equity Investment Partnership (Limited Partnership)\* (麗水博將科創股權投資合夥企業(有限合夥)) (holding 676,690 Shares before Share Subdivision; 6,766,900 Shares after Share Subdivision), Lishui Bojiang Yueheng Equity Investment Partnership (Limited Partnership)\* (麗水博將悅恒股權投資合夥企業(有限合夥)) (holding 451,129 Shares before Share Subdivision; 4,511,290 Shares after Share Subdivision), Lishui Bojiang Hongda Equity Investment Partnership (Limited Partnership)\* (麗水博將弘達股權投資合夥企業(有限合夥)) (holding 250,000 Shares before Share Subdivision; 2,500,000 Shares after Share Subdivision), Lishui Bojiang Junjing Equity Investment Partnership (Limited Partnership)\* (麗水博將璟璟股權投資合夥企業(有限合夥)) (holding 300,000 Shares before Share Subdivision; 3,000,000 Shares after Share Subdivision) and Lishui Bojiang Dingsheng No. 17 Equity Investment Partnership (Limited Partnership)\* (麗水博將鼎昇十七號股權投資合夥企業(有限合夥)) (holding 250,000 Shares before Share Subdivision; 2,500,000 Shares after Share Subdivision) (altogether, the **"Bojiang Entities"**). Shanghai Bojiang is wholly-owned by Bojiang Group, which in turn is wholly-owned by Hangzhou Hanrui; Hangzhou Hanrui is wholly-owned by Hanrui Enterprise, which in turn is wholly-owned by Broad Capital; and Broad Capital is wholly-owned by Broad General Holding. The controlling shareholders of Broad General Holding is Lou Tian and his spouse, Yang Mengqiao. Accordingly, each of Shanghai Bojiang, Bojiang Group, Hangzhou Hanrui, Hanrui Enterprise, Broad Capital, Broad General Holding, Luo Tian and Yang Mengqiao is deemed to be interested in such number of Shares held by Bojiang Entities under the SFO.
- (8) As at 31 December 2025 and the Latest Practicable Date, Chengdu Innovation Investment is deemed to be interested in all the Shares held by each of Rongchuang (Zibo) Equity Investment Partnership (Limited Partnership)\* (蓉創(淄博)股權投資合夥企業(有限合夥)) (**"Rongchuang Zibo"**) (holding 1,000,000 Shares before Share Subdivision; 10,000,000 Shares after Share Subdivision), Chengdu Wutongshu Innovation Venture Capital Partnership (Limited Partnership)\* (成都梧桐樹創新創業投資合夥企業(有限合夥)) (**"Chengdu Wutongshu"**) (holding 80,000 Shares before Share Subdivision; 800,000 Shares after Share Subdivision), Chongqing Chengyu Tuanjie Lake Strategic Emerging Industry Private Equity Investment Fund Partnership (Limited Partnership)\* (重慶市成渝團結湖戰略性新興產業私募股權投資基金合夥企業(有限合夥)) (**"Chengyu Fund"**) (holding 480,000 Shares before Share Subdivision; 4,800,000 Shares after Share Subdivision), and Chengdu Wufa Technology Innovation Investment Co., Ltd.\* (成都武發科技創新投資有限公司) (**"Chengdu Wufa"**) (holding 479,520 Shares before Share Subdivision; 4,795,200 Shares after Share Subdivision) in our Company under the SFO, details are as follows:
- (i) Rongchuang Zibo is owned as to 0.3% by its general partner, Chengdu Venture Capital Co., Ltd.\* (成都創新風險投資有限公司), which in turn is controlled by Chengdu Innovation Investment, which is also a limited partner holding 97.6% partnership interest in Rongchuang Zibo;
- (ii) Chengdu Wutongshu is held as to 0.05% by its general partner, Chengdu Jizhuan Venture Capital Co., Ltd.\* (成都技轉創業投資有限公司) (**"Jizhuan Venture Capital"**), which is wholly-controlled by Chengdu Innovation Investment, which also acts as the sole limited partner of Chengdu Wutongshu;
- (iii) Chengyu Fund is held as to 0.1% by its general partner, Jizhuan Venture Capital, which is a wholly-owned subsidiary of Chengdu Innovation Investment. Chengdu Wutongshu is the single largest limited partner of Chengyu Fund, holding 54.8% of partnership interest in Chengyu Fund; and
- (iv) Chengdu Wufa is held as to 51.0% by Chengdu Innovation Investment.
- Further, as at 31 December 2025 and the Latest Practicable Date, Chengdu Innovation Investment is controlled by Chengdu Industrial Investment, which in turn is controlled by SASAC of Chengdu Municipal Government. Therefore, Chengdu Industrial Investment is also deemed to be interested in all the Shares held by each of Rongchuang Zibo, Chengdu Wutongshu, Chengyu Fund and Chengdu Wufa under the SFO.
- (9) As at 31 December 2025 and the Latest Practicable Date, Chengdu Tongchuang Zhixing Enterprise Management Consulting Partnership (Limited Partnership)\* (成都同創知行企業管理諮詢合夥企業(有限合夥)) (**"Chengdu Tongchuang"**) is a party acting-in-concert with Chengdu Wufa. Accordingly, Chengdu Wufa, Chengdu Innovation Investment and Chengdu Industrial Investment are deemed to be interested in 480 Shares held by Chengdu Tongchuang in our Company under the SFO.

### Equity-Linked Agreements

No equity-linked agreements will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the Reporting Period or subsisted at the end of 2025.

### Arrangements to Purchase Shares or Debentures

At no time during the Reporting Period was the Company, its holding 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 debt securities including debentures of, the Company or any other body corporate.

### Contract of Significance

During the Reporting Period, save as disclosed in this annual report, neither the Company nor any of its subsidiaries had any contract of significance with its controlling shareholder or its subsidiaries, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries.

### Related Party Transactions

As at 31 December 2025, save as disclosed in Note 30 to the consolidated financial statements, our Group did not have any related party transactions or outstanding balances with related parties. No related party transactions falls under the definition of “connected transaction” or “continuing connected transaction” (as the case may be) under Chapter 14A of the Listing Rules that are required to be disclosed in this annual report.

### Management Contracts

Other than the Directors’ service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the Reporting Period.

### Donations

The Group did not make any charitable or other donations during the Reporting Period.

### Material Legal Proceedings

The Group was not involved in any material legal proceeding during the Reporting Period.

### Loan and Guarantee

During the Reporting Period, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, the Supervisors, senior management of the Company, the controlling Shareholders or their respective connected persons.

## Report of Directors

### Financial, Business and Family Relations Among Directors

Mr. Liao Yu, an executive Director and chairman of the Board, is a brother-in-law of Ms. Wang Li, an executive Director, chief financial officer, secretary of the Board and joint company secretary.

Save as disclosed above, directors are not related to one another with respect to finance, business and family, or other material relations.

### Major Suppliers and Customers

For the year ended 31 December 2025, the Group's largest customers accounted for 23.3% of the Group's total revenue. The Group's five largest customers accounted for 58.3% of the Group's total revenue.

For the year ended 31 December 2025, the Group's largest suppliers accounted for 21.2% of the Group's total purchase. The Group's five largest suppliers accounted for 64.1% of the Group's total purchase.

None of the Directors, the Supervisors or any of their close associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or customers during the year ended 31 December 2025.

### Tax Relief and Exemption of Holders of Listed Securities

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

### Sufficiency of Public Float

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, since the Listing Date and before the Share Subdivision, the Company's share capital consisted of 7,432,022 Unlisted Shares and 30,434,578 H Shares. Among the 30,434,578 H Shares listed on the Stock Exchange, the 18,422,611 H Shares held by Mr. Liao Yu, Mr. Tang Taike, Mr. Lin Renhui and Mr. Su Maocai, Tieke Chuangzhi, Tieke Intelligent and Bojiang Entities is not counted towards the public float as they are core connected persons of the Company. The remaining 12,011,967 H Shares representing approximately 31.7% of our total issued Shares (excluding treasury shares) is counted towards the public float.

Upon the Share Subdivision becoming effective on 11 March 2026, the total number of issued Shares of the Company increased to 378,666,000 Shares, consisting of 74,320,220 Unlisted Shares and 304,345,780 H Shares. As the Share Subdivision did not affect the proportionate shareholding interests of the Shareholders, the Company's public float percentage remained unchanged. Accordingly, the Company continued to maintain a public float of approximately 31.7% of its total issued Shares.

Pursuant to Rule 19A.28B(1) of the Listing Rules, the minimum percentage threshold of public float applicable to the Company is 25% of the total number of issued Shares in the class to which H Shares belong (excluding treasury shares). As such, the Company has complied with Rule 13.32B of the Listing Rules since the Listing Date and up to the Latest Practicable Date.

### Indemnity of Directors

No permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) in relation to the Director's and officer's liability insurance is currently in force and was in force during the Reporting Period.

### Corporate Governance

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the Corporate Governance Code as its own code to govern its corporate governance practices. Information on the corporate governance practice adopted by the Company is set out on page 46 to 63 under the section headed "Corporate Governance Report" in this annual report.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the Corporate Governance Code during the Reporting Period.

The Board will continue to review and monitor the practices of the Company with an aim to maintain a high standard of corporate governance.

### Auditor

The consolidated financial statements for the year ended 31 December 2025 have been audited by Ernst & Young, Certified Public Accountants. There has been no change in auditors since the Listing Date and up to the date of this annual report.

### Compliance with Laws and Regulations

As far as the Board is aware, during the Reporting Period, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects.

On behalf of the Board

**Mr. Liao Yu**

*Chairman and executive Director*

Hong Kong, 28 April 2026

# Report of the Supervisory Committee

## I. Composition

During the Reporting Period, the Supervisory Committee of the Company was composed of three Supervisors, including the following members:

### Chairman of the Supervisory Committee

Mr. Lin Renhui (林仁輝)

### Supervisor

Mr. Jiang Dengming (姜登明)

### Employee representative Supervisor

Mr. Wang Wei (王威)

## II. Meetings and Duty Performance of the Supervisory Committee

During the Reporting Period, the Supervisory Committee of the Company held a total of 2 meetings. The attendance records of each Supervisor at the Supervisory Committee meetings are as follows:

Position/Name	Number of Attendances	Number of Qualified Attendances
Chairman of the Supervisory Committee: Lin Renhui (林仁輝)	2	2
Supervisor: Jiang Dengming (姜登明)	2	2
Employee representative Supervisor: Wang Wei (王威)	2	2

The Supervisory Committee of the Company carried out its work strictly in accordance with relevant laws and regulations. It supervised the conduct of directors and senior management personnel, examined the Company's financial situation to ensure financial compliance, and put forward relevant suggestions, among other tasks.

### III. Term Situation

The Supervisory Committee of the Company completed its re-election in December 2025. As of the date of this report, the Supervisory Committee of the Company is in its second term.

### IV. Future Outlook

In 2026, the Supervisory Committee of the Company will actively pay attention to relevant changes in compliance policies, keep pace with the times, and safeguard the healthy and sustainable development of the Company. The Supervisory Committee will perform its duties in accordance with laws and regulations, strengthen the Company's internal control, further improve the corporate governance structure, and offer suggestions and advice for the development of the Company.

On behalf of the Supervisory Committee

**Mr. Lin Renhui**

*Chairman of Supervisory Committee*

Hong Kong, 28 April 2026

# Corporate Governance Report

The Company is committed to achieving and maintaining high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness. The Company has developed and implemented sound corporate governance policies and measures, and the Board is responsible for performing such corporate governance duties.

The Company has adopted the principles and code provisions of the Corporate Governance Code set forth in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices. During the Reporting Period, the Company has complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code.

The Board will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

## Board of Directors

### Responsibilities

The Board is responsible for and has the general power over the management and operation of our business, including determining our business strategies and investment plans, implementing resolutions passed at our Shareholders' general meetings, and exercising other powers, functions and duties as conferred by the Articles of Association. The Board is also responsible for reviewing the corporate governance policies and compliance with the Corporate Governance Code. The day-to-day operations and management are delegated by the Board to the management of the Company, who will implement the strategy and direction as determined by the Board.

### Board Composition

The Board currently consists of ten Directors, namely Mr. Liao Yu (chairman of the Board), Mr. Tang Taike (chief technology officer of the Company), Mr. Liu Bo (general manager of the Company) and Ms. Wang Li (chief financial officer, secretary of the Board and joint company secretary) as executive Directors, Mr. Ruan Jianping and Mr. Hua Zhangrong as non-executive Directors, and Ms. Cao Xiaoxue, Mr. Sang Yongsheng, Mr. Bau Siu Fung and Mr. Wang Huan as independent non-executive Directors. Mr. Liao Yu is a brother-in-law of Ms. Wang Li.

Each of Mr. Liao Yu, Mr. Tang Taike, Mr. Liu Bo, Ms. Wang Li, Mr. Ruan Jianping, Mr. Hua Zhangrong, Ms. Cao Xiaoxue, Mr. Sang Yongsheng and Mr. Bau Siu Fung confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 14 October 2024, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules. Mr. Wang Huan confirms that he (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 9 March 2026, and (ii) understands his obligations as a director of a listed issuer under the Listing Rules.

The Board has a balance of skills and experience appropriate for the requirements of the business of the Company. The biographies of the Directors are set out under the section headed "Directors, Supervisors and Senior Management" in this annual report.

During the Reporting Period and up to the date of this annual report, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing one-third of the Board, of whom Mr. Bau Siu Fung is the Director possessing appropriate professional qualifications or accounting or related financial management expertise. Mr. Wang Huan, an independent non-executive Director appointed on 9 March 2026, also possesses appropriate professional qualifications as required under Rules 3.10(2) of the Listing Rules. The Company has received a written confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and considers them to be independent.

The length of tenure and current period of appointment of each Director are set out as follows:

	Length of tenure since the date of appointment	Current period of appointment <sup>(1)</sup>
<b>Executive Directors:</b>		
Mr. Liao Yu	5 months	From 5 December 2025 to 4 December 2028
Mr. Tang Taike	5 months	From 5 December 2025 to 4 December 2028
Mr. Liu Bo	5 months	From 5 December 2025 to 4 December 2028
Ms. Wang Li	5 months	From 5 December 2025 to 4 December 2028
<b>Non-executive Directors:</b>		
Mr. Ruan Jianping	5 months	From 5 December 2025 to 4 December 2028
Mr. Hua Zhangrong	5 months	From 5 December 2025 to 4 December 2028
<b>Independent Non-executive Directors:</b>		
Ms. Cao Xiaoxue	5 months	From 5 December 2025 to 4 December 2028
Mr. Sang Yongsheng	5 months	From 5 December 2025 to 4 December 2028
Mr. Bau Siu Fung	5 months	From 5 December 2025 to 4 December 2028
Mr. Wang Huan	2 months	From 9 March 2026 to 4 December 2028

Note:

(1) Each Director's appointment is subject to the provisions of retirement and rotation of Directors under the Articles of Association.

## Appointment and Re-election

Code provision B.2.2 of the Corporate Governance Code states that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Each Director (including the non-executive Directors and independent non-executive Directors) is engaged for a term of three years. They are subject to re-election in accordance with the provisions of the Articles of Association.

# Corporate Governance Report

## Board Meetings and General Meetings

During the Reporting Period, the Company held 4 Board meetings and 3 general meetings. During the Reporting Period, the attendance record of each Director at the Board meetings and general meeting is as follows:

	Attendance/Eligible to Attend	
	Board meetings	General meetings
<b>Executive Directors:</b>		
Mr. Liao Yu	4/4	3/3
Mr. Tang Taike	4/4	3/3
Mr. Liu Bo	4/4	3/3
Ms. Wang Li	4/4	3/3
<b>Non-executive Directors:</b>		
Mr. Ruan Jianping	4/4	3/3
Mr. Hua Zhangrong	4/4	3/3
<b>Independent Non-executive Directors:</b>		
Ms. Cao Xiaoxue	4/4	3/3
Mr. Sang Yongsheng	4/4	3/3
Mr. Bau Siu Fung	4/4	3/3
Mr. Wang Huan (appointed on 9 March 2026)	N/A	N/A

## Directors' Training and Professional Development

All Directors attended various trainings in the Reporting Period, including trainings regarding the updating of the Listing Rules, the responsibilities and continuous obligations of Directors and the Environmental, Social and Governance Reporting Guide. The Company had arranged suitable trainings for all Directors in order to develop and refresh their knowledge and skills as part of their continuous professional development.

## Evaluation of the Board's Performance

During the Reporting Period, the Company did not conduct a board performance review. The next board performance review will be conducted during the year ending 31 December 2026.

## Board Committees

The Company has four principal Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the Strategy Committee. Each of the Board committees operates under its terms of reference. The terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange.

### Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely Ms. Cao Xiaoxue, Mr. Bau Siu Fung (who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules) and Mr. Hua Zhangrong, with Ms. Cao Xiaoxue acting as the chairlady. The primary duties of the Audit Committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to our Board, and monitoring the independence of external auditors and evaluating their performance;
- guiding internal audit work;
- examining the financial information of our Company and reviewing financial reports and statements of our Company and giving comments on relevant matters;
- assessing the effectiveness of internal control;
- coordinating the communication among management, internal audit department, related departments and external audit agency; and
- dealing with other matters that are authorized by our Board.

# Corporate Governance Report

During the Reporting Period, 2 meetings were held by the Audit Committee. The attendance record of the committee members at the meetings during the Reporting Period is as follows:

Directors	Attendance/Eligible to Attend
Ms. Cao Xiaoxue	2/2
Mr. Bau Siu Fung	2/2
Mr. Hua Zhangrong	2/2

The Audit Committee has reviewed the Company's audited annual consolidated results for the year ended 31 December 2025, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has reviewed the financial, operational and compliance monitoring, as well as the other material risk management and internal control mechanisms of the Group, including the financial, operational and compliance controls, as well as risk management of the Group in 2025. The Audit Committee was satisfied with the effectiveness and sufficiency of the internal control mechanism in its operations. The Audit Committee has reviewed the remuneration of the auditor for 2025.

## Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules, paragraph E.1 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Remuneration Committee consists of three Directors, namely Mr. Bau Siu Fung, Mr. Sang Yongsheng and Mr. Liao Yu, with Mr. Bau Siu Fung acting as the chairman. The primary duties of the Remuneration Committee include, but not limited to, the following:

- formulating individual remuneration plans for Directors, Supervisors and members of the senior management in accordance with the terms of reference of the importance of their positions, the time they spend on such positions as well as the remuneration benchmarks for the relevant positions in the other comparable companies;
- examining the criteria of performance evaluation of Directors, Supervisors and the senior management of our Company, conducting performance evaluation and making recommendations to our Board;
- supervising the implementation of the remuneration plan of our Company; and
- dealing with other matters that are authorized by our Board, and if necessary.

During the Reporting Period, 1 meeting was held by the Remuneration Committee. The attendance record of the committee members at the meetings during the Reporting Period is as follows:

Directors	Attendance/Eligible to Attend
Mr. Bau Siu Fung	1/1
Mr. Sang Yongsheng	1/1
Mr. Liao Yu	1/1

The Remuneration Committee has reviewed the implementation of Directors' remuneration for 2024 and the plan for Directors' remuneration plan of 2025.

## Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules, paragraph B.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely Mr. Sang Yongsheng, Mr. Bau Siu Fung and Mr. Tang Taike, with Mr. Sang Yongsheng acting as the chairman. The primary functions of the Nomination Committee include, but not limited to, the following:

- making recommendations to our Board with regards to the size and composition of our Board based on our Company's business operation, asset scale and equity structure;
- researching and developing standards and procedures for the election of our Board members, General Manager and members of the senior management, and making recommendations to our Board;
- examining our Board candidates, General Manager and members of the senior management and making recommendations to our Board;
- assessing and reviewing the independence of independent non-executive Directors; and
- dealing with other matters that are authorized by our Board.

In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board in accordance with the board diversity policy adopted by the Company. Diversity of the Board will be considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a Director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

# Corporate Governance Report

During the Reporting Period, 3 meetings were held by the Nomination Committee. The attendance record of the committee members at the meetings during the Reporting Period is as follows:

Directors	Attendance/Eligible to Attend
Mr. Sang Yongsheng	3/3
Mr. Bau Siu Fung	3/3
Mr. Tang Taike	3/3

The Nomination Committee has reviewed and considered: (i) the nomination of Mr. Liu Bo as an executive Director and a member of the Strategy Committee; (ii) the re-election of the Directors; (iii) the nomination of Mr. Liao Yu as the chairman of the Board; and (iv) the appointment of senior management of the Company.

## Strategy Committee

We have established the Strategy Committee consists of five Directors, namely Mr. Liao Yu, Ms. Cao Xiaoxue, Mr. Ruan Jianping, Mr. Liu Bo and Mr. Hua Zhangrong, with Mr. Liao Yu acting as the chairman. The primary duties of the Strategy Committee include, but not limited to, the following:

- reviewing our Company's long-term development strategies, major investment decisions and other important matters affecting our Company's development;
- providing recommendations with respect to key strategic initiatives;
- assisting our Board in establishing the strategic planning process, identifying and addressing organizational challenges and evaluating strategic alternatives; and
- dealing with other matters that are authorized by our Board.

During the Reporting Period, the Company did not hold any Strategy Committee meetings.

## Board Diversity Policy

We are committed to promoting the culture of diversity in our Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We have adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director of our Company, the Nomination Committee will consider a range of diversity perspectives with reference to our Company’s business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service. Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting and marketing. They obtained degrees in various majors including but not limited to engineering, computer science, accounting, law and business administration. Furthermore, our Board has a relatively wide range of ages, ranging from 35 years old to 58 years old with experience from different industries, sectors and genders.

