



# 北京赛目科技股份有限公司 Beijing Saimo Technology Co., Ltd.

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

Stock Code : 2571



# 2025

Annual Report

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## COMPANY'S PROFILE

The Group is a technology company in the PRC focusing on intelligent connected vehicle (“ICV”) simulation testing technologies, and primarily engaged in the design and R&D of ICV simulation testing products and the provision of related testing, validation and evaluation solutions. The Group’s customers primarily include the governments and SOEs, and renowned automotive manufacturers and technology companies in the PRC.

The Group has developed technological capabilities in ICV testing, validation and evaluation through continuous innovation. In 2018, the Group independently developed and commercially launched the first basic version of our ICV simulation testing, validation and evaluation tool chain – Sim Pro, which has allowed the Group to provide ICV simulation tests and related services for our customers. With continuous upgrading of Sim Pro, the first relatively advanced and comprehensive version of Sim Pro available for independent use by third parties was sold in 2020. In June 2021, Sim Pro passed the functional safety certification at ASILD under the international standard ISO 26262, making it the first ICV simulation testing, validation and evaluation tool chain in the world to have obtained the highest-level functional safety certification. Sim Pro emerged as a significant domestic alternative to imported ICV simulation testing software and with it, China no longer needed to rely heavily upon the ICV simulation testing software developed by foreign enterprises. It also gives the Group first-mover advantage in China’s ICV simulation testing market. Further, in 2021, the Group also independently developed our functional safety (FuSa) and safety of the intended functionality (SOTIF) analysis tool for ICVs – Safety Pro, which obtained the ISO 26262 TCL 2 certification in July 2023.

In recognition of the Group’s innovation capabilities, we have been awarded a number of awards and certifications by government authorities in the PRC, including the Key Software Enterprise\* (重點軟件企業), the Specialised, Sophisticated, Special and New “Little Giant” Enterprise\* (專精特新「小巨人」企業) (issued by the MIIT), the Specialised, Sophisticated, Special and New “Little Giant” Enterprise of Beijing\* (北京市專精特新「小巨人」企業), and the National and Zhongguancun High and New Technology Enterprise\* (國家級和中關村高新技術企業).

## CORPORATE INFORMATION

### COMPANY NAME

Beijing Saimo Technology Co., Ltd.

### BOARD OF DIRECTORS

#### *Executive Directors*

Mr. Hu Dalin (*Chairman*)  
Mr. He Feng  
Ms. Ma Lei

#### *Non-Executive Directors*

Mr. Jia Qi  
Dr. Yao Xiang  
Ms. Gong Xiao

#### *Independent Non-Executive Directors*

Ms. Guo Lili  
Mr. Ma Weiguo  
Mr. Wong Ho Kwan

### SUPERVISORY COMMITTEE

Dr. Cao Gang (*Chairman*)  
Mr. Ni Jie  
Ms. Xue Na

### COMPANY SECRETARY

Ms. Leung Hoi Yan  
(Appointed with effect from 28 March 2025)  
Ms. Cheung Lai Ha  
(Resigned with effect from 28 March 2025)

### AUTHORISED REPRESENTATIVES

Mr. He Feng  
Ms. Leung Hoi Yan  
(Appointed with effect from 28 March 2025)  
Ms. Cheung Lai Ha  
(Resigned with effect from 28 March 2025)

### AUDIT COMMITTEE

Ms. Guo Lili (*Chairlady*)  
Mr. Ma Weiguo  
Mr. Wong Ho Kwan

### REMUNERATION AND APPRAISAL COMMITTEE

Mr. Wong Ho Kwan (*Chairman*)  
Ms. Guo Lili  
Mr. He Feng

### NOMINATION COMMITTEE

Mr. Wong Ho Kwan (*Chairman*)  
Ms. Guo Lili  
Mr. Hu Dalin

### STRATEGY COMMITTEE

Mr. Hu Dalin (*Chairman*)  
Mr. He Feng  
Ms. Ma Lei

### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
22/F, Prince's Building  
Central Hong Kong

### COMPLIANCE ADVISER

CEB International Capital Corporation Limited  
34/F–35/F, Everbright Centre  
108 Gloucester Road  
Wanchai  
Hong Kong

### REGISTERED OFFICE IN THE PRC

Room 401, 4/F  
No. 66 Zizhuyuan Road  
Haidian District  
Beijing  
the PRC

## CORPORATE INFORMATION

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Rooms 301, 304, 305, 306, 307 and 308  
Zhongguancun International Innovation Building  
No. 67 North Fourth Ring West Road  
Haidian District  
Beijing  
the PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

46/F, Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

### COMPANY'S WEBSITE

[www.saimo.cloud](http://www.saimo.cloud)

### PRINCIPAL BANK

Bank of Beijing Fuyu Branch

### H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

### STOCK CODE

02571

## DEFINITIONS AND GLOSSARY

In this Annual Report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

“affiliate” or “associate companies”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AGM”	the annual general meeting to be held by the Company on 24 June 2026
“Annual Report”	the annual report of the Company for the year ended 31 December 2025
“Articles of Association” or “Articles”	the articles of association of the Company adopted on 21 December 2024 which became effective upon the Listing Date, as amended, modified or supplemented from time to time
“Audit Committee”	the audit committee of our Board
“Board” or “Board of Directors”	the board of Directors of our Company
“CCID”	China Center for Information Industry Development* (中國電子信息產業發展研究院), a public institution under the Ministry of Industry and Information Technology (the “MIIT”)
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this Annual Report only, Hong Kong, the Macao Special Administrative Region and Taiwan
“Company” or “Saimo Technology”	Beijing Saimo Technology Co., Ltd. (北京賽目科技股份有限公司), incorporated under the PRC laws on 24 January 2014 as a limited liability company and converted into a joint stock company under the PRC laws on 8 November 2022
“Controlling Shareholder Group”	Space Technology (Beijing) Co., Ltd.* (空格科技(北京)有限公司), Beijing Tongda Chengye Technology Centre (Limited Partnership)* (北京通達成業科技中心(有限合伙)), Mr. Hu Dalin, Ms. Ma Lei and Mr. He Feng, being a group of controlling Shareholders of our Company pursuant to the Listing Rules
“CSTC”	China Software Testing Centre (Software and Integrated Circuit Promotion Centre of the Ministry of Industry and Information Technology)* (中國軟件評測中心(工業和信息化部軟件與集成電路促進中心))
“Director(s)”	the director(s) of our Company
“FY2024”	the financial year ended 31 December 2024
“Global Offering”	the global offering of 33,333,400 H Shares in total. No H Shares has been issued by the Company pursuant to the Over-allotment Option
“Group”, “our Group”, “we” or “us”	our Company and its subsidiaries (or our Company and any one or more of its subsidiary(ies), as the context may require)

## DEFINITIONS AND GLOSSARY

“H Share(s)”	overseas-listed share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“H Shareholder(s)”	holders of H Shares
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“IFRS(s)”	IFRS Accounting Standards, which include standard(s) and interpretation(s) promulgated by the International Accounting Standards Board, as amended from time to time
“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	the date on which our H Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange, i.e. 15 January 2025
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
“Management Group”	collectively, Mr. Hu Dalin (“Mr. Hu”), Mr. He Feng (“Mr. He”) and Ms. Ma Lei (“Ms. Ma”)
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of our Board
“PRC Company Law” or “Company law”	Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“Prospectus”	the prospectus issued by the Company on 31 December 2024, which is published on the websites of the Company and the Stock Exchange
“Remuneration Committee”	the remuneration and appraisal committee of our Board
“Reporting Period” or “FY2025”	the financial year ended 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

## DEFINITIONS AND GLOSSARY

“Saidi Group”	Saidi Group Institute of Industry and Information Technology (Group) Co., Ltd.* (賽迪工業和信息化研究院(集團)有限公司) (formerly known as Saidi Industry and Information Technology Research Institute Co., Ltd.* (賽迪工業和信息化研究院有限公司) and Saidi Information Industry (Group) Co., Ltd.* (賽迪信息產業(集團)有限公司)), a limited liability company established in the PRC on 13 September 1995 and an indirect Shareholder of our Company through its controlled interest in Saidi Testing and Certification Centre Co., Ltd.* (賽迪檢測認證中心有限公司), a substantial Shareholder of our Company
“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 shares in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
“Shareholders(s)”	holder(s) of the Share(s)
“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 our Board
“Supervisor(s)”	the supervisor(s) of our Company
“Supervisory Committee”	the supervisory committee of our Company
“Unlisted Shareholder(s)”	holders of Unlisted Shares
“Unlisted Shares”	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are not currently listed or traded on any stock exchange
“%”	percent

In this Annual Report, the terms “associate”, “close associate”, “connected person”, “core connected person”, “connected transaction”, “subsidiaries” and “substantial shareholder”, “controlling shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

The English translation of the original names in Chinese or another language of the nationals, entities, enterprises, organisations, institutions, government authorities, departments, facilities, awards, certificates, titles, laws and regulations concerned included in this Annual Report which are marked with “\*” is for identification purpose only. To the extent that there is any inconsistency, the original names in Chinese or another language shall prevail.

## FINANCIAL SUMMARY

### CONSOLIDATED RESULTS

	Year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	262,447	221,883	175,703	145,385	106,906
Cost of sales	(121,925)	(70,088)	(51,139)	(50,009)	(42,862)
<b>Gross profit</b>	<b>140,522</b>	151,795	124,564	95,376	64,044
<b>Profit before income tax</b>	<b>58,286</b>	56,968	50,755	48,686	39,131
Income tax credit/(expenses)	1,336	(1,874)	2,676	–	(1,560)
<b>Profit for the year</b>	<b>59,622</b>	55,094	53,431	48,686	37,571
<b>Profit/(loss) attributable to:</b>					
– Owners of the Company	56,265	53,666	55,479	50,330	37,747
– Non-controlling interests	3,357	1,428	(2,048)	(1,644)	(176)
	<b>59,622</b>	55,094	53,431	48,686	37,571

## FINANCIAL SUMMARY

### ASSETS, LIABILITIES AND EQUITY

	As at 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
Non-current assets	379,200	172,251	151,481	102,118	40,174
Current assets	656,655	495,709	449,333	442,641	275,790
<b>Total assets</b>	<b>1,035,855</b>	667,960	600,814	544,759	315,964
<b>LIABILITIES</b>					
Non-current liabilities	57,797	44,775	42,149	25,061	9,169
Current liabilities	70,746	65,477	57,253	72,855	41,773
<b>Total liabilities</b>	<b>128,543</b>	110,252	99,402	97,916	50,942
<b>Net assets</b>	<b>907,312</b>	557,708	501,412	446,843	265,022
<b>EQUITY</b>					
Equity attributable to owners of the Company	899,825	553,578	498,710	442,293	258,828
Non-controlling interests	7,487	4,130	2,702	4,550	6,194
<b>Total equity</b>	<b>907,312</b>	557,708	501,412	446,843	265,022

## CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am hereby pleased to present the Annual Report of the Group for the year ended 31 December 2025, and to express our heartfelt gratitude to shareholders, customers, partners, and all employees for their long-term concern and support for Saimo Technology.

2025 was a pivotal year for the intelligent connected vehicle industry to stride from technological validation to industrial-scale applications. The mass production of L3 conditional autonomous driving was duly granted the green light, which marked that the industry has entered a brand new phase of development. The L3 and higher advanced autonomous driving technology imposes unprecedentedly stringent requirements on scenario completeness, the credibility of causation, and system safety. Only a world model with physical-based AI can fulfill the tasks of high-confidence, verifiable, and scalable validation. Leveraging our extensive experience in the long-term support of L3 mass-production validation, the Company has achieved a strategic leap from a simulation testing service provider to a leading enterprise in physical AI world models.

Building on a powerful full-stack toolchain, profound expertise in data engineering, and extensive experience in large-scale practical delivery, we have precisely achieved physical consistency, credibility of causal consistency, and distributional consistency. This enables us to craft an industry-leading digital world recreation and an intelligent verification system, and to establish our unique leading position in the field of physical AI.

During the year, the Group achieved revenue of approximately RMB262 million, representing a year-on-year increase of 18.3%, while profit reached approximately RMB59.62 million, up by 8.2% year-on-year. In January 2025, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange, laying a solid capital foundation for its strategic development. Through our integrated closed-loop system of simulation testing and safety analysis, we continue to promote the safe implementation of intelligent driving technologies.

Looking forward, as autonomous driving accelerates its penetration into higher-level applications, the strategic value of physical AI world models will continue to become more prominent. The Group will remain committed to technological innovation, with world models as the core and safety as the bottom line. We will constantly upgrade our products and services to offer more reliable solutions for global customers and create long-term value for shareholders.

**Mr. Hu Dalin**

*Chairman*

Hong Kong, 30 March 2026

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS SUMMARY

We are a technology company in the PRC focusing on ICV simulation testing technologies, and primarily engaged in the design and R&D of ICV simulation testing products and the provision of related testing, validation and evaluation solutions. ICVs refer to a road vehicle equipped with advanced sensors, controllers, and actuators, and is designed with the intelligent and cooperative driving functions. The Group also started to extend the applications of our technologies in other industries. The Group mainly offers (i) ICV simulation testing software and platforms; (ii) ICV data platforms and other products; (iii) ICV testing and related services; and (iv) advisory and other services.

The Group offers ICV testing, validation and evaluation products and services to customers mainly based on our self-developed and proprietary core technological tools, which are based on artificial intelligence and world models – (i) Sim Pro, a full-stack ICV simulation testing, validation and evaluation tool chain (in support of scenario databases and cloud (SaaS) deployment); and (ii) Safety Pro, a FuSa and SOTIF analysis tool. Leveraging its proprietary software and hardware integration capabilities and services, the Group is able to provide customised solutions catering to specific needs of our customers in a flexible, speedy and cost-effective manner. The Group mainly generates revenue from the provision of comprehensive ICV testing, validation and evaluation solutions to state-owned enterprises (“SOEs”) and government authorities in the public sector and automotive manufacturers and technology companies in the private sector.

### MARKET OVERVIEW

With the government’s support for ICV technology and increasing acceptance of functions of intelligent vehicles among customers, the ICV industry is embracing its rapid growth. The advancement and universal application of technology have led to a continuous increase in the demand for ICV simulation testing technology, presenting enormous development opportunities for enterprises within the industry. As a leading enterprise, the Group possesses formidable technological advantages and a robust market position, which positions us to methodically expand our operations, seize market opportunities, and achieve sustainable growth.

During the Reporting Period, the Group actively expanded its business operations and ramped up investment in research and development. Meanwhile, we keep abreast of industry trends and regulatory policies, consistently enhancing the quality of our products and services to adapt to the ever-changing market and cater to the personalized needs of our clients. These efforts have laid a solid foundation for our business growth.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERALL BUSINESS PERFORMANCE

During the Reporting Period, benefiting from the continuous development of intelligent driving technologies and increasing acceptance of ICVs in China, as well as the Group's constant optimisation and existing solutions upgrade, increased investment in innovation and enhancement of new products, the business performance of Group's ICV testing, validation and evaluation solutions has experienced steady growth. The Group achieved growth in both revenue and profit for the year. For the FY2025, the Group achieved revenue of approximately RMB262.4 million and net profit of approximately RMB59.6 million, representing an increase of 18.3% and 8.2% respectively as compared with the FY2024.

#### *Business performance by product/service type*

##### **ICV simulation testing software and platforms, ICV data platforms and other products**

The Group's products mainly include (i) ICV simulation testing software and platforms; and (ii) ICV data platforms and other products, which are primarily used for testing, validating and evaluating the functional completeness and safety of ICV intelligent driving solutions (including algorithms and their related key components of the intelligent driving system of an ICV), supporting effective regulation and decision-making of ICVs and constructing intelligent connected data centres or intelligent transportation platforms.

**In terms of ICV simulation testing software and platforms**, during the Reporting Period, the Group's revenue from the sale of ICV simulation testing software and platforms amounted to approximately RMB188.8 million, representing an increase of 41.1% as compared with the FY2024. As for ICV simulation testing platforms, the Group supports the development of customised functions to cater to different needs of our customers. The ICV simulation testing platforms implemented by the Group for our customers were either cloud-based (i.e. SaaS solutions) or non-cloud based.

In particular, the year 2025 witnessed a significant progress for the Group in the field of the ICV simulation testing technology. The Group achieved remarkable results in customer expansion and successfully fostered long-term relationships with a number of well-known automobile manufacturers and technology companies. These co-operations have brought us more business opportunities and growth potential. In terms of ICV simulation testing platform, we continued to upgrade our technology and optimize our function so as to ensure that our platform could meet the increasing testing needs of our customers. Especially driven by the world model and artificial intelligence algorithms, our platform is capable of dynamically generating test cases that encompass complex scenarios and long-tail distributions, significantly enhancing test coverage and efficiency. Our SaaS solutions have demonstrated great flexibility and expandability in cloud deployment and have been well received by our customers. Furthermore, the Group has continued to invest in research and development in the area of innovation, promoting technological innovation and product upgrades to provide customers with more advanced and efficient ICV testing, validation and evaluation solutions. These innovative achievements are reflected not only in the enhancement of simulation accuracy but also in the integration of the predictive capabilities of the world model with the decision optimization capabilities of artificial intelligence, thereby forming a complete closed loop from scenario construction to safety assessment. These innovations have not only bolstered our market competitiveness, but also injected new momentum into our business growth. In respect of ICV simulation testing standalone software products, the Group's standalone software products were sold to end customers by way of either direct sales or indirect sales. In 2025, our ICV simulation testing standalone software products received recognition in the market for their high quality and excellent performance.

## MANAGEMENT DISCUSSION AND ANALYSIS

**In terms of ICV data platforms and other products**, during the Reporting Period, the Group recognised revenue from the sale of ICV data platforms and other products of approximately RMB20.7 million, representing an increase of 0.4% as compared with the FY2024. As for ICV data platforms, the Group had been involved in the building of ICV data platforms in various cities in the PRC.

In 2025, we successfully expanded several important customers, who brought abundant data resources and application scenarios to our data platform. In the process of constructing these data platforms, we have introduced AI-powered data processing workflows and scene representation technologies supported by world models. This enables the platforms to not only efficiently manage massive amounts of road test data but also automatically extract high-value scenarios for simulation testing and algorithm iteration. We continued to optimize the function and performance of our data platform, enhance the efficiency of data processing and analysis, and provide more accurate and efficient data services to our customers through intensive co-operation with these customers.

### ICV testing and related services, and advisory and other services

The Group's services include the provision of (i) ICV testing and related services; and (ii) advisory and other services, which help customers test, validate and evaluate the safety and driving capabilities of ICVs, help customers operate and maintain ICV-related platforms. We also offer advice and technical assistance in respect of ICV-related policies, laws and regulations as well as industry standards, assist government authorities in organising conferences and seminars in the ICV and related industries and help government authorities and technology companies in the testing, operation management and other activities of drones.

**In terms of ICV testing and related services**, the Group is capable of providing customers with comprehensive ICV testing and related services, including (i) simulation tests and related services (which generally require the use of the Group's core technologies, including Sim Pro); (ii) closed-course site tests and related services; and (iii) platform operation and maintenance services.

In 2025, relying on our proprietary Sim Pro technology, our simulation testing and related services applied the concept of world models to virtual environment construction. This enables the simulation scenarios to reflect complex physical interactions and dynamic changes in the real world, achieving comprehensive testing and validation of ICV intelligent driving solutions to ensure their functional integrity and safety. Meanwhile, artificial intelligence algorithms are used for automating testing processes and result analysis, significantly enhancing testing efficiency and the objectivity of evaluations. Our closed-course site testing and related services provided customers with a real testing environment to enable them to better understand the performance of their ICV products in actual applications. Moreover, our platform operation and maintenance services saved our customers tremendous manpower and material costs and improved their operational efficiency. Among these services, we were featured by providing highly customized solutions. Based on the different needs of our customers, we were able to provide them with suitable testing and operation and maintenance solutions which were tailor-made. Our professional team also maintained close communication with our customers to ensure that our services always meet their expectations and needs.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group's revenue from ICV testing and related services amounted to approximately RMB28.2 million.

**In terms of advisory and other services**, the Group offers advisory and other services to the PRC government authorities or SOEs in the public sector and automotive manufacturers in the private sector. In respect of the Group's advisory services, the Group assists automotive manufacturers in understanding and complying with the ICV-related domestic and international laws, regulations and/or standards, in particular those relating to software upgrade, OTA technology, simulation testing, SOTIF, FuSa, cyber security and data security matters concerning ICVs, by (i) reviewing materials (including R&D and production policies, safety manuals, user manuals, etc.) of our customers and/or their ICV products; and (ii) issuing advisory report which includes policy updates as well as the Group's advice in relation to improving the technologies and/or products of the relevant customers. For the Group's other services, the Group assists government authorities or their SOEs in organising conferences and seminars in the ICV and related industries. During the Reporting Period, the Group's revenue from advisory and other services amounted to approximately RMB24.7 million representing a decrease of 16.4% as compared with the FY2024.

General speaking, the decrease in the Group's revenue from consulting and other services in 2025 was not due to the weakening of the Company's professional capabilities or market position, but rather the concerted outcome of the changes in external market environment and internal proactive adjustments to the business structure. On one hand, the traditional consulting business, which is primarily composed of individual projects, is facing the pressure in growth in terms of both the number of projects and the value of individual projects. This is not only a challenge unique to the Group, but rather a common trend affecting the broader traditional consulting sector. Therefore, the decrease in annual revenue partly reflects the natural market-driven contraction of the Company's traditional consulting business model. On the other hand, the Group is proactively adapting to the market shifts in its traditional business model by migrating its focus toward high-growth strategic areas: the Group's core strategy is to concentrate on the promising sector of Intelligent Connected Vehicles (ICV). The Group's resources and capabilities are rapidly concentrating on high-value-added services related to ICV. The scaling back of traditional consulting services is a deliberate decision by the Company to concentrate its advantageous resources and ensure strategic focus.

## MANAGEMENT DISCUSSION AND ANALYSIS

### PROSPECTS AND FUTURE PLAN

Going forward, the Group will maintain its strong commitment to and focus on independent innovation to follow the national development strategies, and increase its investment to R&D and technological innovation, to continuously enhance the core competitiveness of its products and services, capture greater market share in the PRC and further develop and expand its business in overseas markets and other areas. In order to achieve this objective, the Group will pursue the following strategies:

#### ***The Group plans to continue to optimise and upgrade its existing solutions and strengthen its technological advantages***

The continued growth of the Group during the Reporting Period has been founded upon the successful launch and commercialisation of its core technological tools Sim Pro, Safety Pro and other solutions, and the Group believes that its future success will continue to be closely related to its ability to develop or improve such tools and related technologies. As such, the Group plans to increase its investment in the continuous optimisation and upgrade of its existing solutions:

- Sim Pro: We will further introduce the high-fidelity representation of sensor physical characteristics by world models, as well as an AI-driven closed-loop data iteration mechanism to upgrade and optimise models for an array of real-world physical sensors such as cameras, LiDAR and millimetre-wave radar, upgrade and optimise the vehicle-cloud-vehicle data closed-loop based on cloud simulation, and upgrade and optimise the module within Sim Pro that enhances the performance of the XIL testing.
- Safety Pro: We will integrate artificial intelligence algorithm technology to upgrade and optimise the new function of intelligent analysis, and upgrade and optimise the function of automatic generation of FuSa and SOTIF scenario databases.
- Traffic Pro: We will incorporate the concept of a world model to optimise the high-precision real-time data processing engine, develop more optimisation algorithms for intelligent signal light based on deep learning and big data analysis, and enhance the compatibility of Traffic Pro with different software and systems.
- SceCo Pro: Developing the function of integrating data from multiple sources, such as data collected from sensors on the vehicles and map data, developing the function of cloud deployment, developing the function of automatic generation of customised scenarios. Leveraging the multimodal data fusion and representation capabilities of world models, along with the automatic composition and generalization of scene elements by artificial intelligence, the efficiency and coverage of customized scenario generation are significantly enhanced.

#### ***The Group plans to increase its investment in the innovation and enhancement of new products and solidify its market position in the ICV testing, validation and evaluation solutions industry***

In order to maintain its competitiveness in the industry, the Group will continue to develop and commercialise new products and continuously diversify its product portfolio in respect of ICV testing, validation and evaluation. In the near term, the Group intends to focus its efforts on the following tools which are developed based on one or more modules within its Sim Pro tool chain, which include SGO Pro, DB Pro, Cloud Pro. With its continued R&D investment, the Group believes it is able to stay at the forefront of simulation technology development and product innovations to better serve the demands of customers in the rapidly evolving ICV industry.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***The Group plans to grow its customer base and geographically expand its market coverage***

The Group plans to further expand its geographic coverage and deepen its customer relationships to accommodate the market growth and capture greater business opportunities in the ICV testing, validation and evaluation solutions industry and strengthen its market position. Specifically, The Group plans to expand its business into more cities in China where many market players in the automotive and ICV industries are located or where laws, regulations and policies supportive of the industry development are in place. The Group would also consider setting up representative office and R&D center in Hong Kong so as to lay the groundwork for expanding its presence in overseas markets, and exploring opportunities with overseas partners to introduce the Group's solutions into more international markets. In executing the above expansion plans, the Group intends to enhance its sales and marketing efforts through (i) expanding and improving the capabilities of its domestic sales and marketing team; and (ii) participating in and organising more industry events such as conferences, seminars and trade fairs in mainland China and Hong Kong. With its established industry reputation and technological capabilities, the Group believes it is capable of acquiring new customers and undertake more ICV testing, validation and evaluation-related projects in the coming years.

### ***The Group plans to grow its talent pool to support its business development plans***

The Group believes that technical talents are essential for it to pursue technology innovations and carry out its product development plans. The Group will continue to invest in and expand its R&D team by attracting technical staff with extensive expertise and experience in areas such as artificial intelligence, world model construction, and large-scale simulation scenario generation, software development, algorithms, vehicle testing, industry research and product design, so as to execute its R&D strategies. Apart from R&D talents, the Group will also focus on recruiting more professionals with (i) sales and marketing expertise and experiences to support its domestic expansion plans; and (ii) management expertise and experiences, especially in relation to project management and execution, to enhance the operational and managerial capabilities of its management team. The Group will also optimise its talent training system constantly to facilitate the technical and occupational development of its employees and offer them a platform to achieve future success.