For the year ended 31 December 2025, the Board consists of seven male members and two female members. As at the date of this annual report, the Board consists of eight male members and two female members. As of 31 December 2025, the Company had three male senior management and one female senior management, and the Group had a total of 187 employees (excluding the director and aforementioned senior management), of which the number of male and female employees are 138 and 49, respectively (representing approximately 74% and 26%, respectively). We will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will encourage our incumbent Board members to recommend female candidate directors and take other actions to help achieve greater board diversity, for example inviting some of our outstanding female staff at mid to senior level to attend and observe Board meeting. This will allow our Board to understand more about these potential female candidates before they are nominated to our Board and provide opportunities for potential female candidates to prepare themselves for director duties. Going forward, we will at least have one female Director and will ensure that our female management members will get equal opportunities to develop and perform so as to eventually be equipped to step up as a member of our Board. We will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of our Board. Our Group will continue to emphasize training of female talent and providing long-term development opportunities for our female staff including but not limited to business operation, management, accounting and finance, legal and compliance. As such, we are of the view that our Board will be offered chances to identify competent female staff at mid to senior level to be nominated as a Director in future with a pipeline of female candidates.

We are committed to adopting a similar approach to promote diversity within management (including but not limited to the senior management) of our Company to enhance the effectiveness of corporate governance of our Company as a whole.

# Corporate Governance Report

## Model Code for Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by Directors and Supervisors as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors and Supervisors, all of them have confirmed that they have complied with the Model Code during the year ended 31 December 2025.

## Auditor's Remuneration

For the year ended 31 December 2025, the remuneration for the audit services and non-audit services paid to the Auditor amounted to RMB2,179,000 and RMB66,000, respectively. Non-audit services include ESG Advisory Services.

## Joint Company Secretaries

Ms. Wang Li (王麗) and Ms. Wong Hoi Ting (黃凱婷) are joint company secretaries of the Company. The biographies of the joint company secretaries are set out under the section headed "Directors, Supervisors and Senior Management" in this annual report.

Ms. Wang currently has not yet possessed the relevant qualifications as required under Rule 3.28 of the Listing Rules, therefore, the Company has applied to the Stock Exchange and was granted with a waiver (the "**Waiver**") by the Stock Exchange from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for a period of three years commencing from the Listing Date (the "**Waiver Period**"). The conditions under which the Stock Exchange granted the Waiver are: (i) Ms. Wang must be assisted by Ms. Wong. Ms. Wong will work closely with Ms. Wang to jointly discharge duties and responsibilities as joint company secretaries and assist Ms. Wang in acquiring the relevant experience as; and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by our Company. Before the end of the Waiver Period, the qualifications and experience of Ms. Wang and the need for on-going assistance of Ms. Wong will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Ms. Wang, having benefited from the assistance of Ms. Wong for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Rule 3.28 and Rule 8.17 of the Listing Rules and decide whether a further waiver will be necessary. Ms. Wang has been designated as the main contact person at our headquarters after the Listing who will be responsible for maintaining day-to-day communication with Ms. Wong Hoi Ting and our Company's professional advisors in Hong Kong, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our Board to further facilitate communication between the Stock Exchange and our Company.

During the Reporting Period, each of Ms. Wong and Ms. Wang has confirmed that she received no less than 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules.

## Risk Management and Internal Control

### Risk Management

We are exposed to various risks for our operations so risk management is important for our business. In addition, we are also exposed to various financial risks, such as credit and liquidity risks that arise in the normal course of our business. In order to identify, assess, and control the risks that may cause impediments to our business, we have established and implemented comprehensive risk management and internal control systems consisting of policies and procedures that we consider appropriate for various aspects of our business operations, and are dedicated to continuously improving these systems.

Our Board of Directors is collectively responsible for the establishment and updating of our risk management and internal control systems, while our management proactively monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional teams, and also conducts periodic review of the implementation thereof, to ensure their effectiveness and sufficiency. Risks identified by our management will be analyzed on the basis of likelihood and impact, and properly followed up, mitigated and rectified, and reported to our Board of Directors. Specifically, we have adopted and implemented the following risk management and internal control policies and protocols.

### Operational Risk Management

We are faced with operational risks relating to our daily operations, which primarily arise from inadequate or failed internal processes, human errors, IT system failures or external events. We consider these operational risks to be the key risks in our business and believe that, with adequate operational policies and procedures, these inherent risks can be controlled and mitigated. We take a comprehensive approach with regard to operational risk management, and implement mechanisms with detailed and decentralized responsibilities and clear rewards and punishment systems. Different departments are collectively responsible for ensuring the compliance of our daily operations with our internal procedures. We also reiterate the importance of adherence to our operational protocols and procedures to our employees and, in particular, new employees, to ensure effective implementation of our operational protocols and procedures.

We also developed a robust risk management system monitoring and addressing risks in our daily operations such as through the management of our internal financial records, company chops, seals and signatures, key properties and business files. In the event of a major adverse event, the matter will be escalated to our general manager and the Board of Directors to take appropriate measures. Through effective operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing the same to reduce potential losses. To ensure the continuity of our business, we have also put in place contingency plans for detecting and responding to emergency incidents. In the event of an emergency incident, our contingency plans set out prescribed response protocols applicable to our various department. We continue to assess the effectiveness of our contingency plans, and would perform reviews after each emergency incident to identify potential areas for improvement. We also conduct regular emergency response drills to ensure our employees are familiar with our response protocols.

## Corporate Governance Report

### **Legal and Compliance Risk Management**

Our business is subject to the regulation and supervision by national, provincial and local government authorities with regard to our business operations, which may be subject to changes. We have designed and adopted strict internal procedures to achieve effective identification and management of compliance risk and ensure that our operations are in compliance with applicable laws and regulations. We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operations, and conduct regular reviews to monitor the status and effectiveness of such licenses, permits and approvals. We obtain requisite governmental approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities, within the prescribed regulatory timelines. In addition, we strengthen our legal and compliance risk management by monitoring legal updates, including updates on the interpretation of applicable laws and regulations by relevant regulatory authorities, and accordingly updating our internal protocols and procedures in a timely manner.

### **Financial Reporting Risk Management**

We have adopted comprehensive accounting policies in connection with our financial reporting risk management, such as financial reporting management policy, budget management policy, treasury management policy, financial statements preparation policy, and finance staff management policy. We have various procedures and IT systems in place to implement our accounting policies, and our finance department reviews our management accounts based on such procedures. In addition, we provide ongoing training to our finance staff to ensure that these policies are well-observed and effectively implemented.

### **Intellectual Property Risk Management**

We have implemented a set of comprehensive measures to protect our intellectual property. For instance, our administrative personnel will ensure that all necessary applications, renewals or filings for trademark, copyright and patent registrations have been timely made to the competent authorities. Moreover, we conduct uniform and centralized intellectual property management, which requires that any application, implementation, authorization or transfer of our intellectual property rights will need to be subject to the approval of our management. The intellectual property of the Group and its subsidiaries may be shared among Group members, subject to written permission from the intellectual property owner, for the purpose of using, selling, or offering to sell the relevant solutions.

## **Anti-Bribery and Anti-Corruption Risk Management**

We have in place anti-bribery and anti-corruption policies to safeguard against any bribery, corruption and fraud in violation of applicable anti-corruption and anti-bribery laws and regulations within our Group, which prohibits any bribery or corruption activities by the employees, either for the pursuit of improper personal benefits or improper interests of our Group. The policies provide guidance on anti-corruption and anti-bribery practices, and explain potential bribery and corruption conduct and our anti-bribery and corruption measures. We keep accurate books and records that reflect the substance of transactions and asset dispositions in reasonable details, and will not approve a transaction or payment if the books and records do not reflect the substance thereof. We conduct trainings for our employees regarding our anti-bribery and anti-corruption policies to facilitate better implementation. We make our internal reporting channel open and available for our staff to report any suspicious bribery and corruption acts, which may be anonymous. Any reported incidents and personnel will be investigated and handled in a prompt, independent and fair manner, and appropriate measures will be taken.

## **Information System and Data Security Risk Management**

We have established an information system and data security risk management framework, including relevant internal control policies and risk management mechanisms to ensure information and data security, which primarily consists of:

- internal authentication and authorization systems that set forth confidentiality categorization and control access to data, so that confidential and data with importance can only be accessed for authorized use and limited purposes, and by authorized personnel;
- procedures for regular data backup, encryption and desensitization to prevent unauthorized access, leakage, improper use or modification of, damage to or loss of data;
- adoption of multiple layers of safeguards, including both internal and external firewalls and anti-virus software, to identify and protect us against security attacks;
- procedures for regular system check, password policy and data recovery test to safeguard our information assets and ensure the proper data management;
- data security emergency response and information security management policies that evaluate critical risks and set forth emergency plans for data security incidents;
- provision of information security training to our employees from time to time;
- security audits to be performed periodically and on an as-needed basis so as to strengthen our security measures based on results thereof, which may include vulnerability scanning and intrusion detection, data inspection and risk identification, and security evaluation of idle equipment, etc.; and
- engagement, if necessary, of external legal counsel to review and update our internal policies and ensure continuous compliance with all applicable laws and regulations.

## **Human Resources Risk Management**

We have established risk management and internal control policies covering various aspects of human resource management such as recruitment, training, work ethics and legal compliance. We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training sessions tailored to the needs of our employees in different departments. Through these trainings, we ensure that our staff's skill sets remain up-to-date, enabling them to better meet customers' needs. We also conduct periodic performance reviews for our employees, and their remuneration is performance-based. We have in place an employee handbook and a code of conduct approved by our management and have distributed the same to all our employees. The handbook contains internal rules and guidelines regarding work ethics, and fraud, negligence and corruption prevention mechanisms. We monitor the implementation of internal risk management and internal control policies on a regular basis to identify, manage and mitigate internal risks in relation to potential incompliance with our code of conduct and violations of our internal policies or illegal acts at all levels of our Group.

## **Investment Risk Management**

As we may invest in or acquire businesses that are complementary to ours and aligned with our overall growth strategies, such as businesses that can expand our solution offerings and strengthen our technological capabilities, we have established investment project evaluation and approval processes. Our management will review and determine all new investments and major disposals. Specifically, it will be responsible for our investment project sourcing, screening, due diligence, risk assessment, valuation, execution and post-investment monitoring in accordance with our investment strategies. Each investment is assessed with consideration of strategic values, risks, business synergies and potential return of the project to be invested.

## **Audit Committee Experience and Qualification and Board Oversight**

To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have also adopted, among other things, the following risk management and internal control measures:

- the establishment of an audit committee responsible for overseeing our financial records, internal control procedures and risk management systems, and guiding internal audit work conducted by our internal audit department. For details of the qualifications and experiences of these committee members as well as a detailed description of the responsibility of our audit committee, see "Directors, Supervisors and Senior Management";
- the appointment of Ms. Wang Li as our chief financial officer and Ms. Wang Li and Ms. Wong Hoi Ting as our joint company secretaries to ensure the compliance of our operations with relevant laws and regulations. For details of their biographies, see "Directors, Supervisors and Senior Management";
- the appointment of Altus Capital Limited as our compliance advisor upon the Listing to advise us on compliance with the Listing Rules; and
- the engagement of external legal advisers to advise us on compliance with the Listing Rules and to ensure our compliance with the relevant regulatory requirements and applicable laws, where necessary.

The Board monitors and reviews the Group's risk management and internal control systems on an annual basis. The Board considers that the Group's risk management and internal control systems are adequate and effective for the purposes set out in Principle D.2 of the Corporate Governance Code for the year ended 31 December 2025. The review covered certain operational procedures. No significant control failings or weakness have been identified by the consultant during the review. No significant control failings or weaknesses that were identified in the current Reporting Period, or that were previously reported but remain unresolved have been identified by the internal audit department during the Reporting Period.

During the Reporting Period, there were no significant changes in (i) the Company's assessment of risks (including ESG risks) and (ii) the risk management and internal control systems.

### Whistleblowing Policy and Anti-corruption Policy

The Group has continuously improved the whistleblowing policy (the "**Whistleblowing Policy**") and system, publicly released the E-mail address for whistleblowing, and emphasized the protection of whistleblowers. It is the Group's policy to make every effort to treat all disclosures in a confidential and sensitive manner after receipt of any relevant report from an employee or a relevant third party. Upon receipt of any report, the HR department will evaluate the validity and relevance of the concerns raised in such report, and to decide if the reported matter falls under the scope of the Whistleblowing Policy and whether an investigation is necessary.

The Group has always attached great importance to the construction and implementation of its anti-corruption policy (the "**Anti-Corruption Policy**") and system. Directors and senior management of the Company are responsible for ensuring the effective implementation and in particular, the monitoring and investigation of any material corruption committed within the Group. The Anti-Corruption Policy clearly stipulates the improper payments, kickbacks and other forms of bribery of its employees. In addition, the Group is committed to dealing with its customers and suppliers in a fair, honest and professional manner, and employees must act with due care and diligence when evaluating prospective contractors and suppliers. The Group's policy is not to deal with suppliers and other potential business partners known to be paying bribes and/or engaging in corrupt activities.

# Corporate Governance Report

## Dividend Policy

Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio and may declare dividends from time to time as our Board considers appropriate in compliance with our Articles of Association and the applicable laws and regulations. Distribution of dividends will be formulated by our Board at its discretion and will be subject to shareholders' approval. Under the PRC Company Law and our Articles of Association, all of our Shareholders holding the same class of shares have equal rights to dividends and other distributions proportionate to their shareholding.

## Material Events After the Reporting Period

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 9 March 2026 (the “**EGM**”), every ordinary share of par value RMB1.00 each in the issued share capital of the Company are subdivided into ten (10) ordinary shares of par value RMB0.10 each (the “**Subdivided Shares**”) with effect from 11 March 2026. Upon the Share Subdivision becoming effective and as at the Latest Practicable Date, the registered capital of the Company is RMB37,866,600, divided into 378,666,000 Subdivided Shares of RMB0.10 each, all of which are issued and fully paid or credited as fully paid. Upon the Share Subdivision becoming effective, the board lot size for trading on the Stock Exchange has been changed from 50 H Shares to 100 Subdivided H Shares (the “**Change in Board Lot Size**”).

Pursuant to an ordinary resolution passed at the EGM, Mr. Wang Huan has been appointed as an independent non-executive Director, for a term of office commencing from the date of approval at the EGM until the expiry of the term of the second session of the Board in December 2028 (subject to retirement and re-election by the Shareholders pursuant to the Articles of Association and the Listing Rules). Biographical details of Mr. Wang Huan is set out in this annual report.

Upon completion of the Share Subdivision and the appointment of independent non-executive Director, the Company also amended the Articles of Association accordingly to reflect the changes in the share capital of the Company and the members of the Board.

For details of the abovementioned Share Subdivision, Change in Board Lot Size, appointment of independent non-executive Director and amendment of Articles of Association, please refer to the circular of the Company dated 23 February 2026.

Save as disclosed in this annual report, there was no other significant subsequent event undertaken by the Group subsequent to 31 December 2025 and up to the Latest Practicable Date.

## Change in Constitutional Documents

The Company has adopted the Articles of Association on 21 October 2024, which has been effective from the Listing Date.

Save as disclosed in the section headed “Material Events After the Reporting Period”, no other changes were made to the Articles of Association since the Listing Date and up to the Latest Practicable Date.

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

## Communication with Shareholders

The Company has established a shareholders' communication policy with the objective of ensuring that the Shareholders and the investment community at large are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to enhance the communication among Shareholders, the investment community and the Company. Pursuant to the shareholders' communication policy, the Company establishes different communication channels with shareholders and stakeholders including: (i) provision of printed or electronic copies of corporate communications; (ii) provision of timely corporate information on the company website; (iii) holding of annual general meetings to provide a platform for shareholders to raise comments and exchange views with the board; and (iv) arrangement in servicing the shareholders in respect of all share registration matters.

The Board reviews the shareholders' communication policy on a regular basis to ensure its effectiveness, particularly with regards to the requirements of Part 2 in the Corporate Governance Code. The Board has reviewed the implementation and effectiveness of the shareholders' communication policy during its meetings, and are of the view that the shareholders' communication policy has been effectively implemented and that the dissemination of information to the Shareholders' were effective based on the measures adopted above.

The Group uses several formal channels to ensure fair disclosure and comprehensive and transparent reporting of its performance and activities, including issue/publication of, among others, annual report and interim report, announcement, circular and press release both in English and Chinese, in order to provide the Shareholders and the capital market with the Company's latest development. The information is also posted and made available for downloading at the Company's website.

The Company endeavors to maintain an on-going dialogue with the Shareholders and in particular, through the annual general meeting and other general meetings. Shareholders are encouraged to attend the annual general meeting to ensure a high level of accountability and understand the strategy and development of the Group. The Company will arrange the Chairman of the Board and the respective chairman of each of the Board committees, or if failing so due to unexpected and/or uncontrollable reasons, his/their duly appointed delegate(s), to attend the general meetings to exchange views with shareholders and answer their questions. All Directors are encouraged to attend general meetings and develop a balanced understanding of the view of shareholders.

The general meetings of the Company serve as an opportunity for the Directors and senior management to communicate with the Shareholders. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Notice in writing is given by the Company to the Shareholders at least 21 days prior to the annual general meeting or at least 15 days prior to the extraordinary general meeting.

## Corporate Governance Report

Corporate communication will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding about the content of the communication. Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the corporate communications (in hard copy or through electronic means). Shareholders are encouraged to provide, amongst other things, in particular, their email addresses to the Company in order to facilitate timely and effective communications.

Upon review the implementation and effectiveness of the shareholders' communication policy conducted during the Reporting Period, the Board considers that the Company's shareholder communication policy is still effective.

### Shareholders' Rights

To safeguard the Shareholders' interests and rights, separate resolutions are proposed at the general meetings on each substantial issue, including the election of individual Directors, for the Shareholders' consideration and voting. All resolutions put forward at the general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company ([www.nuobikan.com](http://www.nuobikan.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) after each general meeting.

Shareholders who individually or collectively hold 10% or more of the shares of the Company shall have the right to request the Board to convene an extraordinary general meeting, and any proposal by a shareholder to convene an extraordinary general meeting shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with the laws, administrative regulations and the provisions of these Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary General Meeting within ten days after receiving the request.

Where the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within five days after the Board's resolution is made, and shall obtain the consent of the relevant shareholders for any changes to the original request as set out in the notice.

If the Board does not agree to convene an extraordinary general meeting or fails to respond within ten days after receiving the request, shareholders holding individually or collectively ten percent or more of the shares of the Company shall have the right to propose to the Supervisory Committee to convene an extraordinary general meeting, and the shareholders' proposal to the Supervisory Committee to convene an extraordinary general meeting shall be made in writing to the Supervisory Committee.

If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the convening of the general meeting within five days upon receipt of the request, and shall obtain the consent of the relevant shareholders for any changes to the original request in the notice.

If the Supervisory Committee fails to give notice of a general meeting within the prescribed period, it shall be deemed that the Supervisory Committee does not convene and preside over the general meeting, and that shareholders who have individually or collectively held ten percent or more of the Company's shares for a period of ninety consecutive days or more may convene and preside over the meeting on their own.

## Shareholders' Enquiries

Shareholders and investors may send written enquiries or requests to the Company, for the attention of the Board of Directors. The contact details are as follows:

Address: A9-4, Xin Gu Industrial Park No. 338, Guo Xin 4th Road, Shuangliu District, Chengdu, Sichuan Province, PRC

Attention: Office of the Board

Email: [ir@nuobikan.com](mailto:ir@nuobikan.com)

Telephone: 028-61792820

Shareholders may direct their questions about their shareholdings to the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. The Company ensures that the H Share Registrar maintains the most up-to-date information relating to the H Shares at all times so that it can respond effectively to the Shareholders' enquiries. The contact details are as follows:

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

Email: [is-enquiries@vistra.com](mailto:is-enquiries@vistra.com)

On behalf of the Board

**Mr. Liao Yu**

*Chairman and executive Director*

Hong Kong, 28 April 2026

# Environmental, Social and Governance Report

## About This Report

This report is the first Environmental, Social and Governance (“ESG”) report (the “Report”) prepared and published by Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd. (the “Company”) and its subsidiaries (collectively, “Nuobikan”, the “Group”, or “we”). The Report aims to present the Group’s management philosophy, practical progress, and related performance in environmental, social, and governance aspects. It seeks to enhance communication and mutual trust with stakeholders, while actively responding to their concerns and expectations regarding the Group’s sustainable development efforts.

## Basis of Preparation

The Report is prepared in accordance with the requirements of Appendix C2 ESG Reporting Code 《環境、社會及管治報告守則》 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 《香港聯合交易所有限公司證券上市規則》, and has complied with the relevant mandatory disclosure requirements and all “comply or explain” provisions.

## Reporting Scope

The Report discloses the Group’s management policies, key initiatives, and performance in environmental, social and governance aspects for the period from 1 January 2025 to 31 December 2025 (the “Reporting Period”). Unless otherwise specified, the reporting scope includes the Company and its subsidiaries. Unless otherwise specified, the currency of account in the Report is Renminbi (RMB).