### ***The Group plans to expand the application of simulation technologies and explore business opportunities in other industries***

With its proprietary core technologies as well as technical know-how and expertise accumulated over the years, the Group plans to explore new commercialisation opportunities and application scenarios of its simulation technologies in the following areas:

- Drone-related solutions: Leveraging its experiences from such projects, the Group aims to further increase its involvement in assisting both public and private sector customers in the operation management, testing and commercial application of drones, in particular, government authorities and technology companies.
- Digital city twin: The Group expects that government authorities and other public sector organisations (such as universities and research institutes) will have increasing demand for digital city twin solutions to facilitate their administration or research activities in respect of urban transportation improvement.
- Intelligent agriculture: The Group also plans to work on the R&D and, more importantly, the commercialisation of simulation solutions to test intelligent agriculture machines, which are expected to target customers in the intelligent agriculture market, in particular, manufacturers of such intelligent products.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

The Group offers ICV testing, validation and evaluation products and services to customers. During the Reporting Period, revenue of the Group was derived from (i) the sale of its products; and (ii) the provision of its services. The revenue of the Group increased by RMB40.5 million (or approximately 18.3%) from RMB221.9 million in FY2024 to RMB262.4 million in FY2025, which was mainly due to an increase in revenue generated from ICV simulation testing software and platforms. The following table sets forth a breakdown of our revenue attributable to our products and services for the years indicated:

Revenue contributed from	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
<b>Products</b>				
– ICV simulation testing software and platforms	188,810	71.9	133,793	60.3
– ICV data platforms and other products	20,696	7.9	20,621	9.3
<b>Subtotal</b>	<b>209,506</b>	<b>79.8</b>	154,414	69.6
<b>Services</b>				
– ICV testing and related services	28,244	10.8	37,941	17.1
– Advisory and other services	24,697	9.4	29,528	13.3
<b>Subtotal</b>	<b>52,941</b>	<b>20.2</b>	67,469	30.4
<b>Total revenue</b>	<b>262,447</b>	<b>100</b>	221,883	100

#### Cost of sales

Cost of sales of the Group increased by RMB51.8 million (or approximately 74.0%) from RMB70.1 million in FY2024 to RMB121.9 million in FY2025, which was mainly due to an increase in cost of operation resulting from the expansion of revenue and an increase in hardware procurement.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Gross profit and gross profit margin***

Gross profit of the Group decreased by RMB11.3 million (or approximately 7.4%) from RMB151.8 million in FY2024 to RMB140.5 million in FY2025, which was mainly due to a growing proportion of high-customization and hardware integration projects as a result of phasal business structure changes. The overall gross profit margin of the Group decreased from 68.4% in FY2024 to 53.5% in FY2025, which was mainly due to a decline in gross profit margin resulting from more hardware and customization requirements for ICV simulation testing software and platforms because of customer requirements elicitation.

### ***Other income***

Other income of the Group increased by RMB16.7 million (or approximately 66.7%) from RMB25.1 million in FY2024 to RMB41.8 million in FY2025, which was mainly due to the receipt of government contract grants for concluded projects and also the dedicated subsidy funds during the current financial year.

### ***Other gains, net***

Other gains, net of the Group increased by RMB27.6 million (or approximately 969.0%) from RMB2.8 million in FY2024 to RMB30.4 million in FY2025, which was mainly due to the fair value changes in financial assets measured at fair value through profit or loss.

### ***Selling and marketing expenses***

Selling and marketing expenses of the Group decreased by RMB1.9 million (or approximately 17.9%) from RMB10.9 million in FY2024 to RMB9.0 million in FY2025, which was mainly due to the cost reduction and efficiency improvement as a result of the optimization and restructuring of our sales team.

### ***General and administrative expenses***

General and administrative expenses of the Group increased by RMB6.4 million (or approximately 21.1%) from RMB29.9 million in FY2024 to RMB36.3 million in FY2025, which was mainly due to the increase in labour costs of management staff, as well as professional services and other consulting charges.

### ***R&D expenses***

R&D expenses of the Group increased by RMB24.6 million (or approximately 28.7%) from RMB85.9 million in FY2024 to RMB110.5 million in FY2025, which was mainly due to an increase in depreciation and amortization expenses of equipment and intangible assets related to R&D activities.

### ***Credit loss allowance recognized***

Credit loss allowance recognized by the Group increased by RMB0.7 million (or approximately 256.2%) from RMB0.2 million in FY2024 to RMB0.9 million in FY2025, which was mainly due to the growth in accounts receivables resulting from the increase in revenue during the current financial year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Share of profit/(loss) of investments accounted for using the equity method***

Share of profit of investments accounted for using the equity method of the Group increased by RMB3.1 million from a loss of RMB0.6 million in FY2024 to a profit of RMB2.5 million in FY2025, which was mainly due to the increase in the share of profit from the associate, namely Beijing Dysprosium Data Technology Co., Ltd. (“Beijing Dysprosium”) in FY2025 as compared to that of FY2024.

### ***Finance (costs)/income, net***

Finance income, net of the Group decreased by RMB5.1 million (or approximately 106.9%) from finance income, net of RMB4.8 million in FY2024 to finance costs of RMB0.3 million in FY2025, which was mainly due to the increase in foreign exchange losses and interest expenses on leasing liabilities.

### ***Income tax credit/(expenses)***

Income tax credit of the Group in FY2025 was RMB1.3 million, changing from the income tax expense of RMB1.9 million in FY2024, which was mainly due to the recognition of current income tax expense of RMB0.2 million, and reversal of deferred income tax liabilities of approximately RMB0.7 million and recognition of deferred income tax assets of approximately RMB0.8 million in 2025.

### ***Profit for the year***

Profit for the year of the Group increased by RMB4.5 million (or approximately 8.2%) from RMB55.1 million in FY2024 to RMB59.6 million in FY2025, which was mainly due to the increase in revenue, other income and net other gains of approximately RMB40.5 million, RMB16.7 million and RMB27.6 million, respectively, and was partially offset by the increase in (i) selling expenses; (ii) R&D expenses and administrative expenses; and (iii) finance costs.

### ***Non-IFRS measure***

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, our Group also uses adjusted profit/(loss) (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRSs. The Group believes that this non-IFRS measure facilitates comparisons of our operating performance between different financial years and different entities by eliminating the potential impact of certain items. The Group also believes that this non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted profit/(loss) (non-IFRS measure) may not be comparable to similarly titled measures presented by other entities. The use of this non-IFRS measure has limitations as an analytical tool, and it should not be considered in isolation from, or as a substitute for an analysis of, results of operations or financial condition of the Group as reported under IFRSs. The Group defines adjusted profit/(loss) (non-IFRS measure) as profit/(loss) for the year which is adjusted by eliminating (i) share-based payment expenses; and (ii) listing expenses.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table reconciles our adjusted profit for the year (non-IFRS measure) to our profit for the year presented under IFRSs:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Profit for the year</b>	<b>59,622</b>	55,094
Add:		
– Share-based payment expenses (Note 1)	<b>1,208</b>	1,202
– Listing expenses (Note 2)	<b>580</b>	470
<b>Adjusted profit for the year (non-IFRS measure)</b>	<b>61,410</b>	56,766

Notes:

- (1) Share-based payment expenses are adjusted for as they are non-cash in nature and do not result in cash outflow.
- (2) Listing expenses are adjusted for as they were incurred for the purpose of the Listing.

### ***Equipment, right-of-use assets and intangible assets***

The equipment of the Group increased from RMB37.9 million as at 31 December 2024 to RMB114.0 million as at 31 December 2025, mainly as a result of the acquisition of additional fixed assets during the year. The right-of-use assets of the Group decreased from RMB49.0 million as at 31 December 2024 to RMB39.0 million as at 31 December 2025, mainly as a result of depreciation of right-of-use assets. The intangible assets of the Group decreased from RMB52.3 million as at 31 December 2024 to RMB41.5 million as at 31 December 2025, which was mainly due to the amortisation of intangible assets. The intangible assets primarily represent simulation, modelling and algorithm software programmes of the Group for its government-commissioned projects and R&D purpose, internally generated intangible assets and other business and financial software for its business operations.

### ***Financial assets at fair value through profit or loss***

Total financial assets at fair value through profit or loss of the Group increased from RMB35.8 million as at 31 December 2024 to RMB285.2 million as at 31 December 2025, which was mainly due to the purchase of wealth management products, funds and listed equity securities.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Trade and notes receivables***

Trade and notes receivables of the Group increased from RMB191.3 million as at 31 December 2024 to RMB255.8 million as at 31 December 2025, which was mainly due to the higher revenue, while most of the revenue for the FY2025 recognized in the second half of the year. Trade and notes receivables turnover days in FY2025 amounted to 310.9 days (FY2024: 293.6 days).

### ***Prepayments and other receivables***

Prepayments and other receivables of the Group amounted to RMB19.0 million as at 31 December 2025, representing a decrease of RMB40.6 million as compared to RMB59.6 million as at 31 December 2024, which was mainly due to the transfer of listing-related prepayments for capitalization to capital reserves.

### ***Current assets***

Current assets of the Group increased from RMB495.7 million as at 31 December 2024 to RMB656.7 million as at 31 December 2025, which was mainly due to the increase in financial assets measured at fair value through profit or loss, trade and notes receivables, which was partially offset by the decrease in prepayments, other receivables, and contract fulfillment costs.

## LIQUIDITY AND CAPITAL RESOURCES

The Group finances operations primarily through a combination of (i) capital contribution; and (ii) operating cash flows. The cash and cash equivalents of the Group increased from RMB208.3 million as at 31 December 2024 to RMB235.5 million as at 31 December 2025, which was mainly attributable to the listing proceeds. As of 31 December 2025, the cash and cash equivalents of the Group were denominated in RMB, HKD and USD.

The Group adopts a prudent financial management approach towards its treasury policies. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

### ***Net cash generated from operating activities***

Net cash generated from operating activities of the Group increased by RMB41.4 million (or approximately 92.5%) from RMB44.8 million in FY2024 to RMB86.2 million in FY2025, which was mainly attributable to our net cash generated from operations comprising operating cash flows before movements in working capital of approximately RMB111.9 million and adjustments for changes in working capital of RMB31.4 million.

### ***Net cash generated (used in)/from investing activities***

The Group recorded net cash used in investing activities of RMB368.5 million in FY2025 compared to the net cash generated from investing activities of RMB73.9 million in FY2024, which was mainly attributable to the purchases of equipment and intangible assets, listed equity securities, funds and wealth management products.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Net cash generated from/(used in) financing activities***

The Group recorded net cash generated from financing activities of RMB313.9 million in FY2025 compared to the net cash used in financing activities of RMB28.7 million in FY2024, which was mainly attributable to the receipt of listing proceeds.

### ***Borrowings***

As of 31 December 2025, we did not have any external borrowings or loans.

### ***Lease liabilities***

The lease liabilities of the Group amounted to RMB51.0 million as at 31 December 2025, representing a decrease of RMB10.8 million as compared to RMB61.8 million as at 31 December 2024, which was mainly due to the payment of rent for the Shunyi Testing Site.

### ***Trade and notes payables***

Trade and notes payables of the Group increased from RMB5.7 million as at 31 December 2024 to RMB27.7 million as at 31 December 2025, which was mainly due to the increase in procurement costs resulting from higher revenue, which in turn led to an increase in trade payables. The trade and notes payables turnover days for FY2025 was 50.1 days (FY2024: 33.6 days).

### ***Gearing ratio***

As of 31 December 2025, the Group's gearing ratio, which was calculated as the percentage of bank borrowings to total equity, was 0.

### ***Pledge of assets***

As at 31 December 2025, the Group did not have any pledged assets.

### ***Foreign exchange risk***

The Group primarily operates its business in the PRC and its transactions and revenue were primarily denominated in Renminbi. The Group has certain cash and cash equivalents and trade receivables denominated in HK dollars and US dollars, and is exposed to foreign exchange risk arising from exchange rate fluctuation of RMB against HK dollars and US dollars. The Group currently does not have any hedging policy for foreign currencies in place. However, the Board will remain alert to any relevant risks and, if necessary, consider to hedge any material potential foreign exchange risk.

### ***Contingent liabilities***

As of 31 December 2025, the Group did not have any significant contingent liabilities.

### ***Capital commitments***

The Group's capital commitments not yet paid was RMB1.2 million, remained unchanged as compared to that of as at 31 December 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

The investment objective of the Group is to enhance the corporate value to the shareholders of the Company ("Shareholders"). The strategy of the Group is to identify and invest in both listed and unlisted investments with potential of growth within their industries. In identifying potential investment, the Group will consider its business segment, operation, current value and the potential of going public. Currently, the Group has no specific industry focus on potential investment.

As at 31 December 2025, the Group held the following significant investment:

#### **Ruifeng Power Group Company Limited (瑞豐動力集團有限公司) ("Ruifeng Power")**

Information for this investment:

- (a) information of Ruifeng Power: According to the publicly available information, Ruifeng Power is an exempted company limited by shares incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2025). Ruifeng Power and its subsidiaries (the "Ruifeng Power Group") are principally engaged in the design, development, production and sales of cylinder blocks, as well as cylinder heads and certain cylinder block components and others, to automobile manufacturers and engine manufacturers in the PRC.
- (b) During the year, the Group purchased 4,160,000 and 6,760,000 shares of Ruifeng Power ("Ruifeng Power Shares") at HK\$7.18 and HK\$10.30 per share on September 19, 2025 and October 16, 2025, respectively, the total consideration of which is approximately HK\$99.5 million. As at 31 December 2025, the Company holds approximately 10,920,000 shares of Ruifeng Power, representing approximately 1.365% of the issued share capital of Ruifeng Power.
- (c) As at 31 December 2025, the fair value of the Ruifeng Power Shares is HK\$129,948,000 (equivalent to RMB117,372,000), representing approximately 11.33% of the Company's total assets as at 31 December 2025. The fair value of the investment is determined by the market price of the shares of Ruifeng Power, which may be highly volatile due to market fluctuation and the changes in fair value would impact on the profit or loss of the Company subsequently.
- (d) During the Reporting Period, realised gain is HK\$0 and unrealised gain at 31 December 2025 amounted to HK\$30,035,000 respectively. The Company has received dividends of HK\$0 during FY2025.