## Reporting Principles

The following fundamental principles were followed during the preparation of the Report:

- **Materiality:** Through stakeholder communication and materiality assessment, the Report identifies ESG issues that are material or relevant to stakeholders and the Group, and ranks their materiality.
- **Quantification:** Data on the standards, methodologies, assumptions and/or calculation tools used for emissions/energy consumption in the Report, as well as the sources of conversion factors applied, are explained in the relevant sections.
- **Balance:** The Report follows the principle of balance to objectively present the Group’s current ESG management status.
- **Consistency:** As this is the Group’s first ESG report disclosure, the relevant disclosure statistical methods have been confirmed and will be kept consistent in subsequent years.

## Access and Feedback

The Report is published in both Chinese and English. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail. Readers and stakeholders may access the Report on the Company’s official website (<http://www.nuobikan.com>) and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)).

## About the Group

Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd. is a technology company focused on the research and development (R&D) of artificial intelligence (AI) technology and the implementation of industry applications. Leveraging proprietary algorithms and digital twin technology, the Group drives the industrial application of AI technology in complex scenarios.

The Group primarily focuses on three business areas: AI+Transportation, AI+Energy, and AI+Urban Governance. Through intelligent detection and analysis technology, it serves scenarios such as rail transit operation and maintenance, energy system optimization, and urban management, improves infrastructure operational efficiency and safety levels, and promotes digital and intelligent upgrades in relevant industries.

With innovation as its core driving force, the Group values the long-term benefits of technology applications for public safety, operational efficiency and resource allocation optimization. It also integrates the concept of sustainable development into business decisions and technology R&D processes, and is committed to creating long-term value for the industry and society.

## ESG Governance

### ESG Governance Structure

Nuobikan integrates the concept of sustainable development into its overall development strategy, and establishes an ESG governance structure coordinated by the Board of Directors with a dedicated working group facilitating implementation. The Board of Directors assumes ultimate responsibility for the Group's ESG-related matters, ensuring alignment of ESG management with the Company's long-term development direction.

In order to enhance management efficiency and execution, the Group has established an ESG Working Group, which is responsible for daily coordination and cross-departmental collaboration to promote the implementation of various ESG initiatives. Through clear reporting mechanisms and supervision processes, we ensure the effective execution of ESG strategies and continuously improve the management system to respond to regulatory requirements and stakeholders' expectations.

Board of Directors	<ul style="list-style-type: none"><li>• Supervise management of key ESG risks</li><li>• Regularly review ESG management performance</li><li>• Review and approve public disclosures of ESG-related matters</li></ul>
ESG Working Group	<ul style="list-style-type: none"><li>• Implement specific ESG strategies and monitor effectiveness</li><li>• Sustain focus on regulatory and industry ESG trends</li><li>• Report regularly to the Board of Directors</li></ul>

# Environmental, Social and Governance Report

## Communication with Stakeholder

The Group respects and values the concerns and expectations of stakeholders, establishing normalized and multi-channel communication mechanisms to actively listen to and respond to stakeholder concerns. These insights serve as an important reference for the Group's future ESG management and improvement, enabling continuous optimization of ESG management and decision-making while promoting the orderly implementation of various ESG initiatives.

Stakeholder Categories	Expectations and Requirements	Communication Channels
Government and Regulators	<ul style="list-style-type: none"> <li>Comply with national policies, laws and regulations</li> <li>Promote local economic development</li> <li>Boost local employment</li> <li>Pay taxes in full and on time</li> <li>Ensure safe production</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings with regulators</li> <li>Inspections and supervision</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>Return on investments</li> <li>Compliant operations</li> <li>Enhance company values</li> <li>Transparent information and efficient communication</li> </ul>	<ul style="list-style-type: none"> <li>General meetings</li> <li>Group announcements and circulars</li> <li>Email, telephone communication and corporate website</li> <li>Special reports</li> <li>On-site visits</li> </ul>
Partners	<ul style="list-style-type: none"> <li>Operate with integrity</li> <li>Fair competition</li> <li>Perform contracts in accordance with the law</li> <li>Mutual benefit and win-win results</li> </ul>	<ul style="list-style-type: none"> <li>Review and evaluation meetings</li> <li>Business communication</li> <li>Exchange and discussions</li> <li>Cooperation negotiations</li> </ul>
Customers	<ul style="list-style-type: none"> <li>High-quality products and services</li> <li>Health and safety</li> <li>Perform contracts in accordance with the law</li> <li>Operate with integrity</li> </ul>	<ul style="list-style-type: none"> <li>Customer service center and hotline</li> <li>Customer opinion surveys</li> <li>Customer communication meetings</li> <li>Follow-up visits</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Meet emission standards</li> <li>Energy conservation and emission reduction</li> <li>Ecological protection</li> <li>Rational water use</li> </ul>	<ul style="list-style-type: none"> <li>Communication with local residents</li> <li>Research and inspections</li> </ul>

# Environmental, Social and Governance Report

Stakeholder Categories	Expectations and Requirements	Communication Channels
Industry	<ul style="list-style-type: none"> <li>• Formulation of industry standards</li> <li>• Promote industry development</li> </ul>	<ul style="list-style-type: none"> <li>• Communication with local labor departments</li> <li>• Mutual visits and inspections</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Protection of rights and interests</li> <li>• Occupational health and safety</li> <li>• Compensation and benefits</li> <li>• Career development</li> <li>• Humanistic care</li> </ul>	<ul style="list-style-type: none"> <li>• Employee communication meetings</li> <li>• Employee suggestion box</li> <li>• Training and workshops</li> <li>• Employee activities</li> <li>• Staff representative assembly</li> </ul>
Communities and the Public	<ul style="list-style-type: none"> <li>• Improve community environment</li> <li>• Participate in public welfare undertakings</li> <li>• Transparent information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Media interviews</li> <li>• Community communication meetings</li> </ul>

## Materiality Assessment

Nuobikan highly values materiality assessment, and takes the assessment results as an important basis for formulating ESG strategies and determining future work priorities. Therefore, the Group invited third-party professional consultants to assist in conducting the materiality assessment. During the identification phase, with reference to the relevant requirements of the HKEX ESG Reporting Code, in view of the Company's actual operating conditions and industry characteristics, and benchmarking against best practices of peers, the Group comprehensively sorted out and identified ESG issues closely related to its business development. On this basis, the Group collected opinions on the materiality of ESG issues through communication with external stakeholders and interviews with internal stakeholders, and ranked the materiality of relevant issues. Finally, the ESG Working Group reviewed and confirmed the assessment results to ensure that the material issues truly reflect the Group's operating characteristics and the stakeholders' concerns, providing a basis for subsequent ESG management and information disclosure.

# Environmental, Social and Governance Report

During the Reporting Period, Nuobikan identified and screened a total of six material ESG issues.

Environmental Issues	<ul style="list-style-type: none"><li>• Greenhouse Gas Emissions</li><li>• Energy Management</li></ul>
Social Issues	<ul style="list-style-type: none"><li>• Product and Service Quality</li><li>• Occupational Health and Safety</li></ul>
Governance Issues	<ul style="list-style-type: none"><li>• Intellectual Property Management and Protection</li><li>• Information Security and Privacy Protection</li></ul>

## Sound Corporate Governance

### Business Ethics and Compliance

Nuobikan adheres to the business philosophy of integrity, strictly abides by laws and regulations related to anti-corruption, anti-bribery and anti-fraud such as the Criminal Law of the People's Republic of China 《中華人民共和國刑法》, the Anti-Unfair Competition Law of the People's Republic of China 《中華人民共和國反不正當競爭法》 and the Interim Provisions on Banning Commercial Bribery 《關於禁止商業賄賂行為的暫行規定》, and has formulated the Management System for Anti-Fraud, Anti-Money Laundering and Anti-Bribery 《反舞弊、反洗錢、反賄賂管理制度》, which is applicable to the Company and its subsidiaries and branches, so as to strengthen internal control, regulate the professional conduct of the Management and employees, and safeguard the legitimate rights and interests of the Company and its shareholders.

Based on this system, the Group has established a management structure covering the Board of Directors, the Audit Committee, the Audit and Compliance Center, and heads of various departments, and advanced mechanisms for anti-fraud prevention, reporting acceptance, investigation and handling, accountability, and remediation and improvement. The Group encourages reporting via telephone, email, letter, face-to-face interview and other means, and protects the identity data and legitimate rights and interests of whistleblowers. Meanwhile, the Group has implemented a preventive commercial bribery commitment mechanism in key processes and critical positions, and requires relevant business counterparties or individuals to sign the Commitment Letter on Preventing Commercial Bribery 《預防商業賄賂承諾書》 to strengthen source control and process supervision. During the Reporting Period, the Group mainly reminded directors and employees of requirements such as anti-bribery, conflict of interest, reporting channels, and liability for violations through the distribution of system documents, guidelines for integrity in professional conduct, and advocacy materials (including reference to relevant materials from the Independent Commission Against Corruption (ICAC)). In addition, the Group provides training and advocacy on anti-corruption and business ethics to its directors and employees. For employees, such training and advocacy have been incorporated into the onboarding training/orientation for new hires, explaining the Company's relevant systems and basic codes of conduct to continuously enhance their awareness of integrity and compliance.

The Group also extends its business ethics management requirements to suppliers, distributors and other partners, requiring them to comply with the Company's third-party code of conduct and relevant compliance requirements. Prior to cooperation, the Group will conduct due diligence to identify potential compliance risks, and continuously monitor their performance during the cooperation period to ensure compliance with anti-bribery and anti-corruption standards.

In terms of anti-money laundering and anti-terrorist financing management, the Group follows the "risk-based" principle, and incorporates relevant risks into the comprehensive risk management system. The Group has established an anti-money laundering leading group, a standing executive body, and a "three lines of defense" management structure. We implement measures such as customer identification, risk classification, monitoring and reporting of large-value and suspicious transactions, annual risk self-assessment, training and advocacy, as well as inspection and supervision, so as to continuously enhance the compliant operation capabilities.

### **Responsible Marketing**

The Group adheres to the principle of responsible marketing, strictly complying with applicable laws and regulations such as the Advertising Law of the People's Republic of China 《中華人民共和國廣告法》 in its marketing and promotional activities. For the design, printing, brochures, and other externally released information, the Group implements a review and control system, focusing on content compliance, information accuracy, and timeliness of release, so as to ensure the consistency between product information and promotional content, and continuously improve the compliance level of marketing management and brand credibility.

### **Information Security and Data Privacy Protection**

The Group highly values information security and privacy protection, and regards it as an important foundation for ensuring stable business operation, maintaining customer trust and preventing operational risks. During the Reporting Period, the Group continued to improve its information security management mechanism. Focusing on key areas such as network security, system security and data security, we have established a protection approach that equally emphasizes management and technology to enhance the security, stability and reliability of information system operation.

In terms of system construction, the Group continues to promote the implementation of internal information security and confidentiality management requirements, and standardizes the links of information access, use, storage, transmission and return through measures such as employee confidentiality management and technical support process management. Pursuant to the Employee Confidentiality Agreement, the Group explicitly defines the scope of trade secrets, technical secrets, and managerial secrets. Relevant personnel are required to continuously fulfill confidentiality obligations during employment and after departure, and shall not disclose to third parties or misuse related information without authorization. For confidential data accessed or held for work purposes, it must be properly safeguarded and returned as stipulated. Retention, duplication, or dissemination without authorization is strictly prohibited.

## Environmental, Social and Governance Report

At the operational execution level, the Group has established a relatively refined equipment and data management process based on technical support scenarios. The Technical Support Department implements documentation and traceability management during equipment requisition, outbound logistics, field service, upgrade deployment, and service validation phases, and requires functional verification of post-service equipment status. Concurrently, for service tasks related to client data, we explicitly require pre-service backups of relevant front-end, back-end, and database data based on service content to mitigate data loss risks during service process. For data upload and destruction, the Group requires completion of the Data Upload Application Form verified by the Data Security Officer, followed by deletion or formatting of storage media and submission of the Data Destruction Registration Form. Additionally, dedicated personnel management and registration for mailing and return procedures are implemented for data storage media to enhance carrier control.

The Group also values the development of employee information security awareness and confidentiality responsibilities, requiring staff to adhere to confidentiality regulations of the Company and promptly take measures and report any detected or occurring incidents of trade secret leaks to prevent risk escalation. Concurrently, the Group incorporates acts of leaking trade or technical secrets into the scope of anti-fraud and compliance risk management, so as to further strengthen internal controls and accountability. Moving forward, the Group will continuously enhance its information security management systems and operational procedures, and improve information security and privacy protection capabilities based on business development needs.

## Driving Innovation and Quality Management

### Innovation-driven

With technological innovation as the core driving force, the Group continues to advance R&D initiatives focusing on artificial intelligence, machine vision, multimodal recognition, and digital applications in industry scenarios. We are committed to enhancing product capabilities and solution implementation to support the intelligent upgrading of rail transit, urban governance, and related scenarios. Facing the rapid iteration of industry technologies and continuously deepening of application demands, the Group persistently promotes core technology R&D and product optimization to strengthen business competitiveness and long-term resilience.

During the Reporting Period, the Group launched multiple R&D projects with tracking management covering project initiation review, budget control, R&D cycles, and cost occurrence, forming a clear R&D project management mechanism. From the R&D portfolio, the Group and related entities advanced projects across diverse scenarios, covering panoramic ecological risk joint prevention and early warning in road domains, portable catenary inspection equipment, catenary inspection trolleys, integrated apron safety management systems, 5G intelligent analysis systems, rail flaw detection intelligent analysis systems, and soft cross-span guiding installation simulation computing systems. These reflect the Group's sustained investment and technological accumulation in rail safety, intelligent inspection, scenario perception, and operational analytics.

According to the patent ledger, the Group and related companies developed patent portfolios in knowledge retrieval, large language model applications in transportation services, low-light image denoising, train operation safety assurance, catenary defect recognition, machine vision scene calibration, civil aviation obstacle detection, and pipeline inspection, demonstrating the Group's strategic shift from singular algorithms to multi-scenario technology deployment. As of the end of the Reporting Period, the Group held 202 intellectual property assets, comprising 106 patents and 96 software copyrights.

## **Intellectual Property Management and Protection**

Nuobikan highly values intellectual property, regards it as an important carrier of technological innovation achievements, and incorporates intellectual property management and protection into its R&D management and compliance management systems. It continues to promote the precipitation, maintenance and protection of R&D achievements, and support the effective transformation and application of technological innovation results. Centering on business development and technological R&D needs, the Group continuously improves its intellectual property management mechanism to enhance the standardization and integrity of intellectual property management.

In terms of management, the Group values the precipitation, maintenance and protection of R&D achievements, and continuously promotes patent application, maintenance and account-based management. For technological achievements formed in the R&D process, the Group carries out patent identification, application evaluation and right maintenance based on business application scenarios and technological values, and tracks and manages patent applications, authorizations, validity periods and maintenance status through the establishment of patent account books, so as to improve the standardization and comprehensiveness of intellectual property management. Meanwhile, the Group values intellectual property protection. Through confidentiality management, accountability agreements and internal management requirements, we reduce the risk of leakage of technical data and R&D achievements, and continuously enhance employees' awareness of intellectual property protection. In the process of external cooperation, technical exchanges and project promotion, the Group also pays attention to intellectual property compliance risks, and continuously improves relevant management processes to protect the legitimate rights and interests of the Group and the effective transformation of R&D achievements.

In addition, the Group values the construction of intellectual property protection awareness. Through internal advocacy and relevant training, we enhance employees' understanding and implementation ability of intellectual property protection requirements, and strengthen the compliance awareness of R&D, technical and relevant functional personnel in achievement declaration, data management and confidentiality requirements.

## **Product and Service Quality Control**

The Group highly values product and service quality management, viewing quality control as a crucial foundation for safeguarding customer value, enhancing product reliability, and driving sustainable business development. We continuously improve our quality management systems and processes, integrating quality requirements throughout all stages of products and services, including requirement confirmation, design and development, external supplier management, delivery implementation, and subsequent improvement, so as to enhance the consistency, applicability, and stability of our products and services.

In order to form a systematic and standardized management mechanism, the Group has established an integrated Quality, Environment, and Occupational Health and Safety (QES) management system. We have compiled policies such as the Management Manual, Procedural Documents, and Management Documents, which serve as the basis for management activities across all departments. These documents clearly define the management policies, management objectives, division of responsibilities, and key process control requirements, and cover areas such as determination of product and service requirements, design and development, control of externally provided processes, control of production and service provision, control of nonconforming outputs, internal audits, management reviews, and continuous improvement, providing institutional support for the Group's product and service quality management.

# Environmental, Social and Governance Report

The Group establishes and continuously improves the QES management system based on standards such as GB/T 19001-2016 (ISO 9001:2015), GB/T 24001-2016, and GB/T 45001-2020. We promote the operation of the system based on the actual conditions of the Group's products, activities, and services. The Management Manual clearly defines that the scope of the management system covers software development, sales of electronic products and mechanical equipment, and related management activities, integrating quality management requirements into key business processes.

In terms of quality management, the Group standardizes key aspects such as product and service requirement review, external supplier management, control of production and service provision, control of nonconforming outputs, internal audits, and management reviews through the Procedural Documents and Management Documents. We have also formulated systems like the Design and Development Specifications, Software Development Project Management System, and Sales Management System to continuously strengthen quality control during the R&D, project management, and market delivery processes.

Meanwhile, the Group proposes the quality policy of "Striving for Excellence, Seeking for Continuous Improvement" in the Management Manual, and incorporates customer satisfaction and software testing performance into quality objective management to drive the continuous enhancement of quality management levels. Furthermore, the Group has obtained GB/T 19001-2016/ISO 9001:2015 Quality Management System certification, which provides external certification support for the effective operation of the quality management system.



ISO 9001:2015 Quality Management System Certification Certificate

## Deepening Cooperation and Value Co-creation

### Customer Relationship and Satisfaction Management

Nuobikan values customer relationship management. Adhering to the customer-oriented principle, we continuously improve product and service management processes, striving to enhance customer experience and service quality. During the Reporting Period, the Group conducted customer relationship and satisfaction management in accordance with the QES management system, and strengthened the full-process management of customer demand identification, service delivery, and problem improvement through mechanisms such as product and service requirement review, service provision control, non-conforming output control, and corrective actions.

In terms of customer communication and satisfaction management, the Group continuously understands customer needs and opinions through daily communication, project coordination, after-sales service, and customer feedback collection. We incorporate customer feedback into monitoring, measurement, analysis, evaluation, and continuous improvement mechanisms to support the optimization of product and service quality. For opinions or suggestions put forward by customers, the Group arranges relevant business departments and technical/service teams to follow up collaboratively, analyze the causes, and formulate improvement measures, so as to enhance the efficiency of problem handling and service response capabilities.

During the Reporting Period, the Group did not receive any customer or external complaints regarding its products and services. If such complaints are received, the Group will initiate an internal management process for acceptance, verification, cause analysis, resolution and response. Depending on the situation, measures such as technical rectification, service optimization, process improvement and preventive actions will be taken to promote closed-loop management of problems. For repeated or common problems, the Group will further conduct retrospective analysis and improve relevant management requirements to reduce the recurrence of similar problems.

In the future, the Group will continue to improve the customer feedback and complaint handling mechanism, strengthen cross-departmental collaboration and problem tracking capabilities, and continuously enhance product and service quality in light of changes in customer needs, so as to promote the long-term stable development of customer relationships.

### Supply Chain Responsibility Management

Nuobikan highly values the significance of supply chain management for business continuity, product and service quality, and compliant operations, and continues to improve the supplier management mechanism to enhance the stability and risk response capability of the supply chain. Leveraging the Group's QES management system and related documents, the Group includes suppliers and other relevant parties into its management scope, clarifies the identification of relevant party needs, management policies and continuous improvement requirements, and promotes the alignment of supply chain management with the Group's quality, environmental and occupational health and safety management requirements.

In terms of supplier access and evaluation, the Group has established a supplier evaluation and continuous confirmation mechanism, which evaluates suppliers in terms of supply/service qualifications, quality assurance capabilities, environmental and safety management status, product (or service) quality performance, service and reputation, and risk status, and formed evaluation conclusions. Supplier evaluation records show that the Group will determine whether a supplier is listed as a qualified supplier, and conduct continuous confirmation and approval on an annual basis to strengthen the dynamic management of suppliers.

## Environmental, Social and Governance Report

In terms of responsible procurement and environmental safety management, the Group raises environmental safety requirements to relevant parties such as raw and auxiliary material suppliers, outsourcing suppliers, transportation companies, and waste disposers via the Management System for Influencing Relevant Parties and the Notice on Environmental Safety for Relevant Parties. The General Manager's Office and relevant departments organize evaluation, supervision and effect inspection. The system documents clearly require that environmental impact assessment should be carried out when selecting new suppliers, and priority should be given to relevant parties that meet the Company's environmental management requirements. For relevant parties that fail to meet the management requirements, the Group may put forward rectification opinions. If the rectification is unsatisfactory, refused, or causes major environmental safety risks, corresponding measures (including deadline rectification, order reduction, or supplier replacement) will be taken in accordance with laws and regulations to reduce supply chain risks.

Meanwhile, the Group encourages suppliers and contractors to comply with applicable environmental safety laws and regulations during product and service provision, and promotes them to reduce packaging materials, properly control pollutant emissions, improve production processes and strengthen hazardous materials management on the premise of meeting quality requirements. For key relevant parties, the Group will also conduct irregular supervision and inspections, focusing on their understanding of the Company's environmental safety policy, whether they are involved in complaints or penalties, and their compliance with pollutant emission standards. If non-compliance is found, rectification opinions will be put forward and follow-up improvement will be conducted.

### **Industry Exchange and Cooperative Development**

Nuobikan values industry exchange and collaborative development, viewing them as vital pathways to enhance technical capabilities, expand application scenarios, and foster industrial synergy. With the accelerated adoption of AI, digital twin, and other technologies in fields such as rail transit, energy, and urban governance, the Group continues to monitor industry trends, actively participates in industry exchanges, and engages in communication and interaction with industry associations, enterprises, and other partners to facilitate the sharing of technical experience, scenario alignment, and sustainable business growth.

During the Reporting Period, the Group actively participated in industry exchanges, focusing on communication and cooperation regarding the integrated application of AI and industry scenarios. In May 2025, a delegation from the Shenzhen Artificial Intelligence Industry Association visited the Group to exchange views on the application prospects and cooperation directions of AI technology in rail transit, smart energy, and urban governance. During the exchange, Nuobikan presented its technical achievements and business portfolios in the fields of AI and digital twin technology, demonstrated the application capabilities of related technologies in complex open scenarios, and engaged in in-depth discussions with the visiting delegation on industry needs, scenario implementation, and technical collaboration.

In terms of exchange formats, the Group facilitates mutual understanding and trust among partners through on-site visits, technology demonstrations, and discussions. The exchange highlighted the Group's application practices in AI+Transportation, AI+Urban Governance, and AI+Energy, including detection, monitoring, and early warning scenarios for rail transit operation and maintenance, digital application scenarios for urban management and public services, and intelligent detection and optimization scenarios for the energy sector. By showcasing technical achievements and application cases, the Group continuously improves the efficiency of matching technical capabilities, scenario requirements, and cooperation models with various industry chain parties.

Meanwhile, the Group values cooperation opportunities with industry organizations and ecosystem partners, paying attention to the important role of government-industry-academia-research-application synergy and resource integration in technology deployment. Relevant exchanges enable the Group to better grasp industrial development opportunities, enhance the efficiency of technology achievement transformation, and contribute to the intelligent upgrading of the industry.

## People-Oriented and Employee Development

### Employee Rights Protection

The Group values the protection of employees' legitimate rights and interests. We are committed to establishing a compliant, equitable, respectful, and development-oriented employment environment, and have integrated employment management requirements into daily human resources management processes. The Group strictly complies with applicable laws and regulations, including the Labor Law of the People's Republic of China 《中華人民共和國勞動法》, the Labor Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》, and the Provisions on the Prohibition of Child Labor 《禁止使用童工規定》. We have formulated the Employee Handbook and are committed to providing equal employment opportunities. In accordance with relevant systems for labor contract management, the Group has standardized matters such as compensation and dismissal, recruitment and promotion, working hours, leave arrangements, and other benefits and welfare, clarified the rights, obligations and management procedures of employees and the Company, and continuously optimized the employment management mechanism to support the steady development of the business and the long-term development of employees.

The Group adheres to the principle of fair employment. In recruitment, employment, promotion and daily management, we emphasize equal opportunities, diversity and anti-discrimination management, and prohibit any unreasonable differential treatment based on factors such as gender, age, ethnicity, and religious belief. We are committed to fostering a work environment of mutual respect, collaboration and inclusiveness. Meanwhile, the Group requires all employment procedures to follow the principles of legality, compliance, fairness and integrity, and continuously pays attention to updates of employment-related laws and regulations that have a significant impact on the Group to ensure that employment management complies with regulatory requirements in major operating locations.

In terms of preventing child labor and forced labor, the Group explicitly prohibits all form of child labor, forced labor and disguised forced labor. During the recruitment and onboarding process, the Group requires candidates to provide valid identity documents for verification to confirm that they meet the legal working age. At the same time, we sign labor contracts in accordance with the laws, clearly stipulating terms such as job content, work location, working hours arrangement, compensation and benefits, rest and leave, so as to ensure that the employment relationship is transparent, compliant and traceable. If any suspected violations are found, the Group will immediately stop the relevant employment arrangement, conduct investigation and rectification, and take follow-up measures in accordance with the system and legal requirements to prevent the recurrence of similar incidents. As of the end of the Reporting Period, the Group has not found any major violations of employing child labor or forced labor.

### **Compensation and Benefits System**

The Group values the contributions of employees across different positions, and has established a compensation and benefits system based on the principles of “institutionalized management, role alignment, performance orientation, and balancing incentives with equity”. In accordance with the labor contract and the Compensation Management System, employee compensation consists of base salary, position salary, seniority salary, various subsidies, performance-based salary, and commissions/bonuses, etc. It is managed and adjusted according to the employee’s current position, job responsibilities, and performance.

In terms of salary disbursement and administration, the Group clarifies the salary payment time, calculation standards, and deduction rules in accordance with relevant systems. Salaries are generally paid on a monthly basis, and daily wages are calculated based on a unified standard. Individual income tax, social insurance premiums and housing provident fund contributions borne by employees are withheld and remitted by the Company in accordance with the law to ensure that salary payments are compliant, transparent and traceable. At the same time, the Group values the confidentiality management of salary information, and sets management requirements for the transmission, storage and access of salary data to protect employee privacy and maintain the order of salary management.

## Environmental, Social and Governance Report

In terms of welfare protection, the Group provides social insurance and housing provident fund for employees in accordance with national and local regulations, and continuously enhances the welfare system based on job characteristics and the Company's development. As specified in the Employee Handbook, the Company provides welfare arrangements such as paid annual leave, holiday benefits, outstanding employee awards, team building activities, employee physical examinations, birthday gifts, and probationary conversion seminars, and also sets corresponding norms for probationary salary and benefits. Beyond institutionalized welfare, the Group also carries out diverse employee care activities based on employee needs, including the Spring Festival Gala, festival gifts for the Spring Festival/Dragon Boat Festival/Mid-Autumn Festival, summer heat relief, staff fun sports meetings, basketball and badminton activities, 1024 Programmer's Day events, afternoon tea lotteries, employee birthday gifts, and overtime condolences, etc., to enhance employees' sense of belonging and team cohesion.

In addition, the Group makes basic provisions on working hours and rest and leave in the labor contract, clarifying the implementation of statutory holidays and paid leave in accordance with the law, and manages working hours based on actual project conditions to support employees in maintaining a reasonable balance between work and life.



Employee Activities and Benefits

# Environmental, Social and Governance Report

## Talent Development and Training

Nuobikan values talent capability building and regards talent development as a crucial foundation for supporting technological R&D, business expansion, and management enhancement. Based on the Group's business characteristics and job requirements, we continuously improve the training management mechanism, focusing on job competency, professional skills, compliance awareness, and risk management capabilities to promote the common growth of employees and the enterprise.

During the Reporting Period, the Group carried out employee training in an orderly manner in accordance with the annual training plan and the actual needs of various departments. Training management covers such links as demand identification, plan formulation, training organization, record retention, and follow-up on training effectiveness. The standardization and traceability of training management are enhanced through training notifications, attendance records, and archiving of training data. Training targets include new employees, in-service staff, and personnel in relevant professional positions, with content balancing general management requirements and professional capability improvement.

The Group's training content follows a practice-oriented principle, incorporating daily operational management and compliance requirements. According to daily operation and management as well as compliance requirements, we continuously carry out training on policy advocacy, job skills, laws and regulations, and special topics. In addition to regular internal training, the Group also organizes or supports employees' participation in thematic seminars and external exchange activities according to business needs, so as to enhance employees' understanding of policy changes, industry trends, and practical applications, and further strengthen professional judgment and job competency.

Category	Training Topic	Training Objective
Job Competency	Job Responsibilities and Requirements	To enhance job competency and standardization of job performance
Technology/Business	Product and Technical Service Specifications	To enhance product and service delivery capabilities
Compliance Management	Environmental Safety Laws and Regulations Training	To strengthen compliance awareness and policy implementation
Safety Management	Identification and Utilization of Hazardous Sources	To enhance risk identification and prevention capabilities
Legal Compliance	Special Training on Trade Secret Protection	To enhance awareness of confidentiality and intellectual property protection
Financial Expertise	Tax Policies and Data Assetization	To enhance policy understanding and practical capabilities of professional departments

Furthermore, the Group values the continuous improvement in training effectiveness. Based on training feedback, job performance, and changes in business needs, the Group dynamically optimizes training topics and arrangements. In the future, the Group will continue to refine its talent cultivation system, and further enhance the relevance, coverage, and effectiveness of training to provide stable talent support for its sustainable development.

## Occupational Health and Safety Management

The Group highly values employees' occupational health and safety, adhering to the management principle of "Prevention First, Risk Control, Continuous Improvement". We integrate safety management requirements into daily operation and office management processes, and are committed to creating a safe, orderly, and healthy working environment for employees. Based on the nature of its business and the risk characteristics of office scenarios, the Group formulates and continuously implements management requirements related to work safety and environmental safety, and complies with applicable laws and regulations that have a significant impact on the Group, including but not limited to the Work Safety Law of the People's Republic of China 《中華人民共和國安全生產法》 and the Fire Protection Law of the People's Republic of China 《中華人民共和國消防法》, so as to regulate office safety, electrical safety, fire management, and emergency response work.

In terms of emergency management and safety training, the Group emphasizes enhancing employees' fire safety awareness and emergency response capabilities, and regularly organizes fire drills and carries out emergency knowledge advocacy. During the Reporting Period, the Group organized a fire drill in an open area of the office building, including evacuation guidance, on-site security, fire extinguisher usage instructions, and hands-on practice. The drill took approximately 12 minutes from the alarm activation to the completion of on-site firefighting, and a total of 6 fire extinguishers were used. The drill summary concluded that the whole process was executed orderly according to the plan and achieved the expected results. Additionally, the Group has established an electric shock emergency response plan, outlining procedures such as power disconnection, on-site reporting, emergency treatment, cardiopulmonary resuscitation, transfer, and follow-up preventive measures in the event of an electric shock incident, so as to improve the emergency response capabilities and efficiency.



Fire Emergency Training of the Group

# Environmental, Social and Governance Report

In terms of daily safety management, the Group consistently conducts inspections on the office environment and safety conditions. The scope of inspections includes whether fire-fighting equipment and appliances are normally functional, whether safety exits and emergency lighting are in good condition, whether escape routes are unobstructed, insulation conditions of electrical equipment, aging and messy wiring, illegal electricity use, equipment operation with faults, and whether labor protection supplies are within the validity period, etc. In accordance with the requirements of the current inspection checklist, relevant inspections are carried out quarterly. During the Reporting Period, multiple routine environmental and safety inspections have been carried out, with all items meeting the requirements, reflecting the stable operation of the Group's workplace safety management. Furthermore, the Group has obtained the GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System certification, further strengthening the standardized operation of the Group's occupational health and safety management system.



ISO 45001:2018 Occupational Health and Safety Management System Certification

# Environmental, Social and Governance Report



First Aid Equipment Equipped in the Group's Office Areas

## Social Welfare and Community Engagement

The Group recognizes the importance of giving back to society and promoting public welfare for sustainable corporate development, and integrates the concept of social responsibility into daily operations and management practices. We are mindful of the impact of our operations on communities and the environment, advocate for green office practices and low-carbon operations. In our daily work, we implement measures such as water and electricity conservation and reduction of resource waste, so as to continuously improve resource utilization efficiency, and strive to drive business growth in a responsible manner.

In terms of community engagement, the Group values the cultivation of employees' awareness of environmental protection and social responsibility. Through irregular publicity and education, themed training and internal initiatives, we encourage employees to adopt the concept of green and low-carbon practices in work and life, and enhance their understanding of environmental protection and community sustainable development issues. By promoting full participation, the Group aims to foster a good atmosphere of caring for public welfare, supporting environmental protection and participating in community construction within the enterprise, and contribute to the harmonious development of the community.

Given that the Group is currently in a phase of rapid business expansion, we remain committed to strengthening our operational foundation while continuously addressing the needs of social welfare and the community. In the future, the Group will leverage its business characteristics and resource capabilities to gradually increase investment in social welfare, explore more diverse forms of public engagement, and fulfill corporate social responsibility through concrete actions to promote the sustainable and synergistic development of the enterprise, community, and environment.

## Green Development and Climate Action

### Green and Low-Carbon Operations

Nuobikan attaches great importance to emissions and waste management during its operations, and strictly complies with the Environmental Protection Law of the People's Republic of China, the Water Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and other national laws and regulations, as well as environmental protection requirements applicable to all operating locations, making compliance management the foundation of our green and low-carbon operations. During the Reporting Period, the Group's operational emissions mainly included exhaust gases and greenhouse gases generated from the use of vehicle fuel, as well as non-hazardous waste produced during daily office operations. Given the nature of the Group's business, there were no significant discharges into water or land resulting from production processes, the Group did not incur any material fines or other material penalties for violations of environment-related laws and regulations.

The Group continues to advance green and low-carbon operations, integrating energy conservation, water conservation, waste reduction, and environmental awareness enhancement into daily office work and operational management. It reduces its environmental impact through green office practices, resource conservation, standardized classification and collection, and compliant disposal. In terms of waste management, the Group classifies, collects, and disposes of non-hazardous waste generated during daily operations in accordance with applicable requirements. If hazardous waste is generated during operations, it will be entrusted to qualified institutions for handling in compliance with relevant regulations. Based on the nature of the Group's business and actual operational conditions during the Reporting Period, no hazardous waste was identified within the reporting boundaries. At this stage, the Group has set a waste disposal target of maintaining a 100% compliance rate and continues to uphold compliant waste management practices through source reduction, standardized classification and collection, and enhancing employee environmental awareness. In terms of energy use, the Group will continuously improve electricity efficiency and support the achievement of energy use efficiency goals by optimizing energy management in office premises, advocating green office practices, strengthening daily management and maintenance of electrical equipment, and enhancing employee energy conservation awareness. In terms of management system development, the Group has obtained the GB/T 24001-2016/ISO 14001:2015 Environmental Management System Certificate, providing support for the standardized implementation of environmental management work.



ISO 14001:2015 Environmental Management System Certificate

In addition, given the Group's business nature primarily based on office operations (mainly involving software development, electronic products and mechanical equipment sales-related business activities), environmental impacts during the Reporting Period mainly arose from electricity consumption, water usage, paper consumption and domestic waste generated from office premises in daily operations. In daily operations, the Group advocates green office practices and low-carbon concepts, and has formulated the Green Office Policy to reduce office resource consumption by promoting digital office operations, reducing paper usage and avoiding unnecessary printing. Meanwhile, the Group actively complies with waste sorting management requirements at office premises, promoting the separate disposal of dry waste, wet waste, recyclables and hazardous waste to minimize the environmental impact of waste. The Group also continues to implement energy-saving measures, including strengthening electricity management in office areas, promptly turning off idle lighting and equipment, reminding employees to switch off computers and other electrical equipment before leaving work, and enhancing employees' awareness of energy conservation and emission reduction through posting reminder signs and internal advocacy.

The business nature of the Group determines that our water resource usage is primarily for domestic water consumption in daily office operations. The Group attaches importance to water conservation and rational use, guiding employees to develop good water usage habits and reduce unnecessary waste through daily advocacy and water-saving reminders. During the Reporting Period, the Group did not encounter any issues in sourcing suitable water.

### **Climate Risks and Response**

#### **(1) Governance**

Nuobikan attaches great importance to the potential impacts of climate change on the Group's business development, and has incorporated climate-related risks and opportunities into the ESG management framework for coordinated advancement. In line with the Group's current governance structure, the Board of Directors undertakes supervisory responsibility for the management of major ESG risks including climate-related risks, while the ESG Working Group is responsible for daily coordination, cross-departmental collaboration and concrete implementation, forming a governance mechanism of "Supervision by the Board of Directors and Implementation Driven by ESG Working Group".

As the highest supervisory body for the Group's ESG management, the Board of Directors is responsible for overseeing the management of key ESG risks (including climate-related risks), regularly examining ESG management performance, and reviewing and approving public disclosures on ESG-related matters. With regard to climate-related issues, the Board of Directors focuses on their potential impacts on the Group's operations, compliance, costs and long-term development, and takes climate-related factors into consideration when reviewing ESG management work. To ensure that relevant issues are managed in an orderly manner, the Board of Directors includes them in its regular meetings for deliberation at least once a year. Meanwhile, the Board of Directors reviews and oversees the progress of climate targets annually, and adjusts relevant strategies in a timely manner according to actual needs to ensure that the implementation direction aligns with the Group's overall strategy. In addition, when supervising the Group's strategies, major transaction decisions, risk management procedures and related policies, the Board of Directors also conducts assessments in conjunction with identified climate-related risks and opportunities, and gives targeted consideration to relevant trade-off factors.

## Environmental, Social and Governance Report

To ensure that the Board of Directors possesses the professional competence required to perform climate-related supervisory functions, the Group continues to support directors in enhancing their relevant knowledge base and ability to discharge their duties through providing professional learning resources, organizing special internal training sessions, and assisting directors in participating in climate-related training and seminars organized by external professional institutions, thereby strengthening the Board of Directors' ability to identify, assess and judge climate risks and opportunities, and enabling it to keep abreast of the latest developments in climate-related issues.

To enhance management efficiency and execution, the Group has established an ESG Working Group, which is responsible for daily coordination and cross-departmental collaboration to promote the implementation of various ESG initiatives. With regard to climate risk and response work, the ESG Working Group is responsible for implementing specific ESG strategies and monitoring their effectiveness, continuously monitoring regulatory requirements and industry ESG/climate-related trends, coordinating relevant departments to conduct information collection, risk identification, review of management measures and internal communication, and regularly reporting work progress and key matters to the Board of Directors to support it in fulfilling its supervisory responsibilities.

Through the aforementioned reporting mechanism and supervisory process, the Group progressively integrates climate-related management into the ESG work system, and continuously optimizes management arrangements to respond to regulatory requirements and stakeholder expectations. In the future, the Group will, based on the existing ESG governance foundation, further improve the identification, assessment and response mechanisms for climate-related risks and opportunities, and enhance the systematicness and effectiveness of climate governance.

### **(2) Strategy**

The Group is committed to enhancing the resilience of its business operations in response to climate change, and continues to improve the processes for climate risk identification, assessment and response, analyzing the potential impacts of climate change on the Group's business operations and value chain, so as to evaluate and formulate corresponding management measures. In light of Nuobikan's business characteristics centered on artificial intelligence, machine vision, multimodal recognition and industry-specific digital application scenarios, the Group focuses on the impacts of climate factors on research and development operations, project delivery, supply chain stability, changes in customer demand and business continuity.

To advance relevant work and enhance the capability to identify medium – to long-term climate impacts, the Group conducted its first climate scenario analysis during the Reporting Period, covering physical risks, transition risks and climate-related opportunities, and identified, screened and assessed various risks and opportunities according to business scenarios and impact pathways. The main aspects include:

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- **Physical Risks:** Risks related to the physical impacts of climate change, including acute risks driven by extreme weather events (such as operational disruptions, logistics delays, power or network outages at office premises and project sites caused by rainstorms, floods, high temperatures and extreme weather), as well as chronic risks arising from long-term changes in climate patterns (such as increased energy consumption due to rising frequency of high temperatures, impacts on equipment operational stability, and the need for adjustments to work arrangements).
- **Transition Risks:** Risks related to the low-carbon economic transition, which may involve factors such as policies and regulations, information disclosure, customer low-carbon requirements, technology upgrades and changes in market competitive landscape, thereby affecting the Group's compliance costs, direction of R&D investment and pace of business expansion.
- **Climate-related Opportunities:** Climate governance and low-carbon transition also bring new business opportunities to the Group, including the expansion of AI application scenarios related to smart energy, intelligent equipment inspection, urban governance digitalization, energy efficiency enhancement and low-carbon management, which help to enhance product value and market competitiveness.

To more comprehensively analyze the climate-related risks and opportunities that may arise in the course of business development, the Group, under the supervision of the Board of Directors and coordination of the ESG Working Group, has conducted analysis by comprehensively considering factors such as global temperature rise pathways, policy evolution directions and impact time horizons, referencing scenario assumptions and related parameters from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) and publicly available information from the Network for Greening the Financial System (NGFS), and in view of the characteristics of the industry in which the Group operates, business layout and development plans. The Group has divided the time horizon for assessing climate-related risks and opportunities into the short term (up to 2030), medium term (2031 to 2040) and long term (2041 to 2050), and also analysed the potential impacts of each identified risk and opportunity across the respective timeframes to align with the Group's business planning and strategic review cycles.

In the scenario analysis, the Group assumes that emission reduction-related policies and reporting scope remain unchanged within the time horizon of potential risk impacts. The table below presents the climate scenario models selected for this analysis, covering both scenarios of low emissions and high emissions, so as to gain a more comprehensive understanding of the various impacts of climate change on the Group.

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**Scope**

The assessment scope of this climate scenario analysis is consistent with the disclosure scope of this report, covering the Group's major operational activities, including technology research and development, product and solution delivery, and software development services related to artificial intelligence and machine vision, as well as sales of electronic products and mechanical equipment, and also focuses on operational activities related to application scenarios such as rail transit, urban governance and energy.

**Climate Scenario Models Adopted**

Physical Risk Analysis adopts the IPCC Scenario Framework:

- Shared Socioeconomic Pathway (SSP) 1-2.6 Scenario: Global temperature rise is relatively controlled (below approximately 2.0°C), with national policies, economy and clean energy transition progress remaining consistent with historical trends.
- Shared Socioeconomic Pathway (SSP) 5-8.5 Scenario: Global temperature rise increases significantly (exceeding 4.0°C), climate action is delayed, emission reduction and adaptation efforts are insufficient, and the frequency and intensity of extreme weather events increase.