For a detailed understanding of the performance and future prospects of the investment in Ruifeng Power Shares, please refer to the published annual/interim reports of Ruifeng Power as disclosed on the website of the Stock Exchange.

For other details of the purchase of Ruifeng Power Shares, please refer to the announcement of the Company dated 16 October 2025.

In FY2025, save as disclosed in this report, the Company had no material acquisitions and disposals of subsidiaries, associates and joint ventures.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2025, save as disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, the Group has no other future plans for any other material investments and capital assets.

### EMPLOYEE AND REMUNERATION POLICY

As of 31 December 2025, the Group had a total of 162 employees (as of 31 December 2024: 187). In FY2025, the Group’s staff cost amounted to approximately RMB67.7 million (FY2024: approximately RMB71.2 million).

The Group’s employee remuneration policy is determined by taking into account factors such as the remuneration in the local market, the overall remuneration level in the industry, operating efficiency, position and employees’ performance. We provide both internal and external training sessions to our employees to improve their work performances. Our internal training includes induction training and on-the-job training which can be conducted either physically or remotely. It covers various aspects of our employees’ development, which include, among other things, data security awareness, general skills, professional skills and management capabilities. We also encourage and, to some extent, sponsor our employees to attend external training programmes from time to time to further improve their technical knowledge and professional skills. In addition to basic salaries, our employees are entitled to annual performance-based compensation based on our employees’ job performance. We had the Employee Incentive Scheme and the 2025 H Share Award Trust Scheme (“H Share Award Scheme”, adopted on 17 June 2025) to motivate our key management and skilled personnel, the details of the H Share Award Scheme are set out in the section headed “H Share Award Scheme” in the Report of the Board of Directors. We also participate in housing fund and employee social security plans organised by applicable local PRC government authorities, including housing provident fund, pension, medical, work-related injury, maternity and unemployment benefit plans, under which we have made contributions at specified percentages of the salaries of our employees in the PRC where applicable.

The Group offers our executive Directors, Supervisors and senior management members, who are also employees of our Company, emolument in the form of remuneration, performance-based compensation and other welfares. Our independent non-executive Directors receive emolument based on their responsibilities (including being members or chairperson of Board committees).

During the year ended 31 December 2025, the Group did not experience any major difficulties in recruitment, nor experience any substantial loss in manpower or any material labor dispute.

## MANAGEMENT DISCUSSION AND ANALYSIS

### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

#### *Deemed Disposal of Equity Interest in a Subsidiary*

On 6 January 2026, the Company, Zhejiang Saimo Technology Co., Ltd. (浙江賽目科技有限公司) (the “Target Company”) and Shanghai Shuxin Juhui Enterprise Management Consulting Partnership Enterprise (Limited Partnership), Shanghai Xinjuhui Technology Partnership Enterprise (Limited Partnership) and Jing Wei entered into an Investment Agreement and a Shareholders Agreement. Pursuant to the Investment Agreement, inter alia, the Investors (as defined in the announcement of the Company dated 6 January 2026) have agreed to contribute to the Target Company by way of intellectual property and cash, subscribing for the increase in the registered capital of the Target Company in the amount of RMB9,607,843 in exchange for an aggregate of approximately 49% equity interest in the Target Company. Upon completion of the Capital Increase, the registered capital of the Target Company will increase from RMB10,000,000 to RMB19,607,843, and the Company and the Investors will directly hold approximately 51% and 49% equity interest in the Target Company, respectively. Please refer to the announcements of the Company dated 6 January 2026 and 26 January 2026 for more details.

#### *H-Share Full Circulation*

On 30 December 2025, the Board reviewed and approved the conversion of 65,081,360 domestic unlisted shares of the Company held by certain Shareholders (the “Participating Shareholders”) (representing approximately 48.81% of the total issued share capital of the Company as of the date of this report) into H-shares of the Company (the “H-Share Full Circulation”). Due to the changes of Participating Shareholders, the Board considered and approved the adjustments to the H-Share Full Circulation Scheme on 6 February 2026, pursuant to which the number of domestic non-listed shares of the Company subject to the proposed Conversion and Listing (as defined in the announcement of the Company dated 30 December 2025) has been adjusted to 52,911,569 shares, representing approximately 39.68% of the total issued share capital of the Company as of the date of this report. As at the date of this report, the Company has submitted the filing application to the China Securities Regulatory Commission in respect of the implementation of the H-Share Full Circulation. Please refer to the announcements of the Company dated 30 December 2025, 6 February 2026 and 4 March 2026 for more details.

#### *Proposed Amendments to the Articles of Association and the Rules of Procedure for Shareholders’ General Meetings*

In light of the recent amendments to the Listing Rules and having regard to the actual circumstances of the Company, the Board proposed to amend the Articles of Association to comply with the latest Listing Rules, laws, regulations and regulatory requirements (the “Proposed Amendments to the Articles of Association”) on 30 March 2026. The Proposed Amendments to the Articles of Association mainly include articles explicitly enabling the Company to hold hybrid general meetings and provide electronic voting means in accordance with the relevant provisions of the Listing Rules. In light of the aforesaid amendments to the Listing Rules and the Proposed Amendments to the Articles of Association, the Board also proposed to make certain amendments to the Rules of Procedure for Shareholders’ General Meetings of the Company (the “Rules of Procedure for Shareholders’ General Meetings”) on 30 March 2026. The Proposed Amendments to the Articles of Association and the Rules of Procedure for Shareholders’ General Meetings are subject to the approval of the Shareholders by way of special resolution at the forthcoming AGM and, if approved, will become effective upon such approval.

Save as disclosed in this report, there was not any material and important events affecting the Group that had occurred after 31 December 2025 and up to the date of this report.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### EXECUTIVE DIRECTORS

#### **MR. HU DALIN**

**Mr. Hu Dalin (胡大林)**, aged 47, was appointed as our Director in October 2018 and subsequently, has been appointed as chairman of the Board of our Company since December 2019. He has been reclassified as our executive Director since December 2022. He is primarily responsible for overseeing the day-to-day operations and overall business strategy and planning of our Group.

Mr. Hu has extensive experience in industrial software development and design. Mr. Hu joined Beijing Yuanxin Xingye Technology Co., Ltd.\* (北京遠新興業科技有限公司), a company which engages in the design and development of industrial appliances and software, in November 2010 as a supervisor and was appointed as the executive director and general manager from January 2011 to July 2017. Mr. Hu is a member of the Management Group, together with other members of the Management Group, commenced the R&D of the Group's proprietary core technologies and testing tools, including the predecessor of Sim Pro in mid-2017 and subsequently commenced the Group's ICV testing-related business. Mr. Hu is an executive director of Space Technology (Beijing) Co., Ltd.\* (空格科技(北京)有限公司) ("Space Technology"), a substantial shareholder of the Company within the meaning of Part XV of SFO. Mr. Hu served as the general manager of our Company from December 2018 to December 2019 where he was responsible for daily operations and management of our Company as well as product planning.

Mr. Hu graduated from Beijing Institute of Technology (北京理工大學) with a bachelor's degree in ammunition engineering and explosive technology in July 2001.

#### **MR. HE FENG**

**Mr. He Feng (何豐)**, aged 47, was appointed as our Director in October 2018 and our general manager since December 2019. He has been appointed as Board secretary since October 2022 and has been reclassified as our executive Director since December 2022. He is primarily responsible for overseeing the day-to-day operations of our Group.

Mr. He has extensive experience in the R&D of testing, validation and evaluation system. Mr. He joined Beijing Yuanxi Technology Company Limited\* (北京遠西科技有限公司), a company engages in the technological development of mechanical and vehicle appliances, in June 2009 as the technical director where he was responsible for product design and development and was appointed as the general manager from April 2017 to September 2019 where he was responsible for strategic planning and the day-to-day operations of the company. Mr. He is a member of the Management Group, together with other members of the Management Group, commenced the Group's ICV testing – related business. Mr. He was appointed as our chief operating officer from December 2018 to December 2019 where he was mainly in charge of the R&D of ICV simulation testing solutions.

Mr. He graduated from Beijing Institute of Technology (北京理工大學) with a bachelor's degree in mechanical and electrical engineering in July 2000.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### **MS. MA LEI**

**Ms. Ma Lei (馬蕾)**, aged 59, was appointed as our Director in October 2018. She has been appointed as deputy general manager since October 2022 and has been reclassified as our executive Director since December 2022. She is primarily responsible for handling public relations and overseeing the day-to-day operations of our Group.

Ms. Ma has extensive experience in the technology-related industry (including experience in public relations). Prior to joining our Group, Ms. Ma served as the manager of planning department at Shanghai Microtek Technology Co., Ltd.\* (上海中晶科技有限公司) from February 1995 to May 2001 where the company specialises in, among other things, the manufacturing and sales of computer hardware, software and peripheral equipment. From September 2005 to May 2012, Ms. Ma joined and served as the secretary-general of Beijing Informatization Association (北京信息化協會) where the association specialises in, among other things, industry research and consulting services. From June 2012 to February 2015, Ms. Ma served as the general manager of Beijing Jiuzhou Jin Xiu Technology Cultural Development Company Limited\* (北京九州錦繡科技文化發展有限公司) where the company organises cultural and artistic exchange activities and specialises in technological development. Ms. Ma was the general manager of Beijing Didao Fengwu Technology Co., Ltd\* (北京地道風物科技有限公司) where she served as the deputy general manager from April 2015 to June 2018 and was in charge of public relations and government matter. Ms. Ma is a member of the Management Group, together with other members of the Management Group, commenced the Group's ICV testing-related business. Ms. Ma also served as the Group's vice president of public relations from December 2021 to October 2022.

Ms. Ma graduated from Capital Normal University (首都師範大學) in the PRC in July 1992 and obtained a college graduate certificate majoring in library and information studies.

## NON-EXECUTIVE DIRECTORS

### **MR. Jia Qi**

**Mr. Jia Qi**, aged 48, has served as a non-executive Director since 16 October 2025. His career development includes positions at China Mobile Group Beijing Co., Ltd.\* (中國移動通信集團北京有限公司), China Mobile Group Device Co., Ltd.\* (中國移動通信集團終端有限公司) and Vitu High-Tech (Hainan) Communications Co., Ltd.\* (緯圖高科(海南)通信有限公司) since commencing his career in August 2000. He has been serving at China Mobile Capital Holdings Co., Ltd.\* (中移資本控股有限責任公司) ("CM Capital") since November 2019, where he currently holds the position of General Manager of the Third Investment Department. During their tenure at CM Capital, he participated in corporate investment projects including China Electronics Limited\* (中國電子有限公司), Zhejiang Dahua Technology Co., Ltd\* (浙江大華技術股份有限公司), Hangzhou Huacheng Network Technology Co., Ltd.\* (杭州華橙網絡科技有限公司) and Venustech Information Technology Group Co., Ltd.\* (啟明星辰信息技術集團股份有限公司).

Mr. Jia has been serving as a director of Beijing Haitian Ruisheng Science Technology Co., Ltd.\* (北京海天瑞聲科技股份有限公司) since 12 October 2021 and a director of Venustech Information Technology Group Co., Ltd.\* (啟明星辰信息技術集團股份有限公司) since 6 May 2024.

Mr. Jia graduated from Peking University in July 2000 with a double bachelor's degree in Law and Economics.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### **DR. YAO XIANG**

**Dr. Yao Xiang (姚翔)**, aged 44, was appointed as our Director in March 2018 and has been subsequently reclassified as our non-executive Director since December 2022. He is primarily responsible for providing guidance and advice on the corporate and business strategies to the Board.

Dr. Yao has over 10 years of experience in the IT industry. From July 2013 to May 2018, Dr. Yao worked at the strategic studies and platform operation management division of CSTC as a senior consultant where he was responsible for strategic planning research in IT-related fields. Subsequently from June 2018 to April 2021, Dr. Yao worked at the CCID as a cadre of the operation and management division, where he was responsible for foreign investment management. Since April 2021, he has been promoted to the position of deputy director of the operation and management division where he is also responsible for foreign investment management.

Dr. Yao graduated from Shanxi Normal University (山西師範大學) with a bachelor's degree in public service administration in July 2006. He obtained a master postgraduate degree at Beijing Normal University (北京師範大學) majoring in educational economics and management in July 2009. Dr. Yao graduated as a doctoral student in management science and engineering from University of Chinese Academy of Sciences (中國科學院大學) in July 2013.

### **MS. GONG XIAO**

**Ms. Gong Xiao (鞏瀟)**, aged 41, was appointed as our Director in February 2022 and has been subsequently reclassified as our non-executive Director since December 2022. She is primarily responsible for providing guidance and advice on the corporate and business strategies to the Board.

Ms. Gong has over nine years of experience in testing and evaluation engineering. Ms. Gong had worked and held positions in various entities of the CSTC starting from April 2014, including the Beijing Saidi Industrial Control System Evaluation Engineering Technology Centre Co., Ltd.\* (北京賽迪工業控制系統評測工程技術中心有限公司) and the Beijing Saidi Robot Evaluation Engineering Technology Centre Co., Ltd.\* (北京賽迪機器人測評工程技術中心有限公司). From March 2017 to November 2021, Ms. Gong worked at Beijing Saidi Robot Evaluation Engineering Technology Centre Co., Ltd.\* (北京賽迪機器人測評工程技術中心有限公司) of CSTC where she last served as the general manager and was responsible for robot inspection and certification-related business matters. Since November 2021, she has been the general manager of the ICV Evaluation Engineering Technology Centre\* (智能網聯汽車測評工程技術中心) of the CSTC and the Robot and Intelligent Equipment Evaluation Engineering Technology Centre\* (機器人與智能裝備測評工程技術中心) of the CSTC, where she is responsible for intelligent automotive, robot inspection and certification business matters.