Transition Risk and Opportunity Analysis adopts the NGFS Scenario Framework:

- Net Zero 2050 Scenario: Countries implement stringent climate policies at an early stage, striving to limit global temperature rise to within 1.5°C through measures such as reducing energy demand, improving energy efficiency, and developing low-carbon technologies, so as to achieve global net zero carbon dioxide emissions by 2050.
- Current Policies Scenario: Only currently implemented climate policies are maintained, greenhouse gas emissions continue to grow, and global temperature rise is projected to exceed 3°C. Under this scenario, short-term transition pressures are relatively low, but medium – to long-term physical risks may increase significantly.

The Group recognizes that a combination of quantitative and qualitative analysis helps to more comprehensively assess climate-related risks and opportunities. However, given that the Group's climate risk management and data management systems are still in the process of gradual improvement, with certain operational data scattered across different business and management units, and some climate-related impacts have yet to form unified, stable and verifiable quantification methodologies, the Group is currently unable to compile various cross-industry climate metrics in a cost-effective and reliable manner.

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Although the Group has not yet completed comprehensive quantitative disclosure of climate-related impacts, we have identified the core financial impacts associated with major climate risks and opportunities, and provide detailed qualitative descriptions in the table below. Meanwhile, the Group is continuously optimizing internal data integration mechanisms and scenario analysis modeling capabilities to progressively enhance the completeness and granularity of climate-related quantitative disclosures. Should material adjustments to operational strategies occur in the future, the Group will disclose the quantitative impacts on financial position, operating results and cash flows in a timely manner.

The Group has conducted analysis based on selected high-carbon/low-carbon scenarios and the designated assessment period (2030 to 2050), and has identified 6 major climate-related risks and opportunities. For the purpose of this climate scenario analysis, the Group has made preliminary judgments on the primary time horizons of impact for each identified climate-related risk and opportunity, building upon the overall assessment period defined above. Specifically, the impacts of acute physical risks, policy risks, and reputational risks are expected to gradually materialize mainly over the short to medium term. The impacts of chronic physical risks are expected to materialize mainly over the medium to long term. The benefits of identified climate-related opportunities are expected to materialize over the short, medium, or long term, depending on their nature. The Group will continue to review and update these assessments in response to changes in the external environment, business developments, and improvements in data availability. The detailed qualitative assessment results and qualitative description of the relevant risks and opportunities are set out in the table below.

Risk category	Main affected areas	Physical risk			Impact on business	Impact on financial performance
		Materiality of impact on the Group <sup>1</sup>				
		Short-term	Medium - term	Long-term		
Acute physical risks	Extreme weather events (e.g. typhoons, floods, droughts, extreme heat and cold weather)	The Group's operating premises in Chengdu				<p><b>Business Model:</b> Extreme weather events may lead to temporary suspension of office operations, impaired staff attendance, and delays in certain project timelines, thereby disrupting daily operational continuity and service delivery schedules.</p> <p><b>Value Chain:</b> Extreme weather events may affect suppliers' production and shipment capabilities, logistics and transportation, as well as external collaboration efficiency, resulting in extended procurement lead times and delayed delivery milestones, which in turn impact the Group's contract fulfillment timeliness and service stability to clients.</p> <p><b>Cost Increase:</b> Rising costs associated with emergency preparedness, facility inspection and maintenance, and temporary contingency arrangements.</p> <p><b>Revenue Impact:</b> Project delays or deferred service delivery may affect the timing and pace of revenue recognition.</p>

<sup>1</sup> *Materiality defined by colour:*  
*Light: Manageable through existing standard processes*  
*Moderate: Ongoing monitoring required*  
*Dark: Management strategy planning and implementation tracking required*

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Risk category	Main affected areas	Physical risk			Impact on business	Impact on financial performance
		Materiality of impact on the Group <sup>1</sup>				
		Short-term	Medium - term	Long-term		
Chronic physical risks	Long-term climate change impacts such as changes in temperature and rainfall patterns, and rising sea levels				<p><b>Business Model:</b> Changes in temperature and precipitation patterns may increase reliance on air conditioning, ventilation, and other facility systems for office and operational premises.</p> <p><b>Value Chain:</b> The stability of upstream suppliers and logistics operations may decline under abnormal climate conditions, potentially increasing the frequency of supply plan adjustments over the long term and placing higher demands on delivery coordination and supply assurance.</p>	<p><b>Increased Operational Costs:</b> Costs of energy consumption and facility maintenance may rise.</p> <p><b>Capital Expenditure Pressure:</b> Future investments in resilience enhancement and facility upgrades may be required.</p>

Risk category	Main affected areas	Transition risks			Impact on business	Impact on financial performance
		Materiality of impact on the Group				
		Short-term	Medium - term	Long-term		
Policy risks	The risk that tightening climate-related laws, regulations, or disclosure standards may expose the Group to increased compliance costs, heightened administrative requirements, or pressure to adjust business operations.	Core business operations of the Group (R&D and solution services related to artificial intelligence and intelligent identification technology)			<p><b>Business Model:</b> The increase in climate-related laws, regulations and regulatory requirements may require the Group to continuously improve its management system, strengthen compliance review and information disclosure arrangements, and increase management complexity and enforcement requirements.</p> <p><b>Value Chain:</b> Customers and partners may simultaneously raise their requirements for supply chain compliance and ESG performance, prompting the Group to strengthen access, evaluation and management of suppliers and partners.</p>	<p><b>Increased compliance costs:</b> Increase in investment in system updates, training, audit and management.</p> <p><b>Increased potential investment:</b> Process optimization, system construction or external professional support may be required to meet new requirements.</p>

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Risk category	Main affected areas	Transition risks			Impact on business	Impact on financial performance
		Materiality of impact on the Group				
		Short-term	Medium - term	Long-term		
Reputational risks	Risks that the Group's climate management performance or related disclosures fail to meet the expectations of stakeholders, which may affect the brand image, customer trust and cooperation opportunities	The Group's core business operations and customer and partner relationships				<p><b>Business Model:</b> Inadequate climate management actions or disclosures may affect the market's perception of the Group's sustainable development capabilities, which may affect the brand image, customer trust and cooperation opportunities.</p> <p><b>Value Chain:</b> The increased concern of downstream customers, partners and investors on climate and ESG performance may affect the stability of cooperation conditions, business negotiations and supply chain cooperation.</p> <p><b>Revenue impact:</b> decreased willingness of customers to cooperate or increased risk of loss of business opportunities.</p> <p><b>Business cost impact:</b> Increased investment in disclosure, communication and management may be increased to maintain collaboration and brand trust.</p>

Opportunity category	Main affected areas	Opportunities			Impact on business	Impact on financial performance
		Materiality of impact on the Group				
		Short-term	Medium - term	Long-term		
Resource opportunities	Equipment transformation and technology upgrading to improve energy efficiency	Core business operations of the Group (research and development of artificial intelligence technology, intelligent identification system and related software products and solution services)				<p><b>Business Model:</b> Energy efficiency and refined operation management can be improved, and the stability and efficiency of daily operation can be enhanced through equipment modification, technology upgrade and process optimization.</p> <p><b>Value Chain:</b> It can drive synergistic optimization of the supply chain (such as more efficient equipment, energy-saving solutions, green procurement preference), and improve the overall efficiency and management level of the supply chain.</p> <p><b>Cost savings:</b> It helps to reduce energy and operating costs.</p> <p><b>Efficiency benefits:</b> Improve operational efficiency and improve expense structure.</p>

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Opportunity category	Main affected areas	Opportunities Materiality of impact on the Group	Opportunities			Impact on business	Impact on financial performance
			Short-term	Medium - term	Long-term		
Energy transition opportunities	Dual carbon policy, new energy promotion and low carbon market opportunities	Core business operations and product and solution services of the Group (including R&D and application scenarios of products related to artificial intelligence and intelligent identification technology)				<p><b>Business Model:</b> Driven by the policies, the Group can gradually optimize energy use and low-carbon operation management, enhance its climate adaptation and low-carbon transformation capabilities, and explore green development opportunities related to its own business.</p> <p><b>Value Chain:</b> The increased demand for low-carbon products and services from customers and partners provides opportunities for the Group to promote green cooperation, optimize supply Chain structure and expand relevant service scenarios.</p>	<p><b>Cost Reduction Potential:</b> Optimizing the energy mix helps mitigate the risk of medium-to-long-term energy cost volatility.</p> <p><b>Revenue Growth Potential:</b> The development and commercialization of green products/services may generate additional revenue streams.</p>

Based on the Group’s first-time climate scenario analysis conducted during the Reporting Period and the data currently available, the Group believes that, as of the end of the Reporting Period, its climate resilience assessment remains at a preliminary qualitative stage. With respect to the identified climate-related risks and opportunities, their impacts are currently reflected primarily in the potential effects of extreme weather on office and project delivery schedules, supply chain coordination, compliance management requirements, and operating costs. At this stage, no circumstances have been identified that would require material adjustments to the Group’s overall strategy or business model. However, given the uncertainties surrounding the evolution of climate policies, technological developments, changes in market demand, and the future frequency and intensity of climate events, the Group will continue to monitor these changes and, in light of business developments and management needs, progressively enhance its ability to adjust and adapt its strategies and business models over the short, medium, and long term.

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Mitigation measures based on risk and opportunity assessment results:

Risk category	Mitigation measures
Acute physical risks	<ul style="list-style-type: none"> <li>Establish an emergency response mechanism for extreme weather (such as heavy rain, typhoon and high temperature), and clarify the procedures for early warning, shutdown/home office, communication and resumption of work.</li> <li>Strengthen office and equipment safety inspections (power supply, fire protection, network equipment, air conditioning and drainage, etc.) to improve the risk resistance of the site.</li> </ul>
Chronic physical risks	<ul style="list-style-type: none"> <li>Continue to pay attention to the impact of changes in temperature, rainfall patterns and extreme weather frequency on office operations, equipment stability and project progress.</li> </ul>
Policy risks	<ul style="list-style-type: none"> <li>Continuously track changes in regulations and policies on climate, environmental protection, energy efficiency, carbon emissions and ESG disclosure requirements in Mainland China and Hong Kong, and establish policy monitoring and internal notification mechanisms.</li> </ul>
Reputational risks	<ul style="list-style-type: none"> <li>Continuously improve ESG and climate-related governance and information disclosure processes, and improve the consistency, transparency and accuracy of disclosure content.</li> <li>Strengthen communication with customers, investors and other stakeholders to respond to concerns about products and services, environmental management and climate issues in a timely manner.</li> </ul>

Opportunity category	Countermeasures
Resource opportunities	<ul style="list-style-type: none"> <li>Continue to promote green office and digital operation (paperless, energy-saving electricity, water-saving, travel optimization, etc.) to improve resource utilization efficiency and reduce daily operating costs.</li> <li>Strengthen the awareness of energy consumption and resource consumption in office and project management, and promote employees to form saving habits through systems and daily reminders.</li> </ul>
Energy transition opportunities	<ul style="list-style-type: none"> <li>Taking into account the Group's technical capabilities in AI + energy, equipment monitoring and data analysis, expand products and solutions for power grid, new energy and energy efficiency management scenarios.</li> </ul>

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Based on the Group's initial climate scenario analysis conducted during the Reporting Period and the information currently available, the Group has not yet made any significant adjustments to its overall business model in response to climate-related risks and opportunities. At this stage, the Group is primarily focused on continuously refining the processes for identifying, assessing and addressing climate-related risks and opportunities within its existing business and management framework, whilst paying close attention to their potential impact on office operations, project delivery, supply chain coordination, compliance management and disclosure requirements. In terms of resource allocation, the Group currently relies primarily on existing management resources to advance relevant work. Going forward, the Group will prudently assess resource allocation for institutional improvements, process optimisation, capacity building and necessary support arrangements, taking into account policy and regulatory requirements, customer needs, market changes and business development.

At this stage, the Group has not yet formulated or implemented a separate climate transition plan. As the Group is still in the initial phase of systematically identifying, assessing and conducting scenario analysis of climate-related risks and opportunities, it is currently focusing on gradually integrating climate-related management requirements into its day-to-day strategic planning and operational management processes, whilst continuing to advance resource management, green office initiatives and related emission reduction and mitigation measures. Going forward, the Group will continue to assess the need to formulate more specific climate transition arrangements, taking into account policy and regulatory developments, market demand, technological pathways, business development and the availability of data.

Based on the aforementioned climate-related risk and opportunity management strategies and the information available to the Group during the Reporting Period, the Group currently expects that the impact of climate-related risks and opportunities on its financial position, financial performance and cash flows will manifest primarily in a gradual manner over the short, medium and long term. In the short term, the relevant impact is likely to be reflected mainly in increased costs and cash outlays in areas such as compliance management, information disclosure, training and awareness-raising, and process optimisation; In the medium term, the Group may need to invest in system development, equipment upgrades or external specialist support as circumstances require, which may have a certain impact on costs and cash flow; in the long term, as resource utilisation efficiency improves, the energy mix is optimised and related opportunities are gradually realised, this is expected to help improve certain cost structures and operational efficiency; however, the potential financial benefits remain subject to factors such as the policy environment, market demand and technological developments. In terms of funding sources, the Group currently relies primarily on internal funds to advance relevant initiatives. During the Reporting Period, there were no capital expenditure, financing or investment arrangements specifically dedicated to addressing climate-related risks and opportunities. Notwithstanding this, the Group has continued to implement emissions reduction and countermeasures within its daily operational management, and has executed relevant management arrangements across its operating locations to enhance operational stability and adaptability to climate change.

Despite the measures described above, the advancement and effectiveness of the Group's climate resilience planning may be subject to a number of significant uncertainties, including the pace of updates to global and regional climate policies and regulatory requirements, shifts in market demand for green and low-carbon products and services, the evolving speed and severity of the physical impacts of climate change, and the development of applicable technological pathways and industry standards relevant to the Group's business. Given that the Group is currently in a stage of continuous development and that the external environment remains subject to change, the Group will maintain a prudent approach and continuously strengthen its internal adaptive capacity.

In the face of the aforementioned uncertainties, the Group has progressively integrated climate-related matters into its daily strategic planning and operational management processes. The Group is also positioned to adjust its business priorities, operational workflows, and industrial chain collaboration arrangements in a timely manner across short-, medium-, and long-term business horizons in order to respond to evolving climate risks, adjusted regulatory policies, and changing market trends.

Looking ahead, the Group will continue to monitor climate-related risks and opportunities, regularly review the implementation and applicability of existing emission reduction and countermeasures, and optimize relevant management measures and action arrangements as needed in light of operating performance, business development needs and external climate policies and market trends, so as to gradually enhance the Group's adaptability and resilience in the face of climate change challenges.

### (3) Risk management

The Group has gradually incorporated the identification, assessment, prioritization and management process of climate-related risks and opportunities into the overall risk management and ESG management mechanism, and promoted the integration of climate risk management into daily operations, so as to enhance the Group's ability to cope with the impacts of climate change. In view of the fact that this Report is the first year of the Group's systematic identification and assessment of climate-related risks and opportunities, during the Reporting Period, the work focused on establishing an analysis framework, completing preliminary identification and assessment and clarifying management processes, and no material adjustment was made to the Group's original overall risk management structure.

In the process of climate risk and opportunity management, the Group, according to its own business nature and operational characteristics, takes into account the location of its office and R&D premises, supply chain and delivery arrangements, operational requirements of equipment and facilities, energy and resource usage, as well as the potential impact of extreme weather on operational continuity, and conducts analysis with comprehensive reference to public climate scenario data, policy and regulatory information and the Group's internal operational data. The following is the Group's climate risk and opportunity management process:

1. Identification The Group identifies climate risks and opportunities related to the Group by paying attention to climate change trends, policy and regulatory trends, industry development, technological changes and market demand changes, and in light of peer benchmarking, stakeholders' concerns and the Group's business characteristics. The scope of identification covers the Group's major operating activities, including research and development and office operations, product and service delivery, supply chain collaboration and procurement management, to ensure that the list of climate risks and opportunities can cover major business processes.
2. Assessment The Group assesses the identified climate risks and opportunities, analyses their potential impact on the business model, value chain and financial performance, and assesses their likelihood and extent of impact. Where feasible, during the assessment process, the Group uses data and parameters consistent with the identification stage, and analyzes them in combination with short-term, medium-term and long-term time horizons to enhance the consistency and comparability of the assessment results. As the current data base and quantitative methods are still being improved, the Group focuses on qualitative assessment at this stage

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3. **Prioritization** Based on the assessment results, the Group prioritized the identified targets based on the likelihood of occurrence, degree of impact, timing of impact and strategic relevance of risks and opportunities to form a list of key climate-related risks and opportunities. This prioritization approach is consistent with the Group's overall risk management approach and supports the subsequent allocation of resources and the formulation of countermeasures.
4. **Supervision** The Group's ESG Working Group coordinates the daily follow-up of climate-related risks and opportunities, coordinates with relevant departments to promote identification, assessment and implementation of countermeasures, and continues to pay attention to the potential impact of changes in policies, regulations and market environment on the Group. The ESG Working Group regularly reports to the Board of Directors on the progress of climate-related risk and opportunity management, key issues and the implementation of countermeasures. The Board of Directors is responsible for overseeing the direction of climate-related risk and opportunity management and decision-making on major issues, and ensuring that relevant work is consistent with the Group's overall strategy and risk management requirements.

#### (4) Metrics and Targets

The Group listed enhancing climate resilience and promoting sustainable operating models as important management directions, continued to promote work arrangements related to energy conservation and emission reduction, resource efficiency improvement and operation optimization, and gradually improved climate-related management mechanisms to meet regulatory requirements and stakeholders' expectations. When formulating relevant arrangements, the Group gives priority to the national "dual carbon" strategic orientation and the environmental and energy conservation policy requirements applicable in the locations where it operates, and takes into account the requirements of the climate-related disclosure framework of the Hong Kong Stock Exchange.

In line with the aforementioned directions, the Group continues to promote carbon reduction by optimizing operational processes, advocating green office and improving resource use efficiency. At this stage, the Group has formulated climate-related management objectives and phased promotion directions based on the nature of its business, operating characteristics and management foundation, serving the basis for carrying out carbon reduction and climate management. In terms of the realization path, the Group has not adopted carbon credit for carbon offsetting at present, and will give priority to promoting the effectiveness of emission reduction through measures such as operation improvement, resource efficiency improvement and management optimization.

Category	Target content	Base year data (2024)
Greenhouse gas emissions	By 2027, it is expected that the average annual emissions of Scope I and Scope II per employee will decrease by approximately 3% compared to 2024.	1.2 tonnes of CO <sub>2</sub> equivalent per employee
Waste disposal	Maintain a 100% compliance rate in waste disposal	100%
Energy consumption	By 2027, it is expected that the average annual electricity consumption per employee will decrease by about 3% compared to 2024.	1,914 kilowatt hours per employee
Water resource consumption	By 2027, it is expected that the average annual water consumption per employee will decrease by about 3% compared to 2024.	13.7 cubic meters per employee

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The above targets have not been derived from industry decarbonisation pathways or methodologies, but have been set by the Group based on the current operating model, resource usage and data availability to support daily environmental management, improve resource use efficiency and promote emission reduction. Among them, the greenhouse gas emission targets are based on the average annual Scope-I and Scope-II emissions per employee, the energy consumption targets are based on the average annual electricity consumption per employee, and the water resources consumption targets are based on the average annual water consumption per employee, all of which are intensity targets with the main purpose of improving operational efficiency and promoting resource conservation. The waste disposal target takes the compliance rate of waste disposal as the management indicator, which is a compliance management target and aims to maintain the compliance level of waste disposal. Unless otherwise stated, the above targets are applicable to the Group's operating sites included in the boundaries of this report, and the applicable period is 2024 to 2027, with progress measured using 2024 as the base year. The Group's ESG Working Group regularly collects and collates relevant environmental data, and reviews the progress of each target, the applicability of benchmarks and their alignment with actual operational conditions at least annually; should there be changes in management maturity, data quality or operational circumstances, the Group will optimise target setting and related management arrangements in a timely manner, and report to the Board through established reporting mechanisms.

The Board of Directors and the ESG Working Group will review the key performance indicators related to ESG and the implementation and effectiveness of the implemented measures every year, continuously evaluate the maturity of the Group's climate management work, and optimize and improve the target content, implementation path and supporting measures in a timely manner to improve the execution of the targets and management effectiveness. At the same time, the Group will continue to pay attention to the development of policies, technologies and market tools to provide support for the subsequent deepening of climate management work and updating of targets. As at the end of the Reporting Period, the Group has not obtained third-party verification on the targets themselves, the methods of setting targets or the methods of monitoring the progress of achieving targets. The Group will carefully evaluate the feasibility of introducing external professional support or verification arrangements after the subsequent data base and management mechanism are further matured.

The Group's strategic focus at this stage is to enhance the competitiveness of its core businesses, optimize operational efficiency and consolidate the foundation for long-term development, and then gradually promote climate-related management, which is consistent with the Group's current overall risk management approach. At this stage, the Group has not formally incorporated the internal carbon pricing mechanism or climate-related factors into the remuneration policy or governance structure. The main reason is that the Group is still in the stage of gradually improving its climate management capabilities, and the relevant data base, quantitative methods and management mechanisms are still under continuous construction. At the same time, the way in which the internal carbon pricing and climate performance linkage arrangements are integrated with the Group's current business model, operational management priorities and financial decision-making process still needs to be further evaluated and verified.

In the future, the Group will continue to pay attention to the development trend of climate-related indicators, industry best practices and internal carbon pricing tools, and carefully evaluate the feasibility of gradually incorporating relevant factors into the governance mechanism and incentive arrangements in light of its own business characteristics, data maturity and management needs, so as to continuously improve the management level of climate risks and opportunities.

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## Appendix – ESG Performance Table

### Environmental category

Key Performance Indicators		Unit	Data in 2025
A1.1 emissions <sup>2</sup>			
Particulate matter		kg	0.31
Sulphur dioxide		kg	0.11
Nitrogen oxides		kg	4.24
Greenhouse gas emissions <sup>3</sup>			
Total direct (Scope 1) greenhouse gas emissions <sup>4</sup>		Tonnes of CO <sub>2</sub> equivalent	18.31
Total indirect energy (Scope 2) greenhouse gas emissions <sup>5</sup>		Tonnes of CO <sub>2</sub> equivalent	285.92
Other indirect (Scope 3) total greenhouse gas emissions <sup>6</sup>		Tonnes of CO <sub>2</sub> equivalent	5600.45
Total greenhouse gas emissions		Tonnes of CO <sub>2</sub> equivalent	5904.68
Total greenhouse gas emission density		Tonnes of CO <sub>2</sub> equivalent/ employee	30.91
A1.3 Total amount and density of hazardous waste generated			
Hazardous waste generated <sup>7</sup>	Total amount	Tonnes	N/A
A1.4 Total amount and density of harmless waste generated			
Harmless waste generated	Total amount	Tonnes	2.13
	Density	Tonnes/employee	0.01

<sup>2</sup> The emissions are mainly from the air pollutants generated by the combustion of fossil fuels from the Group's stationary sources and road mobile sources, which are calculated with reference to the Manual of the First National Pollution Source Census on Emission Coefficients of Urban Domestic Sources, the Technical Guidelines for the Preparation of Emission Inventory of Air Pollutants from Road Motor Vehicles (Trial) and the Appendix II: Reporting Guidelines on Environmental Key Performance Indicators of the Stock Exchange of Hong Kong.

<sup>3</sup> The relevant data accounting covers the Group's operating units in Chengdu.

<sup>4</sup> The Group's Scope 1 greenhouse gas emissions are mainly generated from the combustion of fossil fuels in road mobile sources, which are calculated with reference to the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Land Transportation Enterprises (Trial) and the Reporting Guidelines on Environmental KPIs of the Stock Exchange of Hong Kong: Appendix II.

<sup>5</sup> The Group's Scope 2 greenhouse gas emissions are mainly generated from the consumption of purchased electricity. The Scope 2 greenhouse gas emissions disclosed in this report are measured using the location-based method, with calculations performed based on the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises issued by the Ministry of Ecology and Environment and the Reporting Guidelines on Environmental KPIs of the Stock Exchange of Hong Kong: Appendix II.

<sup>6</sup> The Group's Scope 3 greenhouse gas emissions are identified and calculated in accordance with the Greenhouse Gas Protocol: Accounting and Reporting Standards of Corporate Value Chain (Scope 3) (2011). This year covers Category 1: Purchased Services and Category 6: Employee Travel. Key inputs used in the relevant calculations include activity data related to purchased services and employee travel. Key assumptions include that the calculations are based on actual operational data of the operating units within the reporting boundary, and converted using applicable accounting guidelines and emission factors. The Group adopted the above measurement methodologies, key inputs, and assumptions primarily because they align with the current nature of the Group's business, operational model, data availability, and reporting boundary, while also being consistent with current applicable disclosure requirements. As this is the Group's inaugural ESG report, the greenhouse gas emission accounting perimeter, key inputs, and assumptions have been established and applied for the first time this year.

<sup>7</sup> Based on the industry and business nature of the Company, it does not involve the generation of hazardous waste, therefore this item is not applicable.

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Key Performance Indicators		Unit	Data in 2025
A2.1 Energy consumption and density classified by type			
Direct energy consumption	Total amount of gasoline	Litre	7,672.69
	Density	MWh/employee	0.39
Indirect energy consumption	Total purchased electricity	MWh	538.87
	Density	MWh/employee	2.82
A2.2 Total water consumption and density			
Water consumption	Total amount	m <sup>3</sup>	3,107
	Density	m <sup>3</sup> /employee	16.27
A2.5 Packaging materials used in finished goods			
Packaging materials <sup>8</sup>		Tonnes	N/A

8 Based on the industry and business nature of the Company, it does not involve the use of packaging materials, therefore this item is not applicable.

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### Social category

B1.1 Number of employees			
Total number of employees		Person	191
By gender	Male	Person	141
	Female	Person	50
By region	Chinese mainland	Person	191
	Overseas	Person	0
By employment type	Regular employee	Person	186
	Temporary employee	Person	5
By employee category	Sales and marketing	Person	21
	Management personnel	Person	20
	Administrative, financial, and other staff	Person	22
	R&D personnel	Person	128
By age	29 years old and below	Person	79
	30 – 49 years old	Person	104
	50 years old or above	Person	8
B1.2 Employee turnover rate			
Total employee turnover rate		%	18.8
By gender	Male	%	25.5
	Female	%	0
By region	Chinese mainland	%	18.8
	Overseas	%	0
By age	29 years old and below	%	27.8
	30 – 49 years old	%	11.5
	50 years old or above	%	25.0
B2.1 & B2.2 Health and safety			
Work-related fatalities in the past three years	2025	Person	0
	2024	Person	0
	2023	Person	0
Work-related fatality rate in the past three years	2025	%	0
	2024	%	0
	2023	%	0
Work days lost due to work injury		Day	0

## Environmental, Social and Governance Report

B3.1 Percentage of employee training			
By gender	Male	%	68.1
	Female	%	38.0
By employee category	Sales and marketing	%	23.8
	Management personnel	%	25.0
	Administrative, financial, and other staff	%	4.5
	R&D personnel	%	81.3
B3.2 Average training hours of employees			
By gender	Male	Hour	10.1
	Female	Hour	4.4
By employee category	Sales and marketing	Hour	0.5
	Management personnel	Hour	0.6
	Administrative, financial, and other staff	Hour	0.1
	R&D personnel	Hour	12.7
B5.1 Number of suppliers			
Total number of suppliers		Unit	62
By region	Chinese mainland	Unit	62
	Other regions (Hong Kong, Macau, and overseas)	Unit	0
B6.1 Percentage of the total number of products sold or shipped subject to recall for safety and health reasons			
Percentage of products recalled for safety and health reasons		%	0
B6.2 Number of complaints received regarding products and services			
Number of complaints		Number	0
B7.1 Number of concluded corruption lawsuits brought against the issuer or its employees during the Reporting Period			
Number of cases		Number	0

# Environmental, Social and Governance Report

## Reporting Standards Index Table

### HKEX's Environmental, Social and Governance Reporting Code

ESG KPI	Description	Section
Environmental		
Aspect A1:	<b>General Disclosure</b>	Green Development and Climate Action – Green and Low-Carbon Operations
Emissions	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ESG Performance Table – Environmental category
KPI A1.1	The types of emissions and respective emissions data.	ESG Performance Table – Environmental category
KPI A1.3	Total hazardous waste produced and intensity.	ESG Performance Table – Environmental category
KPI A1.4	Total non-hazardous waste produced and intensity.	ESG Performance Table – Environmental category
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Green Development and Climate Action – Climate Risks and Response
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Development and Climate Action – Green and Low-Carbon Operations Green Development and Climate Action – Climate Risks and Response
Aspect A2: Use of Resources	<b>General Disclosure</b> Policies on the efficient use of resources, including energy, water and other raw materials.	Green Development and Climate Action – Green and Low-Carbon Operations Green Development and Climate Action – Climate Risks and Response
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	ESG Performance Table – Environmental category
KPI A2.2	Water consumption in total and intensity.	ESG Performance Table – Environmental category

# Environmental, Social and Governance Report

ESG KPI	Description	Section
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Development and Climate Action – Climate Risks and Response
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Development and Climate Action – Green and Low-Carbon Operations Green Development and Climate Action – Climate Risks and Response
KPI A2.5	Total packaging material used for finished products.	ESG Performance Table – Environmental category
Aspect A3: The Environment and Natural Resources	<b>General Disclosure</b> Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Green Development and Climate Action – Green and Low-Carbon Operations
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development and Climate Action – Green and Low-Carbon Operations
Social Employment and Labour Practices		
Aspect B1: Employment	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	People-Oriented and Employee Development – Employee Rights Protection People-Oriented and Employee Development – Compensation and Benefits System ESG Performance Table – Social category
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	ESG Performance Table – Social category
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Performance Table – Social category

# Environmental, Social and Governance Report

ESG KPI	Description	Section
Aspect B2: Health and Safety	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	People-Oriented and Employee Development – Occupational Health and Safety Management ESG Performance Table – Social category
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	People-Oriented and Employee Development – Occupational Health and Safety Management ESG Performance Table – Social category
KPI B2.2	Lost days due to work injury.	People-Oriented and Employee Development – Occupational Health and Safety Management ESG Performance Table – Social category
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	People-Oriented and Employee Development – Occupational Health and Safety Management
Aspect B3: Development and Training	<b>General Disclosure</b> Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People-Oriented and Employee Development – Talent Development and Training ESG Performance Table – Social category
KPI B3.1	The percentage of employees trained by gender and employee category.	ESG Performance Table – Social category
KPI B3.2	The average training hours completed per employee by gender and employee category.	ESG Performance Table – Social category
Aspect B4: Labour Standards	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	People-Oriented and Employee Development – Employee Rights Protection

## Environmental, Social and Governance Report

ESG KPI	Description	Section
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People-Oriented and Employee Development – Employee Rights Protection
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People-Oriented and Employee Development – Employee Rights Protection
Operating Practices Aspect B5: Supply Chain Management	<b>General Disclosure</b> Policies on managing environmental and social risks of the supply chain.	Deepening Cooperation and Value Co-creation – Supply Chain Responsibility Management ESG Performance Table – Social category
KPI B5.1	Number of suppliers by geographical region.	ESG Performance Table – Social category
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Deepening Cooperation and Value Co-creation – Supply Chain Responsibility Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Deepening Cooperation and Value Co-creation – Supply Chain Responsibility Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Deepening Cooperation and Value Co-creation – Supply Chain Responsibility Management

## Environmental, Social and Governance Report

ESG KPI	Description	Section
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Driving Innovation and Quality Management – Intellectual Property Management and Protection Deepening Cooperation and Value Co-creation – Customer Relationship and Satisfaction Management Sound Corporate Governance – Responsible Marketing Sound Corporate Governance – Information Security and Data Privacy Protection ESG Performance Table – Social category
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	ESG Performance Table – Social category
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Deepening Cooperation and Value Co-creation – Customer Relationship and Satisfaction Management ESG Performance Table – Social category
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Driving Innovation and Quality Management – Intellectual Property Management and Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Driving Innovation and Quality Management – Product and Service Quality Control
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Sound Corporate Governance – Information Security and Data Privacy Protection

# Environmental, Social and Governance Report

ESG KPI	Description	Section
Aspect B7: Anti-corruption	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Sound Corporate Governance – Business Ethics and Compliance ESG Performance Table – Social category
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	ESG Performance Table – Social category
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Sound Corporate Governance – Business Ethics and Compliance
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Sound Corporate Governance – Business Ethics and Compliance
Community Aspect B8: Community Investment	<b>General Disclosure</b> Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Welfare and Community Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Welfare and Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Welfare and Community Engagement
Part D: Climate- related Disclosures	(I) Governance (II) Strategy (III) Risk Management (IV) Metrics and Targets	Green Development and Climate Action – Climate Risks and Response

# Independent Auditor's Report

31 December 2025



Ernst & Young  
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## To the shareholders of Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd.

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

### Opinion

We have audited the consolidated financial statements of Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 110 to 176, 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

### Basis for opinion

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

### Key audit matters

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<i>Recoverability of trade receivables and provision for expected credit losses</i>	
<p>As at 31 December 2025, the net carrying amount of the Group's trade receivables was RMB533,206,000, after netting off with an impairment provision of RMB71,006,000, which represented 36.3% of the Group's total assets.</p> <p>We identified the assessment of expected credit losses on trade receivables as a key audit matter due to the significance of the trade receivable balance to the financial statements and the significant judgement and estimates exercised by management in assessing the expected credit losses for trade receivables with the consideration of the existence of disputes, historical payment records, forward-looking factors and any other available information that may impact the estimated expected credit losses.</p> <p>Relevant disclosures are included in notes 2.4, 3 and 18 to the financial statements.</p>	<p>We evaluated the expected credit loss provision methodology used by the Group.</p> <p>We also evaluated management's assessment on the recoverability of the trade receivables by reviewing the detailed analyses of the ageing of the receivables, payments received subsequent to year end and past collections, correspondences related to any disputes between the parties involved and information about the expected loss rates of comparable companies.</p> <p>We examined forward-looking adjustments by evaluating the influence related to macroeconomics on the loss rates of the Group's customers.</p> <p>We reviewed the disclosures included in the financial statements regarding the impairment assessment of trade receivables.</p>

## Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the Management Discussion and Analysis of the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Chairman's Statement, the Report of Directors and the Corporate Governance Report, which are expected to be made available to us after that day.

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 on the other information that we obtained prior to the date of this auditor's report, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Statement, the Report of Directors and the Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee.

# Independent Auditor's Report

31 December 2025

## Responsibilities of the directors for the consolidated financial statements

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

In preparing the consolidated financial statements, the directors 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.

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

## Auditor's responsibilities for the audit of the consolidated financial statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism 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.

## Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Hooi Wan Yee (practising certificate number: P07668).

*Ernst & Young*  
Certified Public Accountants  
Hong Kong

30 March 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>REVENUE</b>	5	<b>498,159</b>	402,640
Cost of sales		<b>(231,973)</b>	(165,407)
<b>Gross profit</b>		<b>266,186</b>	237,233
Other income and gains	5	<b>21,847</b>	23,710
Selling and distribution expenses		<b>(14,883)</b>	(16,341)
Research and development expenses		<b>(82,950)</b>	(59,557)
Administrative expenses		<b>(41,672)</b>	(35,812)
Impairment losses on financial and contract assets, net		<b>(12,494)</b>	(19,437)
Other expenses		<b>(1,250)</b>	(277)
Finance costs	7	<b>(4,167)</b>	(3,415)
<b>PROFIT BEFORE TAX</b>	6	<b>130,617</b>	126,104
Income tax expense	10	<b>(12,774)</b>	(10,736)
<b>PROFIT FOR THE YEAR</b>		<b>117,843</b>	115,368
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>117,843</b>	115,368
Attributable to:			
Owners of the parent		<b>117,843</b>	115,368
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted (RMB)	12	<b>3.45</b>	3.44

# Consolidated Statement of Financial Position

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	106,410	79,289
Right-of-use assets	14(a)	3,020	6,171
Intangible assets	15	287	3,299
Contract assets	19	27,995	26,719
Prepayments, other receivables and other assets	20	51,494	250
Deferred tax assets	25	16,354	13,916
Total non-current assets		205,560	129,644
<b>CURRENT ASSETS</b>			
Inventories	16	7,397	4,312
Contract costs	17	107,476	6,018
Trade and bills receivables	18	536,627	475,804
Contract assets	19	4,339	2,550
Prepayments, other receivables and other assets	20	31,793	48,732
Pledged deposits	21	30,026	1,803
Time deposits with original maturity of over three months	21	160,000	–
Cash and cash equivalents	21	384,577	167,332
Total current assets		1,262,235	706,551
<b>CURRENT LIABILITIES</b>			
Trade and bill payables	22	181,021	54,248
Other payables and accruals	23	32,144	40,018
Interest-bearing bank loans	24	220,363	90,000
Lease liabilities	14(b)	2,224	2,848
Tax payable		8,459	6,623
Total current liabilities		444,211	193,737
NET CURRENT ASSETS		818,024	512,814
TOTAL ASSETS LESS CURRENT LIABILITIES		1,023,584	642,458

# Consolidated Statement of Financial Position

31 December 2025

	<i>Notes</i>	<b>31 December 2025 RMB'000</b>	31 December 2024 RMB'000
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	<i>14(b)</i>	<b>326</b>	2,737
Total non-current liabilities		<b>326</b>	2,737
Net assets		<b>1,023,258</b>	639,721
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	<i>26</i>	<b>37,867</b>	34,080
Reserves	<i>27</i>	<b>985,391</b>	605,641
Total equity		<b>1,023,258</b>	639,721

Mr. Liu Bo  
Director

Ms. Wang Li  
Director

# Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Share capital <i>RMB'000</i> (note 26)	Attributable to owners of the parent			Total equity <i>RMB'000</i>
		Capital reserves* <i>RMB'000</i> (note 27)	Statutory surplus reserve* <i>RMB'000</i> (note 27)	Retained profits* <i>RMB'000</i>	
At 1 January 2024	32,000	204,568	10,597	151,102	398,267
Profit and total comprehensive income for the year	-	-	-	115,368	115,368
Issue of shares	2,080	127,920	-	-	130,000
Share issue expenses	-	(3,914)	-	-	(3,914)
Transfer to statutory surplus reserve	-	-	5,465	(5,465)	-
At 31 December 2024	34,080	328,574	16,062	261,005	639,721
At 1 January 2025	<b>34,080</b>	<b>328,574</b>	<b>16,062</b>	<b>261,005</b>	<b>639,721</b>
Profit and total comprehensive income for the year	-	-	-	117,843	117,843
Issue of shares from initial public offering	<b>3,787</b>	<b>270,887</b>	-	-	<b>274,674</b>
Share issue expenses	-	<b>(8,980)</b>	-	-	<b>(8,980)</b>
Transfer to statutory surplus reserve	-	-	<b>2,871</b>	<b>(2,871)</b>	-
At 31 December 2025	<b>37,867</b>	<b>590,481</b>	<b>18,933</b>	<b>375,977</b>	<b>1,023,258</b>

\* These reserve accounts comprise the consolidated reserves of RMB985,391,000 (2024: RMB605,641,000) in the consolidated statement of financial position.

# Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>130,617</b>	126,104
Adjustments for:			
Finance costs	7	<b>4,167</b>	3,415
Investment income from financial assets at fair value through other comprehensive income		<b>(168)</b>	(513)
Foreign exchange differences, net		<b>1,023</b>	–
Interest income from a loan to a third party		–	(146)
Loss on disposal of items of property, plant and equipment		–	12
Gain on termination of leases		<b>(114)</b>	(190)
Depreciation of property, plant and equipment	13	<b>26,079</b>	3,172
Depreciation of right-of-use assets	14(a)	<b>2,950</b>	2,946
Amortisation of intangible assets	15	<b>3,265</b>	3,537
Impairment losses on financial and contract assets, net		<b>12,494</b>	19,437
		<b>180,313</b>	157,774
(Increase)/decrease in inventories		<b>(3,085)</b>	258
(Increase)/decrease in contract costs		<b>(101,458)</b>	43,021
Increase in trade and bills receivables		<b>(70,785)</b>	(187,825)
Increase in contract assets		<b>(3,088)</b>	(27,213)
Decrease in prepayments, other receivables and other assets		<b>6,651</b>	14,806
Increase in pledged deposits		<b>(28,223)</b>	(1,803)
Increase in trade and bill payables		<b>126,773</b>	26,263
(Decrease)/increase in other payables and accruals		<b>(7,874)</b>	26,138
Cash generated from operations		<b>99,224</b>	51,419
Income tax paid		<b>(13,376)</b>	(11,196)
Net cash flows from operating activities		<b>85,848</b>	40,223

# Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		<b>(98,243)</b>	(76,583)
Additions to intangible assets	15	<b>(253)</b>	(59)
Proceeds from disposal of items of property, plant and equipment		–	22
Purchases of financial assets at fair value through other comprehensive income		<b>(20,000)</b>	(60,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income		<b>20,168</b>	60,513
Purchases of time deposits with original maturity of over three months		<b>(160,000)</b>	–
<b>Net cash flows used in investing activities</b>		<b>(258,328)</b>	(76,107)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans		<b>240,613</b>	110,000
Repayment of bank loans		<b>(110,250)</b>	(109,500)
Proceeds from initial public offering		<b>274,674</b>	–
Payment for listing expenses		<b>(7,416)</b>	(1,564)
Capital contribution from shareholders		–	130,000
Share issue expenses		–	(3,914)
Principal portion of lease payments		<b>(2,706)</b>	(2,930)
Interest paid		<b>(4,167)</b>	(3,415)
<b>Net cash flows from financing activities</b>		<b>390,748</b>	118,677
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>218,268</b>	82,793
Cash and cash equivalents at beginning of year		<b>167,332</b>	84,539
Effect of foreign exchange rate changes, net		<b>(1,023)</b>	–
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>384,577</b>	167,332
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	21	<b>386,203</b>	169,135
Pledged deposits for letters of guarantee	21	<b>(1,626)</b>	(325)
Pledged deposit for bills payable	21	–	(1,478)
<b>Cash and cash equivalents as stated in the statement of financial position and the statement of cash flows</b>		<b>384,577</b>	167,332

# Notes to Financial Statements

Year ended 31 December 2025

## 1. Corporate and Group Information

The Company is a joint stock company with limited liability established in the People's Republic of China (the "PRC"). The registered office of the Company is located at 2F, Annex 201, No. 282, Wanshou West Road, Wuhou District, Chengdu, Sichuan Province, PRC.

During the year, the Group was involved in development and commercialisation of AI technologies.