Ms. Gong graduated from University of Science and Technology Beijing (北京科技大學) with a master postgraduate degree in electronic science and technology in January 2011. Ms. Gong was recognised as an intermediate software tester and a senior IT project management professional by Beijing Municipal Human Resources and Social Security Bureau in April and May 2015 respectively. She was also recognised as a junior information security level assessor by Zhongguancun Information Security Evaluation Alliance\* (中關村信息安全測評聯盟) in January 2016.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### **MS. GUO LILI**

**Ms. Guo Lili (郭莉莉)**, aged 62, has been appointed as an independent Director since October 2022 and has been further reclassified as our independent non-executive Director since December 2022. He is primarily responsible for supervising and providing independent advice to the Board.

Ms. Guo has extensive experience in accounting and auditing. Since June 2014, Ms. Guo joined WUYIGE Certified Public Accountants LLP (大信會計師事務所(特殊普通合夥)) where the company provides accounting, auditing and tax services.

Ms. Guo was an independent director of Beijing Sinnet Technology Co., Ltd (北京光環新網科技股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300383)) between January 2016 and May 2022. She served as an independent director of Aerospace Intelligent Manufacturing Technology Co., Ltd. (航天智造科技股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300446)) from March 2017 to July 2023, and an independent director of Hebei Huatong Wires & Cables Group Co., Ltd. (河北華通線纜集團股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 605196)) from August 2021 to August 2024; has served as an independent director of TES Touch Embedded Solutions (Xiamen) Co., Ltd. (宸展光電(廈門)股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 003019)) since May 2021, an independent director of Hebei Guoliang New Materials Co., Ltd. (河北國亮新材料股份有限公司) since 10 April 2021, and a director of Tangshan Sanyou Silicon Industry Co., Ltd. (唐山三友矽業股份有限公司) since August 2023.

Ms. Guo graduated from Beihang University (北京航空航天大學) with a college degree in industrial management engineering in December 1989. Ms. Guo was qualified as a certified public accountant as awarded by Beijing Institute of Certified Public Accountants (北京註冊會計師協會) in June 1998 and she was admitted as a member of the Institute of Public Accountants, Australia in November 2012.

#### **MR. MA WEIGUO**

**Mr. Ma Weiguo (馬衛國)**, aged 62, holds the professional title of Senior Engineer and has served as an independent non-executive Director since 16 October 2025. He possesses extensive experience in engineering technology, industrial research, and corporate management throughout his career.

Mr. Ma began his career in August 1982 and has successively held positions in the following companies, including assistant engineer at Tangshan Locomotive & Rolling Stock Works of China's Ministry of Railways\* (鐵道部唐山機車車輛廠), engineer, branch director, factory assistant, deputy director of Beijing Broadcasting Equipment Factory\* (北京廣播器材廠), deputy director and director of Beijing Institute of Electronic Information\* (北京電子科技情報研究所), director of Beijing Technological Innovation Service Center \* (北京市技術創新服務中心), general manager and chairman of Touch Beijing IT Development Co., Ltd.\* (北京首通萬維信息技術發展有限公司), executive director, general manager and chairman of Beijing IC Design Park Co., Ltd.\* (北京集成電路設計園有限責任公司), general manager of Beijing Industrial Developing Investment Management Co., Ltd.\* (北京工業發展投資管理有限公司), chairman of Beijing Jizhi Future AI Industrial Innovation Base Co., Ltd. (北京集智未來人工智能產業創新基地有限公司) and executive director and chairman of Beijing National Aquatics Center Co., Ltd. (北京國家游泳中心有限責任公司). He currently acts as the Chairman of the Supervisory Board of Beijing Informatization Association (北京信息化協會).

Mr. Ma graduated from Northern Jiaotong University (北方交通大學) with a bachelor's degree in diesel locomotive engineering of the department of mechanical engineering in August 1982. He obtained a master degree of engineering in general mechanics from the Institute of Engineering Mechanics (工程力學研究所), Northern Jiaotong University (北方交通大學) in June 1989 and obtained a master of business administration from School of Economics and Management, Tsinghua University in July 2006.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### MR. WONG HO KWAN

**Mr. Wong Ho Kwan (黃浩鈞)**, aged 50, has been appointed as an independent Director since October 2022 and has been further reclassified as an independent non-executive Director since December 2022. He is primarily responsible for supervising and providing independent advice to the Board.

Mr. Wong has over 25 years of experience in accounting and finance. Mr. Wong started his career as an associate in PricewaterhouseCoopers in September 1998 and was promoted to senior associate in July 2000 until October 2001. He then served as an officer in the group management services of Hutchison International Limited from February 2002 to August 2002 where the company invests in, among other things, port, energy, infrastructure and telecommunication businesses. From November 2002 to September 2005, Mr. Wong worked at KPMG where he last served as an assistant manager. Mr. Wong then served as a qualified accountant and company secretary of AAC Technologies Holdings Inc. (formerly known as AAC Acoustic Technologies Holdings Inc.) (a company listed on the Stock Exchange (stock code: 2018) and engages in manufacture and distribution of miniaturised acoustic components) from October 2006 to May 2007. Before joining ECO Environmental Investment Limited, a subsidiary of The Hong Kong and China Gas Company Limited from September 2012 to April 2020 where he last served as vice president of treasury, Mr. Wong was a senior manager of market intelligence and operation analysis in GCL-Poly Energy Holdings Limited (a company listed on the Stock Exchange (stock code: 3800), a green energy supplier) in October 2010. Prior to joining Karrie International Holdings Limited (a company listed on the Stock Exchange (stock code: 1050)), Mr. Wong was a director and general manager of ECO Zhuoxin (Shanghai) Financial Leasing Company Limited\* (易高卓新(上海)融資租賃有限公司) in August 2019. Since April 2020, Mr. Wong has been serving as the chief financial officer of Karrie International Holdings Limited.

Mr. Wong obtained a bachelor of arts (honours) in accountancy from the City University of Hong Kong in November 1998 and a master's degree in business administration from Nanjing University (南京大學) in March 2012. He was accredited as an associate by the Hong Kong Society of Accountants in January 2002 and a certified internal auditor by the Institute of Internal Auditor in May 2004.

## SUPERVISORS

### DR. CAO GANG

**Dr. Cao Gang (曹崗)**, aged 50, was the Group's former Director from May 2020 to October 2022 and has been appointed as chairman of the supervisory committee since October 2022. He is primarily responsible for presiding over the work of the Supervisory Committee and supervising the Board and senior management and overseeing our operations.

Dr. Cao is experienced in scientific research and project management. Before joining Beijing Municipal Science and Technology Commission\* (北京市科學技術委員會) where the commission focuses on the development of the artificial intelligence industry in China in August 2012 where he served as the deputy chief of the department of high-tech industrialisation, Dr. Cao worked as the chief officer of Beijing Software Product Quality Inspection and Testing Centre\* (北京軟件產品質量檢測檢驗中心) in September 2010 where the centre conducts inspection and is responsible for quality control of software products. Since February 2019, Dr. Cao has been the executive vice president of Beijing Academy of Artificial Intelligence (北京智源人工智能研究院) where he is in charge of integrated operations and results transformation work.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Dr. Cao has been the general manager of Beijing Innovation Zhiyuan Technology Co., Ltd.\* (北京創新智源科技有限公司) since July 2019, the executive director of Beijing Zhiyuan Venture Capital Fund Management Co., Ltd.\* (北京智源創業投資基金管理有限公司) since March 2021, the director of Beijing Zhixing Institute of Science and Technology Innovation for Young Talents\* (北京智星青年人才科技創新研究院) since November 2024, and the vice president of Lingxin Qiaoshou (Beijing) Technology Co., Ltd.\* (靈心巧手(北京)科技有限公司) since April 2025.

Dr. Cao obtained a doctorate degree in computer application technology from Institute of Computing Technology, Chinese Academy of Sciences (中國科學院計算技術研究所) in July 2004.

### **MR. NI JIE**

**Mr. Ni Jie (倪捷)**, aged 56, has been our shareholder representative Supervisor since August 2015. He is primarily responsible for supervising our Board and senior management and overseeing our operations.

Mr. Ni has extensive experience in finance and economics. Prior to joining our Group, Mr. Ni worked at CCID from February 2004 to October 2017 where he last served as the deputy chief economist and was responsible for, among other things, assisting the president of CCID to carry out financial accounting and analysis, capital operation, financing and tax planning. From October 2017 to March 2021, Mr. Ni worked at Saidi Group (being an indirect Shareholder of our Company) as the deputy chief economist and was responsible for assisting the group in financing and major investment and business analysis. Since March 2021, he has served as the chief economist and is responsible for assisting Saidi Group to carry out major economic management and investment work.

Mr. Ni graduated from University of Northern Virginia with a Master of Business Administration in January 2004.

### **MS. XUE NA**

**Ms. Xue Na (薛娜)**, aged 46, has been appointed as the chief executive officer of our Company since January 2022 and as our employee representative Supervisor since October 2022. She is primarily responsible for supervising the Board and senior management and overseeing our operations.

Prior to joining our Group, Ms. Xue was employed as the marketing manager of Beijing Software Product Quality Inspection Centre\* (北京軟件產品質量檢測檢驗中心) during the period between August 2005 and February 2010. Ms. Xue then served as the director of human resources department of Beijing Shangpinyuan Brand Planning Co., Ltd\* (北京上品源品牌策劃有限公司) from February 2010 to December 2018 where she was in charge of talent recruitment, human relations and administrative matters. Ms. Xue has been the director of human resources department of our Company from January 2019 to January 2022 and was primarily responsible for overseeing the overall management of human resource of our Group.

Ms. Xue obtained her bachelor's degree in finance from University of International Business and Economics (對外經濟貿易大學) in June 2010.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### SENIOR MANAGEMENT

Other than the Directors who are also senior management, the senior management of the Company is as follows:

#### **MR. YANG QIANG**

**Mr. Yang Qiang (楊強)**, aged 43, has been the Group's deputy general manager since January 2021, the Group's chief director of R&D, and the general manager of Shanghai Saimo since October 2019. He is primarily responsible for research, design and development of simulation test tool chain and the management of the R&D team of our Group.

Mr. Yang has extensive experience in the software engineering industry. From February 2011 to June 2018, he was employed as the technical director of the product development division of Shanghai Ekai Information Technology Co., Ltd\* (上海億凱信息技術有限公司) where the company specialises in the development of computer technology and technical consulting. Mr. Yang served as the technical director of Shanghai Tongta Technology Co., Ltd.\* (上海童塔科技有限公司) from July 2018 to October 2019 where the company specialises in the fields of software science and technology. Mr. Yang obtained his bachelor's degree in mathematics and applied mathematics from Shanghai University (上海大學) in July 2005 and his master of engineering in software engineering from Shanghai Jiao Tong University (上海交通大學) in March 2016. Mr. Yang was qualified as an Automotive Functional Safety Professional (AFSP), a personnel qualification programme for ISO 26262 developed by SGS-TÜV, in January 2021 and the qualification is valid until the end of 2023.

#### **MS. LIANG JUN**

**Ms. Liang Jun (梁軍)**, aged 56, was appointed as our financial manager in January 2019 and has been redesignated as our chief financial officer since January 2020. She is primarily responsible for overseeing the finance and accounting matters and financial reporting of our Group.

Ms. Liang has extensive experience in accounting and finance. She served as the deputy general manager and head of finance department of Natural Fenghe Technology Development (Beijing) Company Limited\* (自然風和科技發展(北京)有限公司) from December 2004 to June 2016 where the company specialises in, among other things, enterprise management consulting. From July 2016 to December 2018, Ms. Liang joined Beijing Dimei Direct Marketing Consulting Co. Ltd.\* (北京迪美策方市場諮詢有限公司) where the company specialises in economic and trade consulting and market research. Ms. Liang graduated from Beijing University of Posts and Telecommunications (北京郵電大學) in July 1992 with a college degree in radio technology. Ms. Liang received the certificate of accounting professional issued by Beijing Municipal Finance Bureau (北京市財政局) in June 1997 and the intermediate accountant qualification certificate issued by the MOF in May 2004.

#### **DR. XUE XIAOQING**

**Dr. Xue Xiaoqing (薛曉卿)**, aged 39, has been the director of the forward-looking division (前瞻事業部) of our Company since August 2019 and is primarily responsible for forward-looking research on policies, standards and regulations in relation to simulation testing and vehicle operation.

Dr. Xue has approximately eight years of experience in the ICV industry with focus on researching on the relevant policies and standards. Prior to joining our Group, during the period from July 2016 to June 2019, he was working at ICV Evaluation Engineering Technology Centre\* (智聯網聯汽車測評工程技術中心) of the CSTC as the deputy chief where he was responsible for, among other things, autonomous vehicle information security testing and on-board computing platform research. He was then appointed as deputy general manager from September 2017 to December 2018, where he was responsible for, among other things, autonomous driving operating system test research.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### COMPANY SECRETARY

#### *MS. LEUNG HOI YAN*

**Ms. Leung Hoi Yan (梁熿欣)** was appointed as our company secretary with effect from 28 March 2025. Ms Leung brings over 14 years of expertise in company secretarial services and corporate governance for listed companies in Hong Kong. She currently serves as the Assistant Manager, Entity Solutions at Computershare Hong Kong Investor Services Limited. Ms. Leung holds a degree of Bachelor of Commerce (Honours) in Accounting from Hong Kong Shue Yan University. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

## REPORT OF THE BOARD OF DIRECTORS

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the Reporting Period, thanks to the continuous development of intelligent driving technologies and increasing acceptance of intelligent vehicles in China, the continuous optimisation and upgrade of our existing solutions, and the increase in our investment in the innovation of new products, the performance of the Group's ICV testing, validation and evaluation solutions has also experienced steady growth, and the revenue and profit of the Group both recorded growth. In FY2025, the Group's operating revenue and net profit amounted to approximately RMB262.4 million and RMB59.6 million respectively, representing an increase of 18.3% and 8.2% respectively as compared to FY2024.

Detailed information about the Company's business review, future planning and etc., is set out in section headed "Management Discussion and Analysis" in this Annual Report.

### RESULTS AND OVERALL PERFORMANCE

The Group's results and overall performance are set out in the consolidated financial statements in this Annual Report.

### ENVIRONMENTAL POLICY AND PERFORMANCE

The Company has been dedicated to the environment, climate, social responsibility and other related issues to promote the sustainability of the Company's operation. In view of the environmental, social responsibility and governance issues, the Company has formulated relevant internal systems and working methods. The Board has the overall responsibility for our sustainability strategy and oversees the operation of relevant sustainability issues in our Company, and at the same time, the Board has organised to set up a task force team on environmental, social responsibility and governance (the "ESG") issues consisting of representatives from various major departments. Such task force team handles all ESG issues identified in the course of the Company's operation, and reports to the Board on important issues.

Details about the Company's ESG issues are set out in the Company's Environmental, Social Responsibility and Governance Report (the "ESG Report") for the year 2025. The ESG Report will be published on the website of the Company at [www.saimo.cloud](http://www.saimo.cloud) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) in accordance with the Listing Rules.

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Company has been in strict compliance with the relevant laws, regulations and rules to ensure the standardisation and sustainability of business operations. To the knowledge of the Board, for the year ended 31 December 2025, the Company has complied in all material respects with laws and regulations that have a significant impact on the Company.

### FINAL DIVIDEND

The Board of Directors does not recommend to declare any final dividend of the Company for the year ended 31 December 2025.

## REPORT OF THE BOARD OF DIRECTORS

### AGM AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Wednesday, 24 June 2026. In order to determine the entitlement to attend and vote at the AGM, the record date will be Wednesday, 24 June 2026 and the register of members of the Company will be closed from Thursday, 18 June 2026 to Wednesday, 24 June 2026 (both days inclusive), during which period no transfer of Shares will be registered. Shareholders should lodge all completed transfer documents accompanied by the relevant share certificates to Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Company at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H shares of the Company), or to the Company's registered office at Room 401, 4/F, No. 66 Zizhuyuan Road, Haidian District, Beijing, the PRC (for holders of unlisted shares of the Company) no later than 4:30 p.m. on Wednesday, 17 June 2026 for handling registration procedures.

### WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISE SHAREHOLDERS

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementing rules which came into effect on 1 January 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% before distributing dividends to non-resident enterprise shareholders whose names appear on the register of members of H Shares of the Company. Any H Shares registered in the name of non-individual H Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding and payment of the enterprise income tax. Should any H Shareholder wish to change its shareholder status, please consult your agent or trust institution over the relevant procedure. The Company will withhold and pay the enterprise income tax strictly in accordance with the relevant laws or requirements of the relevant governmental departments and strictly based on what has been registered on the Company's register of members of H Shares on the record date.

### EQUIPMENT

Details of the equipment of the Company for the year ended 31 December 2025 are set out in Note 15 to the consolidated financial statements.

### SHARE CAPITAL

Details of the share capital of the Company for the year ended 31 December 2025 are set out in Note 24 to the consolidated financial statements.

### RESERVES

Details of the movements in the Company's reserves and the reserves available for distribution for the year ended December 31, 2025 are disclosed in the Consolidated Statement of Changes in Equity.

### FINANCIAL STATEMENTS

Details of the financial statements for the year ended 31 December 2025 are set out in the relevant consolidated balance sheet, consolidated statement of comprehensive income and consolidated statement of cash flows in this Annual Report.

## REPORT OF THE BOARD OF DIRECTORS

### DIRECTORS AND SUPERVISORS

#### *Board of Directors*

##### **Executive Directors**

Mr. Hu Dalin  
Mr. He Feng  
Ms. Ma Lei

##### **Non-Executive Directors**

Mr. Jia Qi (appointed with effect from 16 October 2025)  
Dr. Yao Xiang  
Ms. Gong Xiao  
Dr. Kan Zhigang (retired on 15 October 2025)

##### **Independent Non-Executive Directors**

Ms. Guo Lili  
Mr. Ma Weiguo (appointed with effect from 16 October 2025)  
Mr. Wong Ho Kwan  
Mr. Huang Hua (retired on 15 October 2025)

##### **Supervisory Committee**

Dr. Cao Gang  
Mr. Ni Jie  
Ms. Xue Na

The biographies of Directors, Supervisors and senior management are set out in the section headed “Biographical Details of Directors, Supervisors and Senior Management” in this Annual Report.

### CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors of the Company during the Reporting Period and up to the date of this annual report are set out below:

Dr. Kan Zhigang was retired as non-executive Director with effect from 15 October 2025.

Mr. Huang Hua was retired as independent non-executive Director with effect from 15 October 2025.

Mr. Jia Qi was appointed as non-executive Director with effect from 16 October 2025.

Mr. Ma Weiguo was appointed as independent non-executive Director with effect from 16 October 2025.

Save as disclosed in this annual report, there were no changes in information of Directors that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## REPORT OF THE BOARD OF DIRECTORS

### DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

The Company has entered into service contracts/appointment letters with the executive Directors, non-executive Directors, independent non-executive Directors and Supervisors. The terms of office of the Directors or Supervisors start from the date of appointment and end upon expiry of the Board of Directors or the Supervisory Committee, and the service contracts may be adjusted in accordance with the Articles of Association, applicable laws and regulations and relevant Listing Rules.

None of the Directors or Supervisors had entered into specific service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective associates (as defined in the Listing Rules) had engaged in any business that competes or is likely to compete, either directly or indirectly, with the business of the Group or had any interest in such business, which is subject to disclosure pursuant to Rule 8.10 of the Listing Rules.

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

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

#### (1) *Interests in the Company*

Name of Director/ Supervisor	Class of Shares	Nature of interest	Number of Shares held in the relevant class of Shares <sup>(1)</sup>	Approximate percentage of Shares held in the relevant class of Shares <sup>(2)</sup>	Approximate percentage of the total issued Share capital <sup>(2)</sup>
Mr. Hu Dalin	Unlisted Shares	Interest in controlled corporations	45,441,187 (L) <sup>(3)</sup>	45.44%	34.08%
Mr. He Feng	Unlisted Shares	Interest in controlled corporations	45,441,187 (L) <sup>(3)</sup>	45.44%	34.08%

## REPORT OF THE BOARD OF DIRECTORS

### Notes:

- (1) The letter “L” denotes the person’s long position in the shares.
- (2) As at 31 December 2025, the Company had 133,333,400 Shares in issue, including 100,000,000 Unlisted Shares and 33,333,400 H Shares.
- (3) These Shares are held by Space Technology (Beijing) Co., Ltd.\* (空格科技(北京)有限公司) (“Space Technology”) and Beijing Tongda Chengye Technology Centre (Limited Partnership)\* (北京通達成業科技中心(有限合伙)) (“Tongda”). Space Technology and Tongda entered into the concert party agreement, pursuant to which Tongda has acknowledged and confirmed that it has undertaken, among other things, to unilaterally follow the voting instructions of Space Technology to exercise its voting power and vote unanimously at the shareholders meeting of our Company during the period Tongda being the Shareholder of our Company. Space Technology is owned as to approximately 64.1%, 25.6% and 10.3% by Mr. Hu, Ms. Ma and Mr. He, respectively. Tongda is a limited partnership established in the PRC which serves as the Employee Incentive Platform for implementation of the Employee Incentive Scheme. Tongda is owned as to approximately 50.0% by Mr. Hu, approximately 44.2% by Mr. He, approximately 2.1% by Ms. Ma and the remaining of approximately 3.7% by other 13 employees of our Group (including 0.3% by Ms. Xue Na, our employee representative Supervisor). Each of Mr. Hu, Ms. Ma and Mr. He is executive Director of the Company.

### **(2) Interests in the Associated Corporations**

As at 31 December 2025, none of the Directors, Supervisors and chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of our associated corporations, which were required, pursuant to section 352 of the SFO, to be recorded in the register to be kept by the Company, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange

Save as disclosed above, as at 31 December 2025, none of the Directors, Supervisors and chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was 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 they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## REPORT OF THE BOARD OF DIRECTORS

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

As of 31 December 2025, to the knowledge of the Directors or chief executive of the Company, the persons listed in the table below (other than the Directors and the chief executives of the Company) had interests and/or short positions in the Shares or underlying Shares, which were required to be notified to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be recorded in the register to be kept by the Company:

Name	Class of Shares	Nature of interest	Number of Shares held in the relevant class of Shares <sup>(1)</sup>	Approximate percentage of Shares held in the relevant class of Shares <sup>(2)</sup>	Approximate percentage of the total issued Share capital <sup>(2)</sup>
Space Technology <sup>(3)(5)</sup>	Unlisted Shares	Beneficial interest	30,169,382 (L)	30.17%	22.63%
	Unlisted Shares	Interest of person acting in concert	15,271,805 (L)	15.27%	11.45%
Tongda <sup>(3)(7)</sup>	Unlisted Shares	Beneficial interest	15,271,805 (L)	15.27%	11.45%
	Unlisted Shares	Interest of person acting in concert	30,169,382 (L)	30.17%	22.63%
Saidi Testing <sup>(4)</sup> Saidi Group <sup>(4)</sup>	Unlisted Shares	Beneficial interest	28,067,104 (L)	28.07%	21.05%
	Unlisted Shares	Interest in controlled corporations	28,067,104 (L)	28.07%	21.05%
CSTC <sup>(4)</sup>	Unlisted Shares	Interest in controlled corporations	28,067,104 (L)	28.07%	21.05%
CCID <sup>(4)</sup>	Unlisted Shares	Interest in controlled corporations	28,067,104 (L)	28.07%	21.05%
Ms. Wang Yishuang <sup>(6)</sup>	Unlisted Shares	Interest of spouse	45,441,187 (L)	45.44%	34.08%
Ms. Jin Li <sup>(8)</sup>	Unlisted Shares	Interest of spouse	45,441,187 (L)	45.44%	34.08%
China Mobile Communications Group Co., Ltd. <sup>(9)</sup>	H Shares	Interest in controlled corporations	11,432,000 (L)	34.30%	8.57%
China Mobile (Hong Kong) Group Limited <sup>(9)(10)</sup>	H Shares	Interest in controlled corporations	11,432,000 (L)	34.30%	8.57%
China Mobile Hong Kong (BVI) Limited <sup>(10)(11)</sup>	H Shares	Interest in controlled corporations	11,432,000 (L)	34.30%	8.57%
China Mobile Limited <sup>(11)(12)</sup>	H Shares	Interest in controlled corporations	11,432,000 (L)	34.30%	8.57%
China Mobile International Holdings Limited <sup>(12)</sup>	H Shares	Beneficial interest	11,432,000 (L)	34.30%	8.57%
Jingwei Hirain Technologies (Hong Kong) Corporation Limited <sup>(13)</sup>	H Shares	Beneficial interest	5,625,800 (L)	16.88%	4.22%
Beijing Jingwei Hengrun Technology Co., Ltd.* (北京經緯恒潤科技股份有限公司) <sup>(13)</sup>	H Shares	Interest in controlled corporations	5,625,800 (L)	16.88%	4.22%
	Unlisted Shares	Beneficial interest	1,905,200 (L)	1.91%	1.43%
BOCI Trustee (Hong Kong) Limited	H Shares	Trustee	3,226,200 (L)	9.68%	2.42%
JR CAPITAL FUND SPC – JR CAPITAL FUND SP1	H Shares	Beneficial interest	2,165,200 (L)	6.49%	1.62%