In the opinion of the directors, the Company does not have an immediate holding company or ultimate holding company. Mr. Liao Yu, Chengdu Tieke Chuangzhi Enterprise Management Partnership (Limited Partnership), Tang Taike, Lin Renhui, Su Maocai and Chengdu Tieke Intelligent Enterprise Management Partnership (Limited Partnership) are regarded as a group of the controlling shareholders of the Company as defined under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

### Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place and date of registration and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Chengdu Zhonggui Railway Equipment Co., Ltd.* ("Zhonggui Railway") (成都中軌道設備有限公司)	PRC/ Chinese mainland	RMB10,000,000	100	–	Development and commercialisation of AI + rail transit solutions
Deyang Zhongzhou Chuangzhi Technology Co., Ltd.* ("Zhongzhou Chuangzhi") (德陽中州創智科技有限公司)	PRC/ Chinese mainland	RMB2,000,000	100	–	Development and commercialisation of AI technologies
Beijing Youjia Dongsheng Technology Co., Ltd.* ("Youjia Dongsheng") (北京有家東升科技有限公司)	PRC/ Chinese mainland	RMB5,000,000	100	–	Development and commercialisation of AI technologies
Chengdu Haitang Dongsheng Technology Co., Ltd.* ("Haitang Dongsheng") (成都海棠東升科技有限公司)	PRC/ Chinese mainland	RMB10,000,000	100	–	Development and commercialisation of AI technologies
Nuobikan Artificial Intelligence Technology (Chongqing) Co., Ltd.* ("Nuobikan Chongqing") (諾比侃人工智能科技(重慶)有限責任公司)	PRC/ Chinese mainland	RMB90,000,000	100	–	Development and commercialisation of AI technologies

\* These entities are limited liability enterprises established under PRC law.

## 2.1 Basis of Preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

# Notes to Financial Statements

Year ended 31 December 2025

## 2.2 Changes in Accounting Policies and Disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

## 2.3 Issued But Not Yet Effective HKFRS Accounting Standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> <sup>2</sup>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>

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

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

## 2.3 Issued But Not Yet Effective HKFRS Accounting Standards (continued)

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

# Notes to Financial Statements

Year ended 31 December 2025

## 2.3 Issued But Not Yet Effective HKFRS Accounting Standards (continued)

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

## 2.3 Issued But Not Yet Effective HKFRS Accounting Standards (continued)

*Annual Improvements to HKFRS Accounting Standards – Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

# Notes to Financial Statements

Year ended 31 December 2025

## 2.4 Material Accounting Policies

### Fair value measurement

The Group measures its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 2.4 Material Accounting Policies (continued)

### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any amortisation/depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

# Notes to Financial Statements

Year ended 31 December 2025

## 2.4 Material Accounting Policies (continued)

### Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

## 2.4 Material Accounting Policies (continued)

### Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Leasehold improvements	3 to 5 years
Motor vehicles	3 to 5 years
Furniture and equipment	3 to 5 years
Servers	3 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

# Notes to Financial Statements

Year ended 31 December 2025

## 2.4 Material Accounting Policies (continued)

### Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

### Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 2 to 10 years.

### Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new technology is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Development expenditure which does not meet these criteria is expensed when incurred.

### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## 2.4 Material Accounting Policies (continued)

### Leases (continued)

#### Group as a lessee (continued)

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises	2 to 5 years
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented separately in the consolidated statement of financial position.

# Notes to Financial Statements

Year ended 31 December 2025

## 2.4 Material Accounting Policies (continued)

### Leases (continued)

#### Group as a lessee (continued)

##### (c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

### Investments and other financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

## 2.4 Material Accounting Policies (continued)

Investments and other financial assets (continued)

### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

#### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### Financial assets at fair value through other comprehensive income (debt investments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

# Notes to Financial Statements

Year ended 31 December 2025

## 2.4 Material Accounting Policies (continued)

### Derecognition of financial assets (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## 2.4 Material Accounting Policies (continued)

### Impairment of financial assets (continued)

#### General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

#### Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank loans.

# Notes to Financial Statements

Year ended 31 December 2025

## 2.4 Material Accounting Policies (continued)

### Financial liabilities (continued)

#### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

#### Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

## 2.4 Material Accounting Policies (continued)

### Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

# Notes to Financial Statements

Year ended 31 December 2025

## 2.4 Material Accounting Policies (continued)

### Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

## 2.4 Material Accounting Policies (continued)

### Revenue recognition

#### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group transfers control of goods or services over time and recognises revenue over time, if one of the following criteria is met:

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

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

#### (a) Sale of software

The Group provides software products to its customers. Revenue is recognised at a point in time when software is delivered to the customer's designated place, inspected and accepted by the customer.

For certain sales of software, the Group also provides related maintenance and upgrade services for a specific period (normally 3 years after the customer's acceptance) after sale as stipulated in the same contract. These maintenance and upgrade services are provided to maintain and improve the effectiveness of the software and therefore are accounted for as a separate performance obligation. Revenue from provision of maintenance and upgrade services is recognised over the service period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

#### (b) Provision of software and hardware integrated solutions

The Group provides software and hardware integrated solutions based on its self-developed AI technology platform, the NBK-INTARI AI platform, with combination of key technologies by embedding core software in hardware. Revenue from the provision of software and hardware integrated solutions is recognised at the point in time when the integrated software and hardware is delivered to the customer's designated place, inspected and accepted by the customer.

# Notes to Financial Statements

Year ended 31 December 2025

## 2.4 Material Accounting Policies (continued)

### Revenue recognition (continued)

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

(b) *Provision of software and hardware integrated solutions (continued)*

For certain provision of software and hardware integrated solutions, the Group also provides related maintenance services for a specific period (normally 1 year after the customer's acceptance) after provision of solutions as stipulated in the same contract. These maintenance services are provided to maintain the effectiveness of the integrated solutions and therefore are accounted for as a separate performance obligation. Revenue from provision of maintenance services is recognised over the service period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

(c) *Technology services*

Revenue from technology services is recognised at the point in time when the Group transfers the control of the services/deliverables, generally upon finalisation, delivery and acceptance of the services/deliverables.

#### Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

#### Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

#### Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

## 2.4 Material Accounting Policies (continued)

### Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

### Employee benefits

#### Pension schemes

The employees of the Group's subsidiaries which operate in the Chinese mainland are required to participate in central pension schemes operated by the local municipal government and the central government. These subsidiaries are required to contribute a certain percentage of payroll costs to the central pension schemes. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension schemes.

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

# Notes to Financial Statements

Year ended 31 December 2025

## 2.4 Material Accounting Policies (continued)

### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

## 3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### Estimation uncertainty

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

### **Provision for expected credit losses on trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on ageing period for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 18 and note 19 to the financial statements, respectively.

### **Leases – Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

## 4. Operating Segment Information

For management purposes, the Group is not organised into business units based on their products and services and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

### Geographical information

#### (a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
Chinese mainland	498,026	402,497
Overseas	133	143
<b>Total revenue</b>	<b>498,159</b>	402,640

The revenue information above is based on the locations of the customers.

#### (b) Non-current assets

All of the non-current assets of the Group were located in the Chinese mainland.

### Information about major customers

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

	2025 RMB'000	2024 RMB'000
Customer A	116,189	*
Customer B	61,504	*
Customer C	*	113,363

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

# Notes to Financial Statements

Year ended 31 December 2025

## 5. Revenue, Other Income and Gains

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
<i>Revenue from contracts with customers</i>	<b>498,159</b>	402,640

Revenue from contracts with customers

### (i) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
<b>Types of goods or services</b>		
Sale of software	<b>32,658</b>	1,623
Provision of software and hardware integrated solutions	<b>365,465</b>	380,589
Technology services	<b>100,036</b>	20,428
Total	<b>498,159</b>	402,640
<b>Geographical markets</b>		
Chinese mainland	<b>498,026</b>	402,497
Overseas	<b>133</b>	143
Total	<b>498,159</b>	402,640
<b>Timing of revenue recognition</b>		
Goods transferred or services provided at a point in time	<b>496,084</b>	401,017
Services provided over time	<b>2,075</b>	1,623
Total	<b>498,159</b>	402,640

## 5. Revenue, Other Income and Gains (continued)

### Revenue from contracts with customers (continued)

#### (i) Disaggregated revenue information (continued)

The following table shows the amount of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Technology services	13,835	–
Provision of software and hardware integrated solutions	818	72
<b>Total</b>	<b>14,653</b>	<b>72</b>

#### (ii) Performance obligations

Information about the Group's performance obligations is summarised below:

##### *Sale of software*

The performance obligation of Sale of software is satisfied upon acceptance of the software and payment is generally due within one to twelve months from acceptance. The performance obligation of software-related maintenance and upgrade services is satisfied over time as services are rendered and payment is generally due within twelve months from the date of billing.

##### *Provision of software and hardware integrated solutions*

The performance obligation of provision of software and hardware integrated solutions is satisfied upon acceptance of the integrated software and hardware and payment is generally due within one to twelve months from acceptance. The performance obligation of maintenance services related to integrated solutions relevant maintenance services is satisfied over time as services are rendered and payment is generally due within twelve months from the date of billing.

##### *Technology services*

The performance obligation of technology services is satisfied upon finalisation, delivery and acceptance of the services/deliverables and payment is generally due within one month from the date of billing.

All the contracts that are partially or fully unsatisfied are for periods of one year or less. As the Group applies the practical expedient in HKFRS 15, the transaction price allocated to these unsatisfied contracts are not disclosed.

# Notes to Financial Statements

Year ended 31 December 2025

## 5. Revenue, Other Income and Gains (continued)

Revenue from contracts with customers (continued)

### (ii) Performance obligations (continued)

*Technology services (continued)*

	2025 RMB'000	2024 RMB'000
Other income		
Government grants*	5,054	1,803
Value-added tax refund**	14,849	20,166
Bank interest income	1,662	892
Investment income from financial assets at fair value through other comprehensive income	168	513
Interest income from a loan to a third-party	–	146
<b>Total other income</b>	<b>21,733</b>	<b>23,520</b>
Gain		
Gain on termination of leases	114	190
<b>Total other income and gains</b>	<b>21,847</b>	<b>23,710</b>

\* The government grants mainly represent subsidies received from the local governments to support the Group's research and development activities and operation or a reward for the Group's financial contribution.

\*\* During the year, the Group sold self-developed software products to its customers. The value-added tax ("VAT") was collected at a tax rate of 13% and the refund-upon-collection policy was applied to self-developed software products, and the refund is typically the portion of VAT actually paid that exceeds 3% of the revenue. The Group recorded the refunded VAT as other income when it obtained approvals from the local tax authorities and received the refunds.

## 6. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of sales of software		2,026	62
Cost of software and hardware integrated solutions		161,259	149,367
Cost of technology services		68,688	15,978
Depreciation of property, plant and equipment	13	26,079	3,172
Depreciation of right-of-use assets	14(a)	2,950	2,946
Amortisation of intangible assets*	15	3,265	3,537
Research and development expenses		82,950	59,557
Lease payments not included in the measurement of lease liabilities	14(c)	114	101
Listing expenses		13,194	14,735
Auditor's remuneration		1,368	354
Foreign exchange differences, net		1,023	–
Government grants		(5,054)	(1,803)
Bank interest income		(1,662)	(892)
Investment income from financial assets at fair value through other comprehensive income		(168)	(513)
Interest income from a loan to a third party		–	(146)
Gain on termination of leases		(114)	(190)
Loss on disposal of items of property, plant and equipment		–	12
Impairment losses on trade receivables, net	18	9,962	15,315
Impairment losses on contract assets, net	19	23	1,482
Impairment losses on financial assets included in prepayments, other receivables and other assets, net	20	2,509	2,640
Employee benefit expense (excluding directors', chief executive's and supervisors' remuneration (note 8)):			
Wages, salaries and bonuses		27,365	26,841
Pension scheme contributions (defined contribution scheme)**		1,610	1,621
Staff welfare expenses		3,019	2,866
<b>Total</b>		<b>31,994</b>	<b>31,328</b>

\* The amortisation of intangible assets is included in "Research and development expenses" in the consolidated statement of profit or loss and other comprehensive income.

\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

# Notes to Financial Statements

Year ended 31 December 2025

## 7. Finance Costs

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank loans	4,023	3,180
Interest on lease liabilities (note 14(b))	144	235
Total	4,167	3,415

## 8. Directors', Chief Executive's and Supervisors' Remuneration

Directors', chief executive's and supervisors' remuneration for the year is as follows:

	2025 RMB'000	2024 RMB'000
Fees	340	260
Other emoluments:		
Salaries, bonuses, allowances and benefits in kind	4,246	4,416
Pension scheme contributions	52	52
Subtotal	4,298	4,468
Total	4,638	4,728

### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Ms. Cao Xiaoxue	120	120
Mr. Sang Yongsheng	120	120
Mr. Bau Siu Fung	100	20
Total	340	260

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

## 8. Directors', Chief Executive's and Supervisors' Remuneration (continued)

(b) Executive directors, non-executive directors and the chief executive

	Salaries, bonuses, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2025			
Executive directors:			
Mr. Liao Yu	806	9	815
Mr. Liu Bo*	693	9	702
Mr. Tang Taike	721	9	730
Ms. Wang Li	674	9	683
Subtotal	2,894	36	2,930
Non-executive directors:			
Mr. Ruan Jianping	-	-	-
Mr. Hua Zhangrong	-	-	-
Subtotal	-	-	-
Total	2,894	36	2,930
2024			
Executive directors:			
Mr. Liao Yu*	793	8	801
Mr. Tang Taike	703	8	711
Mr. Sun Yuchuan	530	8	538
Ms. Wang Li	685	8	693
Subtotal	2,711	32	2,743
Non-executive directors:			
Mr. Ruan Jianping	-	-	-
Mr. Hua Zhangrong	-	-	-
Subtotal	-	-	-
Chief executive:			
Mr. Liu Bo*	374	4	378
Total	3,085	36	3,121

\* Mr. Liao Yu served as the chief executive of the Company until June 2024. Mr. Liu Bo has been acting as the chief executive of the Company since June 2024 and was appointed as an executive director in January 2025.

## Notes to Financial Statements

Year ended 31 December 2025

### 8. Directors', Chief Executive's and Supervisors' Remuneration (continued)

#### (c) Supervisors

	Salaries, bonuses, allowances and benefits in kind <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Total remuneration <i>RMB'000</i>
2025			
Mr. Lin Renhui	755	8	763
Mr. Jiang Dengming	–	–	–
Mr. Wang Wei	597	8	605
Total	1,352	16	1,368
2024			
Mr. Lin Renhui	720	8	728
Mr. Jiang Dengming	–	–	–
Mr. Wang Wei	611	8	619
Total	1,331	16	1,347

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

During the year, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

## 9. Five Highest Paid Employees

The five highest paid employees during the year included one director and one supervisor (2024: one director and one supervisor), details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining three (2024: three) highest paid employees, who are neither a director, nor a supervisor, nor the chief executive of the Company are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries, bonuses, allowances and benefits in kind	<b>2,782</b>	2,318
Pension scheme contributions	<b>26</b>	25
Total	<b>2,808</b>	2,343

The number of non-director, non-chief executive and non-supervisor highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	2025	2024
Nil to HK\$1,000,000	<b>3</b>	3

During the year, no remuneration was paid by the Group to any non-director, non-chief executive and non-supervisor highest paid employee as an inducement to join or upon joining the Group or as compensation for loss of office.

# Notes to Financial Statements

Year ended 31 December 2025

## 10. Income Tax

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, preferential tax treatment is available to the Company and the subsidiary, Zhonggui Railway, since they were recognised as High and New Technology Enterprises and were entitled to a preferential income tax rate of 15% (2024:15%) during the year.

Nuobikan Chongqing was subject to income tax at a rate of 25% (2024: 25%) on its taxable income during the year. Other subsidiaries were qualified as small and micro enterprises and were entitled to a preferential income tax rate of 5% (2024: 5%) for the first RMB3,000,000 (2024: RMB3,000,000) of assessable profits during the year.

	2025 RMB'000	2024 RMB'000
Current – Charge for the year	15,212	12,904
Deferred tax ( <i>note 25</i> )	(2,438)	(2,168)
Total tax charge for the year	12,774	10,736

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the Chinese mainland to the tax expense at the effective tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	130,617	126,104
Tax at the statutory tax rate of 25% in the Chinese mainland	32,654	31,526
Effect of preferential lower tax rates entitled	(13,221)	(12,534)
Additional deductible allowance for research and development expenses	(10,037)	(8,744)
Expenses not deductible for tax	2,476	272
Deductible temporary difference and tax losses not recognised	902	216
Tax charge at the Group's effective tax rate	12,774	10,736

## 11. Dividends

The board of directors did not recommend the payment of any final dividend for the year (2024: Nil).

## 12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent and the weighted average numbers of ordinary shares of 34,173,378 (2024: 33,504,438) outstanding during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

## 13. Property, Plant and Equipment

	Leasehold improvements RMB'000	Motor vehicles RMB'000	Furniture and equipment RMB'000	Servers RMB'000	Total RMB'000
<b>31 December 2025</b>					
At 1 January 2025:					
Cost	12,816	605	3,717	65,928	83,066
Accumulated depreciation	(855)	(382)	(1,989)	(551)	(3,777)
Net carrying amount	11,961	223	1,728	65,377	79,289
At 1 January 2025, net of accumulated depreciation	11,961	223	1,728	65,377	79,289
Additions	162	–	206	52,832	53,200
Depreciation provided during the year (note 6)	(4,241)	(83)	(878)	(20,877)	(26,079)
At 31 December 2025, net of accumulated depreciation	7,882	140	1,056	97,332	106,410
At 31 December 2025:					
Cost	12,795	605	3,923	118,760	136,083
Accumulated depreciation	(4,913)	(465)	(2,867)	(21,428)	(29,673)
Net carrying amount	7,882	140	1,056	97,332	106,410

# Notes to Financial Statements

Year ended 31 December 2025

## 13. Property, Plant and Equipment (continued)

	Leasehold improvements <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Furniture and equipment <i>RMB'000</i>	Servers <i>RMB'000</i>	Total <i>RMB'000</i>
<b>31 December 2024</b>					
At 1 January 2024:					
Cost	2,445	605	3,214	–	6,264
Accumulated depreciation	(688)	(279)	(1,321)	–	(2,288)
Net carrying amount	1,757	326	1,893	–	3,976
At 1 January 2024, net of accumulated depreciation					
	1,757	326	1,893	–	3,976
Additions	11,935	–	656	65,928	78,519
Disposal	(4)	–	(30)	–	(34)
Depreciation provided during the year <i>(note 6)</i>	(1,727)	(103)	(791)	(551)	(3,172)
At 31 December 2024, net of accumulated depreciation	11,961	223	1,728	65,377	79,289
At 31 December 2024:					
Cost	12,816	605	3,717	65,928	83,066
Accumulated depreciation	(855)	(382)	(1,989)	(551)	(3,777)
Net carrying amount	11,961	223	1,728	65,377	79,289

## 14. Leases

### The Group as a lessee

The Group has lease contracts for office premises used in its operations. Leases of office premises generally have lease terms between 2 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

#### (a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the year are as follows:

	Office premises RMB'000
As at 1 January 2024	5,954
Additions	5,321
Reduction as a result of termination of leases	(2,158)
Depreciation provided during the year (note 6)	(2,946)
As at 31 December 2024 and at 1 January 2025	<b>6,171</b>
Additions	<b>251</b>
Reduction as a result of termination of leases	<b>(452)</b>
Depreciation provided during the year (note 6)	<b>(2,950)</b>
As at 31 December 2025	<b>3,020</b>

# Notes to Financial Statements

Year ended 31 December 2025

## 14. Leases (continued)

The Group as a lessee (continued)

### (b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at beginning of year	5,585	5,494
New leases	251	5,321
Accretion of interest recognised during the year	144	235
Reduction as a result of termination of leases	(580)	(2,300)
Payments	(2,850)	(3,165)
Carrying amount at end of year	2,550	5,585
Analysed into:		
Current portion	2,224	2,848
Non-current portion	326	2,737

The maturity analysis of lease liabilities is disclosed in note 33 to the financial statements.

### (c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	144	235
Depreciation charge of right-of-use assets	2,950	2,946
Gain on termination of leases	(114)	(190)
Expenses relating to short-term leases (included in administrative expenses and selling and distribution expenses)	114	101
Total amount recognised in profit or loss	3,094	3,092

### (d) The total cash outflow for leases is disclosed in note 28(c) to the financial statements.

## 15. Intangible Assets

	Software RMB'000
<b>31 December 2025</b>	
Cost at 1 January 2025, net of accumulated amortisation	3,299
Additions	253
Amortisation provided during the year (note 6)	(3,265)
At 31 December 2025, net of accumulated amortisation	287
At 31 December 2025:	
Cost	7,383
Accumulated amortisation	(7,096)
Net carrying amount	287
<b>31 December 2024</b>	
Cost at 1 January 2024, net of accumulated amortisation	6,777
Additions	59
Amortisation provided during the year (note 6)	(3,537)
At 31 December 2024, net of accumulated amortisation	3,299
At 31 December 2024:	
Cost	7,130
Accumulated amortisation	(3,831)
Net carrying amount	3,299

## 16. Inventories

	2025 RMB'000	2024 RMB'000
Raw materials	746	794
Work in progress	-	8
Finished goods	6,651	3,510
Total	7,397	4,312

# Notes to Financial Statements

Year ended 31 December 2025

## 17. Contract Costs

	2025 RMB'000	2024 RMB'000
Costs to fulfil contracts	<b>107,476</b>	6,018

## 18. Trade and Bills Receivables

	2025 RMB'000	2024 RMB'000
Trade receivables	<b>604,212</b>	539,565
Bills receivable	<b>3,421</b>	1,411
	<b>607,633</b>	540,976
Impairment	<b>(71,006)</b>	(65,172)
Net carrying amount	<b>536,627</b>	475,804

The Group's trading terms with its customers are mainly on credit. The credit terms granted generally ranged from one to twelve months, depending on the specific payment terms in each contract. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2025, bills receivable of RMB600,000 (2024: Nil) were pledged to secure an intra-group bills payable.

## 18. Trade and Bills Receivables (continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	<b>362,283</b>	375,139
1 to 2 years	<b>156,835</b>	71,018
2 to 3 years	<b>3,324</b>	25,693
3 to 4 years	<b>10,764</b>	2,543
Total	<b>533,206</b>	474,393

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	<b>65,172</b>	49,857
Impairment losses, net	<b>9,962</b>	15,315
Amount written off as uncollectible	<b>(4,128)</b>	–
At end of year	<b>71,006</b>	65,172

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each reporting period about past events, current conditions and forecasts of future economic conditions. Trade receivables for which the counterparties failed to make the demanded repayments are defaulted receivables. The Group has provided for 100% of the defaulted receivables during the year.

# Notes to Financial Statements

Year ended 31 December 2025

## 18. Trade and Bills Receivables (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

### As at 31 December 2025

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Total
Expected credit loss rate	6.18%	17.15%	43.90%	52.85%	11.75%
Gross carrying amount (RMB'000)	386,157	189,300	5,925	22,830	604,212
Expected credit losses (RMB'000)	23,874	32,465	2,601	12,066	71,006

### As at 31 December 2024

	Defaulted receivables	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Total
Expected credit loss rate	100.00%	6.10%	18.85%	38.39%	62.10%	12.08%
Gross carrying amount (RMB'000)	4,128	399,508	87,515	41,705	6,709	539,565
Expected credit losses (RMB'000)	4,128	24,369	16,497	16,012	4,166	65,172

The Group's bills receivable were all aged within one year and were neither past due nor impaired.

As at the end of the year, the Group discounted certain bills receivable accepted by banks in the Chinese mainland (the "Discounted Bills") to banks to finance its operating cash flows with carrying amounts in aggregate of RMB40,060,000 (2024: RMB2,119,000) (the "Discount"). The Discounted Bills had a maturity from one to twelve months as at the end of the year. In accordance with the Law of Negotiable Instruments and relevant discounting arrangements with certain banks in the PRC, the holders of the Discounted Bills have a right of recourse against the Group if the acceptor defaults (the "Continuing Involvement").

In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to certain Discounted Bills with an aggregate amount of RMB9,447,000 (2024: RMB2,119,000), accepted by large and reputable banks as at the end of the year (the "Derecognised Bills"). Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

## 18. Trade and Bills Receivables (continued)

For the rest of the Discounted Bills, the directors believe that the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted Bills. Subsequent to the Discount, the Group did not retain any rights on the use of the Discounted Bills, including the sale, transfer or pledge of the Discounted Bills to any other third parties. As at the end of the year, the aggregate carrying amount financed by such Discounted Bills to which the banks have recourse was RMB30,613,000 (2024: Nil).

## 19. Contract Assets

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contract assets	<b>34,258</b>	31,170
Impairment	<b>(1,924)</b>	(1,901)
Net carrying amount	<b>32,334</b>	29,269

Contract assets represent retention receivables in relation to sales of software, provision of software and hardware integrated solutions and technology services. Upon expiration of the warranty, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets was the result of the increase in the ongoing sales of software, provision of software and hardware integrated solutions and technology services at the end of each of the year.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	<b>4,339</b>	2,550
After one year	<b>27,995</b>	26,719
Total contract assets	<b>32,334</b>	29,269

# Notes to Financial Statements

Year ended 31 December 2025

## 19. Contract Assets (continued)

The movements in the loss allowance for impairment of contract assets are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	1,901	419
Impairment losses, net	23	1,482
At end of year	1,924	1,901

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each reporting period about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2025	2024
Expected credit loss rate	5.62%	6.10%
Gross carrying amount (RMB'000)	34,258	31,170
Expected credit losses (RMB'000)	1,924	1,901

## 20. Prepayments, Other Receivables and Other Assets

	2025 RMB'000	2024 RMB'000
<b>Current</b>		
Prepayments	16,487	29,856
Deposits and other receivables	6,742	7,490
Deductible input value-added tax	14,105	12,484
Deferred listing expenses	–	1,934
	<b>37,334</b>	51,764
Impairment allowance	<b>(5,541)</b>	(3,032)
Total	<b>31,793</b>	48,732
<b>Non-current</b>		
Prepayments for property, plant and equipment	50,899	–
Deposits and other receivables	595	250
Total	<b>51,494</b>	250

An impairment analysis is performed at each reporting date. The Group has applied the general approach to provide for expected credit losses for other receivables under HKFRS 9. The Group considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate.

	2025 RMB'000	2024 RMB'000
At beginning of year	3,032	551
Impairment losses, net	2,509	2,640
Amount written off as uncollectible	–	(159)
At end of year	<b>5,541</b>	3,032

## Notes to Financial Statements

Year ended 31 December 2025

### 21. Cash and Cash Equivalents, Time Deposits with Original Maturity of Over Three Months and Pledged Deposits

	2025 RMB'000	2024 RMB'000
Cash and bank balances	<b>386,203</b>	169,135
Time deposits	<b>188,400</b>	–
Subtotal	<b>574,603</b>	169,135
Less: Pledged deposits: Pledged for letters of guarantee	<b>(1,626)</b>	(325)
Pledged for bills payable	–	(1,478)
Pledged time deposits:		
Pledged for bills payable	<b>(28,400)</b>	–
Non-pledged time deposits with original maturity of over three months	<b>(160,000)</b>	–
Cash and cash equivalents	<b>384,577</b>	167,332
Denominated in:		
RMB	<b>384,566</b>	167,315
United States dollar	<b>11</b>	17

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for period of six months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

As at 31 December 2025, deposits of RMB28,400,000 were pledged to secure an intra-group bill payable (2024: RMB1,478,000 were pledged to secure a bill payable).

## 22. Trade and Bill Payables

	2025 RMB'000	2024 RMB'000
Trade payables	181,021	49,320
Bills payable	–	4,928
<b>Total</b>	<b>181,021</b>	<b>54,248</b>

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

	2025 RMB'000	2024 RMB'000
Within 3 months	95,929	28,577
3 to 12 months	64,840	459
Over 1 year	20,252	20,284
<b>Total</b>	<b>181,021</b>	<b>49,320</b>

The trade payables are non-interest-bearing and have no fixed terms of payment. The maturity of the bills payable is within six months.

# Notes to Financial Statements

Year ended 31 December 2025

## 23. Other Payables and Accruals

	Notes	2025 RMB'000	2024 RMB'000
Payroll payable		<b>6,029</b>	4,862
Contract liabilities	(a)	<b>12,950</b>	13,249
Other payables	(b)	<b>9,341</b>	7,278
Taxes payable other than income tax		<b>3,824</b>	14,629
<b>Total</b>		<b>32,144</b>	40,018

Notes:

(a) Details of contract liabilities are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000	1 January 2024 RMB'000
<i>Short-term advances received from customers</i>			
Provision of software and hardware integrated solutions	<b>12,510</b>	888	142
Technology services	<b>440</b>	12,361	1,651
<b>Total</b>	<b>12,950</b>	13,249	1,793

Contract liabilities include short-term advances received to deliver software and hardware integrated solutions and technology services. The decrease in contract liabilities in 2025 was mainly due to the decrease in short-term advances received from customers in relation to the technology services at the end of the year. The increase in contract liabilities in 2024 was mainly due to the increase in short-term advances received from customers in relation to the technology services at the end of the year.

(b) Other payables are unsecured, non-interest-bearing and repayable on demand.

## 24. Interest-Bearing Bank Loans

	Effective interest rate (%)	Maturity	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank loans – secured	2.11-3.10	2026	<b>39,750</b>	90,000
Bank loans – unsecured	2.35-3.55	2026	<b>150,000</b>	–
Discounted bills receivable	0.68-3.20	2026	<b>30,613</b>	–
<b>Total</b>			<b>220,363</b>	90,000
Analysed into:				
Bank loans repayable:				
Within one year			<b>220,363</b>	90,000

The Group's bank loan amounting to RMB10,000,000 (2024: Nil) is guaranteed by a third party as at the end of the reporting period.

## 25. Deferred Tax

The movements in deferred tax assets and liabilities during the year are as follows:

### Deferred tax assets

	Impairment of financial assets and contract assets <i>RMB'000</i>	Impairment of inventories <i>RMB'000</i>	Accruals <i>RMB'000</i>	Unrealised profits from inter-company transactions <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	7,482	128	3,517	686	824	12,637
Deferred tax credited/(charged) to profit or loss during the period ( <i>note 10</i> )	3,011	–	59	(662)	142	2,550
At 31 December 2024 and 1 January 2025	<b>10,493</b>	<b>128</b>	<b>3,576</b>	<b>24</b>	<b>966</b>	<b>15,187</b>
Deferred tax credited/(charged) to profit or loss during the period ( <i>note 10</i> )	<b>1,152</b>	–	<b>(87)</b>	<b>1,140</b>	<b>(588)</b>	<b>1,617</b>
At 31 December 2025	<b>11,645</b>	<b>128</b>	<b>3,489</b>	<b>1,164</b>	<b>378</b>	<b>16,804</b>

# Notes to Financial Statements

Year ended 31 December 2025

## 25. Deferred Tax (continued)

The movements in deferred tax assets and liabilities during the year are as follows: (continued)

### Deferred tax liabilities

	Right-of-use assets RMB'000
At 1 January 2024	889
Deferred tax charged to profit or loss during the year (note 10)	382
At 31 December 2024 and 1 January 2025	<b>1,271</b>
Deferred tax credited to profit or loss during the year (note 10)	<b>(821)</b>
At 31 December 2025	<b>450</b>

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

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	<b>16,354</b>	13,916

The Group has tax losses arising in the Chinese mainland of RMB13,232,000 (2024: RMB8,284,000) that will expire in three to five years for offsetting against future taxable profits. The Group has deductible temporary differences of RMB556,000 (2024: RMB616,000).

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as it is not considered probable that taxable profits will be available against which the tax losses and deductible temporary differences can be utilised.

## 26. Share Capital

### Shares

	2025 RMB'000	2024 RMB'000
Issued and fully paid: 37,866,600 (2024: 34,080,000) ordinary shares with par value of RMB1.0 each	<b>37,867</b>	34,080

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2024	32,000,000	32,000
Issue of ordinary shares	2,080,000	2,080
At 31 December 2024 and 1 January 2025	<b>34,080,000</b>	<b>34,080</b>
Initial public offering ( <i>note</i> )	<b>3,786,600</b>	<b>3,787</b>
At 31 December 2025	<b>37,866,600</b>	<b>37,867</b>

*Note:* On 23 December 2025, 3,786,600 ordinary shares of par value RMB1.0 each were issued at a price of HK\$80.0 per share in connection with the Company's initial public offering. The proceeds of HK\$4,176,105 (equivalent to RMB3,786,600), representing the par value, were credited to the Company's share capital. The remaining proceeds of HK\$298,751,895 (equivalent to RMB270,887,305) before issuing expenses were credited to the capital reserves account.

# Notes to Financial Statements

Year ended 31 December 2025

## 27. Reserves

The amounts of the Group's reserves and the movements therein for the year are presented in the consolidated statements of changes in equity of the Group.

### Capital reserves

Capital reserves of the Group represent the share premium contributed by the shareholders of the Company and the share-based payment reserve for share-based payment arrangement occurred in prior years.

### Statutory surplus reserve

In accordance with the Company Law of the PRC, certain subsidiary of the Group which is a domestic enterprise is required to allocate 10% of its profit after tax, as determined in accordance with the relevant PRC accounting standards, to its statutory surplus reserve until the reserve reaches 50% of its registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to registered capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

## 28. Notes to the Consolidated Statements of Cash Flows

### (a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB251,000 (2024: RMB5,321,000) and RMB251,000 (2024: RMB5,321,000), respectively, in respect of lease arrangements for office premises.

### (b) Changes in liabilities arising from financing activities

2025

	Bank loans RMB'000	Lease liabilities RMB'000
At 1 January 2025	90,000	5,585
New leases	–	251
Changes from financing cash flows	126,340	(2,850)
Reduction as a result of lease termination	–	(580)
Interest expense	4,023	144
At 31 December 2025	220,363	2,550

**28. Notes to the Consolidated Statements of Cash Flows (continued)****(b) Changes in liabilities arising from financing activities (continued)**

2024

	Bank loans <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>
At 1 January 2024	89,500	5,494
New leases	–	5,321
Changes from financing cash flows	(2,680)	(3,165)
Reduction as a result of lease termination	–	(2,300)
Interest expense	3,180	235
At 31 December 2024	90,000	5,585

**(c) Total cash outflow for leases**

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within operating activities	<b>114</b>	101
Within financing activities	<b>2,850</b>	3,165
Total	<b>2,964</b>	3,266

# Notes to Financial Statements

Year ended 31 December 2025

## 29. Commitments

At the end of the reporting period, the Group did not have any significant contractual commitments.

## 30. Related Party Transactions

(a) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Salaries, bonuses, allowances and benefits in kind	4,246	4,729
Pension scheme contributions	50	58
Total compensation paid to key management personnel	4,296	4,787

Further details of directors', chief executive's and supervisors' emoluments are included in note 8 to the financial statements.

## 31. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets	Financial assets at amortised cost RMB'000
Trade and bills receivables	536,627
Financial assets included in prepayments, other receivables and other assets	1,639
Pledged deposits	30,026
Time deposits with original maturity of over three months	160,000
Cash and cash equivalents	384,577
Total	1,112,869

### 31. Financial Instruments by Category (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

Financial liabilities	Financial liabilities at amortised cost <i>RMB'000</i>
Trade and bill payables	181,021
Financial liabilities included in other payables and accruals	9,341
Interest-bearing bank loans	220,363
Lease liabilities	2,550
<b>Total</b>	<b>413,275</b>

2024

Financial assets	Financial assets at amortised cost <i>RMB'000</i>
Trade and bills receivables	475,804
Financial assets included in prepayments, other receivables and other assets	4,571
Pledged deposits	1,803
Cash and cash equivalents	167,332
<b>Total</b>	<b>649,510</b>

Financial liabilities	Financial liabilities at amortised cost <i>RMB'000</i>
Trade and bill payables	54,248
Financial liabilities included in other payables and accruals	7,278
Interest-bearing bank loans	90,000
Lease liabilities	5,585
<b>Total</b>	<b>157,111</b>

# Notes to Financial Statements

Year ended 31 December 2025

## 32. Fair Value and Fair Value Hierarchy of Financial Instruments

Management has assessed that the fair values of cash and cash equivalents, time deposits with original maturity of over three months, pledged deposits, trade and bills receivables, trade and bill payables, financial assets included in prepayments, other receivables and other assets and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## 33. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise bank loans and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade and bill payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

### Credit risk

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

### Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

### 33. Financial Risk Management Objectives and Policies (continued)

Credit risk (continued)

#### Maximum exposure and year-end staging (continued)

As at 31 December 2025

	12-month ECLs		Lifetime ECLs		Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000			
Trade receivables*	-	-	-		604,212	604,212
Contract assets*	-	-	-		34,258	34,258
Bills receivable – Normal**	3,421	-	-		-	3,421
Financial assets included in prepayments, other receivables and other assets						
– Normal**	1,880	-	-		-	1,880
– Doubtful**	-	-	5,300		-	5,300
Pledged deposits						
– Not yet past due	30,026	-	-		-	30,026
Time deposits with original maturity of over three months	160,000	-	-		-	160,000
Cash and cash equivalents						
– Not yet past due	384,577	-	-		-	384,577
<b>Total</b>	<b>579,904</b>	<b>-</b>	<b>5,300</b>		<b>638,470</b>	<b>1,223,674</b>

# Notes to Financial Statements

Year ended 31 December 2025

## 33. Financial Risk Management Objectives and Policies (continued)

Credit risk (continued)

### Maximum exposure and year-end staging (continued)

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000			
Trade receivables*	-	-	-		539,565	539,565
Contract assets*	-	-	-		31,170	31,170
Bills receivable – Normal**	1,411	-	-		-	1,411
Financial assets included in prepayments, other receivables and other assets						
– Normal**	4,703	-	-		-	4,703
– Doubtful**	-	-	2,900		-	2,900
Cash and cash equivalents						
– Not yet past due	167,332	-	-		-	167,332
Pledged deposits						
– Not yet past due	1,803	-	-		-	1,803
<b>Total</b>	<b>175,249</b>	<b>-</b>	<b>2,900</b>		<b>570,735</b>	<b>748,884</b>

\* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 18 and 19 to the financial statements, respectively.

\*\* The credit quality of bills receivable and financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 18 to the financial statements.

The Group trades with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. Since the Group trades with recognised and creditworthy entities, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. As at the end of the reporting period, the Group had certain concentrations of credit risk as 14.5% (2024: 23.9%) and 58.9% (2024: 64.9%) of the Group’s trade receivables were due from the Group’s largest customer and five largest customers, respectively.

### 33. Financial Risk Management Objectives and Policies (continued)

#### Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g., trade receivables and other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and lease liabilities.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2025				
	On demand RMB'000	Less than 3 months RMB'000	3 to 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade and bill payables	181,021	-	-	-	181,021
Financial liabilities included in other payables and accruals	9,341	-	-	-	9,341
Interest-bearing bank loans	-	73,694	151,605	-	225,299
Lease liabilities	-	572	1,892	332	2,796
<b>Total</b>	<b>190,362</b>	<b>74,266</b>	<b>153,497</b>	<b>332</b>	<b>418,457</b>

	2024				
	On demand RMB'000	Less than 3 months RMB'000	3 to 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade and bill payables	54,248	-	-	-	54,248
Financial liabilities included in other payables and accruals	7,278	-	-	-	7,278
Interest-bearing bank loans	-	10,081	81,451	-	91,532
Lease liabilities	-	561	2,419	2,838	5,818
<b>Total</b>	<b>61,526</b>	<b>10,642</b>	<b>83,870</b>	<b>2,838</b>	<b>158,876</b>

# Notes to Financial Statements

Year ended 31 December 2025

## 33. Financial Risk Management Objectives and Policies (continued)

### 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 maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is debt divided by total assets. Debt includes interest-bearing bank loans, lease liabilities, trade and bill payables and other payables and accruals. The gearing ratios as at the end of the reporting periods were as follows:

	2025 RMB'000	2024 RMB'000
Interest-bearing bank loans	220,363	90,000
Lease liabilities	2,550	5,585
Trade and bill payables	181,021	54,248
Other payables and accruals	32,144	40,018
Debt	436,078	189,851
Total assets	1,467,795	836,195
Gearing ratio	29.7%	22.7%

## 34. Events After the Reporting Period

There were no significant events that required additional disclosure or adjustments occurred after the end of the reporting period.

### 35. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	59,102	9,476
Right-of-use assets	1,356	3,106
Intangible assets	287	58
Investments in subsidiaries	89,000	39,000
Contract assets	27,995	26,719
Prepayments, other receivables and other assets	51,299	55
Deferred tax assets	10,708	11,074
Total non-current assets	239,747	89,488
<b>CURRENT ASSETS</b>		
Inventories	9,650	1,937
Contract costs	2,362	3,888
Trade and bills receivables	407,043	385,408
Contract assets	1,138	2,550
Prepayments, other receivables and other assets	181,779	89,440
Pledged deposits	30,026	1,803
Cash and cash equivalents	315,971	130,225
Total current assets	947,969	615,251
<b>CURRENT LIABILITIES</b>		
Trade and bill payables	137,252	63,081
Other payables and accruals	23,873	60,241
Interest-bearing bank loans	151,613	60,000
Lease liabilities	711	1,697
Tax payable	3,865	1,678
Total current liabilities	317,314	186,697
NET CURRENT ASSETS	630,655	428,554
TOTAL ASSETS LESS CURRENT LIABILITIES	870,402	518,042
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	-	763
Total non-current liabilities	-	763
Net assets	870,402	517,279

# Notes to Financial Statements

Year ended 31 December 2025

## 35. Statement of Financial Position of the Company (continued)

Information about the statement of financial position of the Company at the end of the reporting period is as follows:  
(continued)

	2025 RMB'000	2024 RMB'000
<b>EQUITY</b>		
Share capital	<b>37,867</b>	34,080
Reserves (note)	<b>832,535</b>	483,199
Total equity	<b>870,402</b>	517,279

Note:

A summary of the Company's reserves is as follows:

	Capital reserves RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	204,568	10,597	89,375	304,540
Profit and total comprehensive income for the year	-	-	54,653	54,653
Issue of shares	127,920	-	-	127,920
Share issue expenses	(3,914)	-	-	(3,914)
Transfer to statutory surplus reserve	-	5,465	(5,465)	-
At 31 December 2024 and 1 January 2025	<b>328,574</b>	<b>16,062</b>	<b>138,563</b>	<b>483,199</b>
Profit and total comprehensive income for the period	-	-	87,429	87,429
Issue of shares from initial public offering	270,887	-	-	270,887
Share issue expenses	(8,980)	-	-	(8,980)
Transfer to statutory surplus reserve	-	2,871	(2,871)	-
At 31 December 2025	<b>590,481</b>	<b>18,933</b>	<b>223,121</b>	<b>832,535</b>

## 36. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 30 March 2026.