## REPORT OF THE BOARD OF DIRECTORS

### Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) As at 31 December 2025, the Company had 133,333,400 Shares in issue, including 100,000,000 Unlisted Shares and 33,333,400 H Shares.
- (3) According to the equity disclosures filed by Space Technology and Tongda on 15 January 2025, Space Technology and Tongda entered into the concert party agreement on 8 October 2021, pursuant to which Tongda has acknowledged and confirmed that it has undertaken, among other things, to unilaterally follow the voting instructions of Space Technology to exercise its voting power and vote unanimously at the Shareholders’ meeting of our Company for so long as Tongda has been/is a Shareholder of our Company. Therefore, under the SFO, in addition to their respective direct beneficial interests, each of Space Technology and Tongda is also deemed to be interested in the interest of the other concert party.
- (4) As at 31 December 2025, Saidi Testing was owned as to 100.0% by Saidi Group, which was owned as to 50.0% by each of CSTC and CCID. By virtue of the SFO, each of Saidi Group, CSTC and CCID is deemed to be interested in the Shares held by Saidi Testing.
- (5) As at 31 December 2025, Space Technology was owned by the Management Group as to 64.1% by Mr. Hu, 25.6% by Ms. Ma and 10.3% by Mr. He. By virtue of the SFO, Mr. Hu is deemed to be interested in the Shares held by Space Technology.
- (6) As at 31 December 2025, Ms. Wang Yishuang is the spouse of Mr. Hu. By virtue of the SFO, Ms. Wang Yishuang is deemed to be interested in the Shares in which Mr. Hu is interested.
- (7) Tongda is a limited partnership established in the PRC which serves as our Employee Incentive Platform for implementing our Employee Incentive Scheme. As at the date of this report, Tongda was owned as to approximately 50.0% partnership interest by the executive partner, Mr. Hu, and approximately 44.2%, 2.1% and 3.7% partnership interest by the limited partners, Mr. He, Ms. Ma and other 13 employees of our Group, respectively. By virtue of the SFO, each of Mr. Hu and Mr. He is deemed to be interested in the Shares held by Tongda.
- (8) As at 31 December 2025, Ms. Jin Li is the spouse of Mr. He. By virtue of the SFO, Ms. Jin Li is deemed to be interested in the Shares in which Mr. He is interested.
- (9) As at 31 December 2025, China Mobile (Hong Kong) Group Limited was owned as to 100% by China Mobile Communications Group Co., Ltd.. By virtue of the SFO, China Mobile Communications Group Co., Ltd. is deemed to be interested in the shares in which China Mobile (Hong Kong) Group Limited is interested.
- (10) As at 31 December 2025, China Mobile Hong Kong (BVI) Limited was owned as to 100% by China Mobile (Hong Kong) Group Limited. By virtue of the SFO, China Mobile (Hong Kong) Group Limited is deemed to be interested in the shares in which China Mobile Hong Kong (BVI) Limited is interested.
- (11) As at 31 December 2025, China Mobile Limited was owned as to 69.18% by China Mobile Hong Kong (BVI) Limited. By virtue of the SFO, China Mobile Hong Kong (BVI) Limited is deemed to be interested in the shares in which China Mobile Limited is interested.
- (12) As at 31 December 2025, China Mobile International Holdings Limited was owned as to 100% by China Mobile Limited. By virtue of the SFO, China Mobile Limited is deemed to be interested in the shares held by China Mobile International Holdings Limited.
- (13) As at 31 December 2025, Jingwei Hirain Technologies (Hong Kong) Corporation Limited was owned as to 100% by Beijing Jingwei Hengrun Technology Co., Ltd.. By virtue of the SFO, Beijing Jingwei Hengrun Technology Co., Ltd. is deemed to be interested in the shares held by Jingwei Hirain Technologies (Hong Kong) Corporation Limited.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any person (other than the Directors, Supervisors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares, which were required to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein.

## REPORT OF THE BOARD OF DIRECTORS

### ARRANGEMENT TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in this Annual Report, at no time during the Reporting Period was the Company or any of its subsidiaries involved in any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares or debt securities (including debentures) of the Company or any other body corporate.

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

Save for the related party transactions disclosed in Note 33 to the Group's consolidated financial statements for the year ended 31 December 2025 and the connected transactions disclosed in the section headed "Continuing Connected Transactions" in the Report of the Board of Directors, there was no transaction, arrangement or contract of significance, to which the Company, its holding company or subsidiary was a party, and in which the Directors and the Supervisors or their respective connected entities were materially interested, either directly or indirectly.

### NON-COMPETITION UNDERTAKING

Each member of the Controlling Shareholder Group of the Company has confirmed and undertaken that they or any of their respective close associates will not compete, directly or indirectly, with the business of the Group. The Company has received and reviewed annual confirmations from members of the Controlling Shareholder Group in respect of their non-competition undertaking.

The independent non-executive Directors have reviewed the compliance of the Controlling Shareholders Group with the relevant non-competition undertaking and, to the best knowledge of the independent non-executive Directors, the Controlling Shareholders Group has complied with such undertakings throughout the year ended 31 December 2025.

### SIGNIFICANT CONTRACTS

For the year ended 31 December 2025, save as disclosed in the Annual Report, there were no significant contracts between the Company or its subsidiaries and the Controlling Shareholders or their respective subsidiaries.

### MAJOR CUSTOMERS AND SUPPLIERS

In FY2025, the Group's five largest customers accounted for 57.1% of its total revenue and sales to the single largest customer accounted for 18.5% of its total revenue; in FY2025, the Group's five largest suppliers together accounted for approximately 93.63% of its total purchases and the purchases from the largest supplier by the Group accounted for approximately 46.82% of its total purchases. In FY2025, none of the Directors or any of their close associates or any Shareholders (which, to the knowledge of the Directors, own more than 5.0% of the number of issued shares of the Company) have any interests in the top five customers and/or the top five suppliers of the Group.

### CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2025, the connected persons of the Group provided property management services to the Company. On the assumption that there is no change of the gross floor area of our registered office and an annual increase of not more than 10% on the unit price, our Directors estimate that the annual fee payable by our Company pursuant to the property management agreement for the three years ended 31 December 2025, 2026 and 2027 will not exceed RMB30,000, RMB33,000 and RMB37,000, respectively. Each of the highest applicable percentage ratios (except for the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules will, as our Directors currently expect, be less than 0.1% on an annual basis.

## REPORT OF THE BOARD OF DIRECTORS

As the above mentioned connected transactions were on normal commercial terms and in the ordinary and usual course of our business, these transactions will be fully-exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements in accordance with Rule 14A.76(1)(a) of the Listing Rules.

Save as described above, there are no other continuing connected transactions of the Group during the Reporting Period.

### RELATED PARTY TRANSACTIONS

Details of related party transactions during the Reporting Period have been disclosed in Note 33 to the consolidated financial statements. Except for the circumstances disclosed in the paragraph headed "Continuing Connected Transactions" above, none of the related party transactions disclosed in Note 33 to the consolidated financial statements constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules which are required to comply with the relevant reporting, announcement or independent Shareholders' approval requirements. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules (if applicable).

### PRE-EMPTIVE RIGHTS AND TAX RELIEF OR EXEMPTION

There is no provision on pre-emptive rights under the Articles of Association of the Company or laws and regulations in China which would oblige the Company to offer new shares to existing shareholders on a pro-rata basis. The Company is not aware of any tax relief or exemption available to any existing Shareholder by reason of his/her holding of the securities of the Company.

### LOAN AGREEMENTS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

As of 31 December 2025, the Company did not have any external borrowing or loans.

### SUFFICIENCY OF PUBLIC FLOAT

Based on publicly available information and to the knowledge of our Directors, as at the date of the Annual Report, the public float of the Company is approximately 22.58%, which is below the minimum percentage of 25% prescribed under Rule 19A.28B(1)(a) of the Listing Rules.

### FINANCIAL SUMMARY

The financial key performance and related indicators of the Group for the year ended 31 December 2025 are set out in the section headed "Financial Summary".

### PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles, the Listing Rules and other applicable rules, the Company has arranged for appropriate insurance to cover all costs, charges, losses, expenses and liabilities incurred by the Directors, Supervisors or senior management in the execution and discharge of his/her duties or in relation thereto. During the Reporting Period, the relevant provisions in the Articles and the liability insurance for such Directors, Supervisors and senior management were in force and remain effective as of the date of this Annual Report.

## REPORT OF THE BOARD OF DIRECTORS

### MAJOR RISKS AND UNCERTAINTIES

The Group recognises that risk management is critical for the sustainable development of our business in a rapidly evolving industry environment. We continue to identify and evaluate key risk areas, and take multiple preventive and mitigation measures to alleviate potential adverse effects and ensure the stable operation and long-term value creation of the Group. The following are the key risk categories that our Directors are currently concerned about and the response strategies that the Group has implemented or is currently facilitating.

#### UNCERTAINTY RISK OF THE ICV INDUSTRY DEVELOPMENT

The ICV industry and the testing solution industry are at an early stage with complex technologies and reliance on hardware supplies such as semiconductor chips, their development is affected by factors such as technological sophistication, cost, safety standards and market recognition. If ICV technology defects or accidents lead to reduced public confidence, or tightened industry regulations, etc., it may reduce the market demand and affect the Group's business growth and profitability.

The Group has actively participated in the formulation of industry standards and policy research, and consistently invested in core technology research and development, promoting product stability, safety and high availability. The Group has leveraged technological leadership advantages to build industry reputation and customer trust, in a bid to strengthen our ability of resilience against industry fluctuations.

#### RISK OF FLUCTUATION IN RESULTS

The Group mainly provides products and services to customers through a project-based approach. The progress of project implementation and the timing of revenue recognition may be subject to multiple factors such as customer budget arrangements, industry development rhythm, and policy directives, which lead to fluctuations in the Group's results in different reporting periods.

In response to the related risks, the Group is actively promoting the diversification of business models and revenue sources by expanding high value-added services and long-term framework cooperation mechanisms. The Group is improving the modularity and standardization of product delivery, while continuously optimizing project management and resources allocation to enhance stability and predictability of our results.

#### RISKS OF CUSTOMER CONCENTRATION AND SUPPLIER CONCENTRATION

The Group's revenue relies on a small number of customers. If major customers delay payments, default or loss, or if government budgets are cut down, it may result in a material adverse impact on cash flow and operating results. The Group relies on a small number of suppliers to source hardware and software components. If major suppliers interrupt their supply, experience price fluctuations or encounter quality issues, it may lead to project delays and increasing costs, which affect business operation and market competitiveness. The Group attaches great importance to customer and supply chain management, and has established a collaborative communication mechanism for important customers and an alternative system for suppliers to enhance our proactive risk response capabilities.

#### RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group is well aware of the important role of employees, customers and suppliers in its corporate sustainable development process, and actively develops and maintains long-term relationships with key stakeholders. We maintain an amicable working relationship with our employees. We did not experience any material labour disputes with our employees, encounter any disruption to our operations due to labour disputes, strikes or work stoppages, or receive any claims from our employees during the Reporting Period.

## REPORT OF THE BOARD OF DIRECTORS

The Group is committed to continuously providing high-quality services and products to customers, as well as maintaining good and stable relationship and communication with suppliers.

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

During the year ended 31 December 2025, BOCI Trustee (Hong Kong) Limited, an independent trustee for the H Share Award Scheme, purchased 3,226,200 shares of the Company ("Shares"), representing approximately 2.42% of the Company's total issued Shares, and with total consideration of HK\$42,599,426.53 (equivalent to RMB38,859,206.18) on the Stock Exchange for the purpose of future grants of the H Share Award Scheme of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares) for the year ended 31 December 2025. The Company did not hold any treasury shares as at 31 December 2025.

### EQUITY LINKED AGREEMENT

During the year ended 31 December 2025, the Company had not entered into or maintained any equity linked agreement that resulted or may result in the issuance of shares by the Company, or had formulated relevant regulations or rules that may result in the foregoing.

### MANAGEMENT CONTRACT

During the Reporting Period, other than the Directors' service contract and letters of appointment, the Company had not entered into or maintained any management or administration contract in respect of the whole or part of the business.

### REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

The remuneration of the Directors and Supervisors for the year ended 31 December 2025 is set out in Note 35 to the consolidated financial statements, and the remuneration of the five highest paid individuals of the Company is set out in Note 10 to the consolidated financial statements.

### RETIREMENT BENEFIT SCHEME

During the Reporting Period, all of the Company's operating entities are located in the PRC. In accordance with the relevant laws and regulations of the PRC, the Company participates in fixed contribution to basic retirement benefit schemes of the social insurance system established and administered by the relevant governmental organisations, and contributes on a monthly basis to these pension plans. Under these plans, the Company has no further payment obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are recognised as employee benefits expenses as incurred. There are no forfeited contributions that may be used by the Group to reduce the existing level of contributions.

## REPORT OF THE BOARD OF DIRECTORS

### H SHARE AWARD SCHEME

The following is a summary of the principal terms of the H Share Award Scheme adopted by the Company on 17 June 2025. For details, please refer to the circular of the Company dated 27 May 2025.

#### **1. *The purposes of the H Share Award Scheme are:***

(a) to attract, motivate and retain outstanding technical R&D talent, management professionals, and business elites to strive for the future development and expansion of the Group; (b) to further optimize the corporate governance structure, refine the Company's incentive-restraint mechanisms, and promote the Company's sustained, stable, and rapid development; (c) to further improve the performance target system and appraisal system, and to ensure the smooth implementation and realization of the Company's development strategies and business objectives; and (d) to (i) recognize the contributions to the Company of the prudent management of the Company including the executive directors; (ii) encourage, motivate and retain the leadership of the Company whose collective contributions are beneficial to the continual operation, development and long-term growth of the Group; and (iii) introduce additional incentive for the management of the Company to align the interests of the management of the Company with that of the Shareholders and the Group as a whole.

#### **2. *Participants of the H Share Award Scheme***

Eligible employees who may qualify to participate in the H Share Award Scheme include any individual, being an executive Director, senior management member, mid-level manager, basic-level manager, R&D elites, other technicians, market development elites of the Group, who is a full-time PRC or non-PRC employee of any members of the Group. No individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the H Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegatee, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the H Share Award Scheme and such individual shall therefore be excluded from the scope of eligible employees.

#### **3. *Scheme Limit***

Subject to the Rules of the H Share Award Scheme, the Scheme Limit shall be the maximum number of H Shares that will be acquired by the Scheme Trustee(s) through on-market transactions from time to time at prevailing market price with funds in the amount of no more than HK\$43 million, and in any event the maximum number of H Shares to be so acquired by the Scheme Trustee(s) shall be determined by the Board and/or the Delegatee and which shall in any event not render the Company unable to maintain the public float as required under the Listing Rules.

## REPORT OF THE BOARD OF DIRECTORS

### **4. *The Maximum Entitlement of Each Participant Under The Scheme***

The grant of awards to eligible employee(s) who is approved for participation in the H Share Award Scheme and has been granted any award (the "Selected Participant(s)") shall be subject to the fulfilment of the conditions as determined by the Board and/or the Delegatee to be set out in the award letter. The Executive Committee of the Company (the "Delegatee"), to whom the Board will delegate its authority to administer the H Share Award Scheme, will set the conditions for the grant of awards to the Selected Participants to take effect as (i) the revenue realized by the Group for the year 2025 being RMB233 million or above (the "Basic Condition of Grant"); and (ii) the revenue realized by the Group for the year 2025 being RMB255 million or above (the "Additional Condition of Grant", and together with the "Basic Condition of Grant", the "Conditions of Grant"). If only the Basic Condition of Grant can be satisfied, no more than 80% of the Scheme Limit (i.e. HK\$34.4 million) can be utilized for the grant of awards to be Selected Participants. If both of the Basic Condition of Grant and the Additional Condition of Grant can be satisfied, the entire Scheme Limit can be utilized for the grant of awards to the Selected Participants. If the Conditions of Grant cannot be satisfied, the relevant grant of awards to such Selected Participants which corresponds to the unsatisfied Conditions of Grant will not take effect.

Subject to the fulfillment of the Basic Condition of Grant, the amount of awards to be granted to Selected Participants who are connected persons determined by the Board or its Delegatee in accordance with the Rules of the H Share Award Scheme (the "Connected Selected Participants") shall not exceed 10% of the 80% of the Scheme Limit. Subject to the fulfillment of both the Basic Condition of Grant and the Additional Condition of Grant, the amount of awards to be granted to Connected Selected Participants shall not exceed 10% of the entire Scheme Limit. The particulars of the grant of awards to the Connected Selected Participants, including the list of Connected Selected Participants and the specific number of award shares underlying such awards to be granted to the Connected Selected Participants, shall be determined by the Board and/or the Delegatee pursuant to the relevant authorization to be granted by the Shareholders at general meeting, and taking into account the following factors in principal, which include but are not limited to, (i) the total number of H Shares acquired by the Scheme Trustee(s) as the source of the award shares under the Scheme; (ii) the ranking of the Connected Selected Participants; and (iii) the individual performance appraisal results of the Connected Selected Participants.

As of the date of the report, the Connected Selected Participants are expected to include Mr. Hu Dalin, Ms. Ma Lei and Mr. He Feng.

### **5. *The Grant and Acceptance of Share Award***

The Company shall issue an award letter to each Selected Participant in such form as the Board or the Delegatee may from time to time determine, specifying the Grant Date, the manner of acceptance of the award (including the amount, if any, payable on application or acceptance of the award and the basis there the period within which payments or calls must or may be made), amount of the award and/or the number of award shares underlying the award, the vesting criteria and conditions, and the Vesting Date and such other details, terms and conditions as they may consider necessary and in accordance with H Share Award Scheme.

## REPORT OF THE BOARD OF DIRECTORS

### 6. Vesting of the Awards

The Board or the Delegatee may determine the vesting criteria and conditions and periods for the awards to be vested.

#### Vesting schedule

Unless otherwise specified in the award letter approved by the Board or the Delegatee, the Vesting Periods of the awards granted under the H Share Award Scheme are as follows:

(A) For awards to be granted to Selected Participants who are Eligible Employees as at the Adoption Date:

Batches	Vesting Periods	Proportion of Vesting
First Vesting Period	Within 6 months from the date of expiration of the first fiscal year after the Grant Date	30%
Second Vesting Period	Within 6 months from the date of expiration of the second fiscal year after the Grant Date	30%
Third Vesting Period	Within 6 months from the date of expiration of the third fiscal year after the Grant Date	40%

Note: For the avoidance of doubt, the first fiscal year after the Grant Date refers to the fiscal year commencing immediately after the calendar year in which the Grant Date falls, starting from January 1 of such subsequent year. The same interpretation shall apply mutatis mutandis hereafter.

(B) For awards to be granted to Selected Participants who (i) shall become Eligible Employees subsequent to the Adoption Date; and (ii) shall have been given the entitlement to be granted awards pursuant to the relevant appointment letters to be issued by the Company in connection with their employment within the Group:

Batches	Vesting Periods	Proportion of Vesting
First Vesting Period	Within the year immediately following the first anniversary of the commencement date of the employment of the Selected Participant with the relevant member of the Group	50%
Second Vesting Period	Within the year immediately following the second anniversary of the commencement date of the employment of the Selected Participant with the relevant member of the Group	50%

The Vesting Periods of the awards granted under any subsequent grant of the H Share Award Scheme or the awards to be satisfied by the application of any Returned Shares shall be determined by the Board or the Delegatee in its sole discretion, and shall in any event not extend beyond the then remaining term of the Award Period at the time of grant.

## REPORT OF THE BOARD OF DIRECTORS

### 7. Duration

Subject to any early termination of the H Share Award Scheme pursuant to the Rules of the H Share Award Scheme, the H Share Award Scheme shall be valid and effective for ten years commencing from the date on which the H Share Award Scheme is approved by the Shareholders, i.e., 17 June 2025 (after which no further awards will be granted), and thereafter for so long as there are non-vested award shares granted under the H Share Award Scheme immediately prior to the expiration of the H Share Award Scheme, in order to give effect to the vesting of such award shares or otherwise as may be required in accordance with the Rules of the H Share Award Scheme, the H Share Award Scheme shall be extended until such award shares are vested. As at the date of this report, the remaining life of the Share Award Scheme is approximately nine years and two months.

The H Share Award Scheme is solely funded by the H Shares to be acquired by the trustee of the scheme through on-market transactions at the prevailing market price and does not involve any issue of new Shares.

The H Share Award Scheme was adopted on 17 June 2025. No awards have been granted since the adoption of the H Share Award Scheme. Accordingly, no awards were vested, cancelled or lapsed under the H Share Award Scheme during the year ended 31 December 2025. As at 1 January 2025, the number of unvested awards was nil, as the H Share Award Scheme had not been adopted. As at 31 December 2025, the number of unvested awards was also nil.

### AUDITOR

PricewaterhouseCoopers has been appointed as the Company's auditor for the year 2025. A resolution for their re-appointment as auditor of the Company for the year 2026 will be proposed at the forthcoming AGM of the Company. PricewaterhouseCoopers has served as the Company's auditor since the listing of the Company.

The financial statements for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers.

### USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company has been successfully listed on the Stock Exchange following the completion of global offering of ordinary shares of the Company, including, a public offering in Hong Kong of 3,333,400 H shares and an international offering of 30,000,000 H shares, at a price of HK\$12.99 per share (collectively the "Global Offering") on the Listing Date.

## REPORT OF THE BOARD OF DIRECTORS

The Company issued 33,333,400 H Shares, with a nominal value of RMB1 per share, in the Global Offering at an offering price of HK\$12.99 per H share and a net price of HK\$10.69 per H share. After deducting the underwriting commissions and other expenses in connection with the Global Offering, net proceeds from the Global Offering were approximately RMB328.8 million (approximately equivalent to HK\$356.2 million). The table below sets out the utilization of proceeds from the Global Offering by the Company as of 31 December 2025:

Purpose	Amount of net proceeds allocated (RMB million)	Percentage of total amounts of net proceeds %	Net proceeds utilized from the Listing Date to 31 December 2025 (RMB million)	Net proceeds unutilized as at 31 December 2025 (RMB million)	Expected timelines for use of proceeds
<b>Ongoing R&amp;D investment</b>					By December 2027
– R&D of our existing solutions, including Sim Pro, Safety Pro, SceCo Pro, and Traffic Pro	57.5	17.5%	24.8	32.7	
– R&D of new tools SGO Pro, DB Pro and Cloud Pro, as well as the lease of cloud services and development of own cloud infrastructure of the Group	101.3	30.8%	–	101.3	
– R&D activities for penetrating into new industries, namely drones, digital city twin and intelligent agriculture-related industries	45.7	13.9%	–	45.7	
<b>Geographic expansion and marketing of products and services of the Group</b>	91.4	27.8%	–	91.4	By December 2027
<b>General corporate purposes and to supplement our working capital</b>	32.9	10.0%	26.6	6.3	By December 2027
<b>Total</b>	<b>328.8</b>	<b>100%</b>	51.4	277.4	

For the period from 22 January 2025 to 9 May 2025, the Company utilised a portion of the unutilised net proceeds amounting to approximately RMB193.0 million to subscribe for certain notes and fund products (the “Products”). As at the date of this annual report, all such net proceeds unutilised to subscribe for the Products have been redeemed. For details, please refer to the announcements of the Company dated 24 December 2025 and 6 January 2026.

As at the date of this report, save as disclosed above, the net proceeds from the Global Offering were used in the manner consistent with that mentioned in the section head “Future Plans and Use of Proceeds” in the Prospectus, and there was no change for the intended use of net proceeds as disclosed in the Prospectus.

Please refer to the section headed “Future plans and use of proceeds – Use of proceeds” in the Prospectus for further information.

## REPORT OF THE BOARD OF DIRECTORS

### OTHER MATTERS

#### *Change of Company Secretary, Authorised Representative and Process Agent*

Ms. Cheung Lai Ha has resigned as (i) the company secretary of the Company (the "Company Secretary"); (ii) the authorised representative of the Company (the "Authorised Representative") for the purpose of Rule 3.05 of the Listing Rules and (iii) the authorized representative for acceptance of service of process and notices on behalf of the Company in Hong Kong (the "Process Agent") under Rule 19A.13(2) of the Listing Rules and Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from 28 March 2025. Following Ms. Cheung's resignation as the Company Secretary, the Authorised Representative and the Process Agent, Ms. Leung Hoi Yan has been appointed as the Company Secretary, the Authorised Representative and the Process Agent with effect from 28 March 2025. For details, please refer to the announcement of the Company dated 28 March 2025.

#### *Appointment of Directors of the Second Session of the Board and Supervisors of the Second Session of the Supervisory Committee*

In view of the term of office of the first session of the Board would expire on 15 October 2025, the Board resolved at the meeting held on 26 May 2025 to nominate Mr. Hu Dalin, Mr. He Feng and Ms. Ma Lei as the candidates for the second session of the Board as executive Directors, Mr. Jia Qi, Ms. Gong Xiao and Dr. Yao Xiang as the candidates for the second session of the Board as non-executive Directors, and Ms. Guo Lili, Mr. Wong Ho Kwan and Mr. Ma Weiguang as the candidates for the second session of the Board as independent non-executive Directors. Such appointments have been approved by the Shareholders at the annual general meeting held on 17 June 2025 and the term of office of the second session of the Board shall be three years commencing from 16 October 2025.

Given that the term of the first session of the Supervisory Committee would expire on 15 October 2025, (i) the Supervisory Committee resolved at the meeting of the Supervisory Committee held on 26 May 2025 to nominate Mr. Cao Gang and Mr. Ni Jie as the candidates for the non-employee representative supervisors of the second session of the Supervisory Committee. Such appointments have been approved by the Shareholders at the annual general meeting held on 17 June 2025; (ii) the Company convened a meeting of the employee representatives on 26 May 2025 to elect Ms. Xue Na as the employee representative supervisor of the second session of the Supervisory Committee. The term of office of the second session of the Supervisory Committee shall be three years commencing from 16 October 2025. For details, please refer to the announcements of the Company dated 26 May 2025 and 17 June 2025 and the circular of the Company dated 27 May 2025.

#### *Subscription of Structured Deposit Products*

During the period from 3 March 2025 to 26 May 2025, the Company subscribed for certain structured deposit products from Bank of China Limited and China Merchants Bank Company Limited. The subscription amounts were funded by the Company's own idle funds and all such structured deposit products have been redeemed as agreed. For details, please refer to the announcement of the Company dated 24 December 2025.

By order of the Board  
**Beijing Saimo Technology Co., Ltd.**  
**Mr. Hu Dalin**  
*Chairman of the Board and Executive Director*

Hong Kong, 30 March 2026

## REPORT OF THE SUPERVISORY COMMITTEE

### REPORT OF THE SUPERVISORY COMMITTEE

During the Reporting Period, the Supervisory Committee of the Company, in accordance with the relevant provisions of the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Articles of Association of Beijing Saimo Technology Co., Ltd. and other rules, dutifully and conscientiously discharged their obligations and exercised their supervisory duties towards the Directors and senior management of the Company in compliance with the principle of being accountable to all shareholders.

#### **Composition of the Supervisory Committee**

According to the Articles, the Supervisory Committee of the Company consists of three members, one of which is the employee representative supervisor and two of which are shareholder representative supervisors. Supervisors serve for a term of three years and shall be subject to re-election upon expiry of their respective term of office.

During the Reporting Period, there was no change in Supervisors. As of the date of this report, the members of the Supervisory Committee of the Company are as follows:

Dr. Cao Gang (*Chairman of the Supervisory Committee and Shareholder Representative Supervisor*)

Mr. Ni Jie (*Shareholder Representative Supervisor*)

Ms. Xue Na (*Employee Representative Supervisor*)

#### **Major Work Performed by the Supervisory Committee**

During the Reporting Period, the Supervisory Committee of the Company held a total of two meetings. All Supervisors carefully reviewed the meeting materials and fully studied and discussed the proposals before attending the meetings of the Supervisory Committee to earnestly perform their supervisory duties, and all Supervisors attended the meetings in person during the Reporting Period. The details of the meetings of the Supervisory Committee are set out below:

On 26 May 2025, the Company convened the Fourth Extraordinary Meeting of the First Session of the Supervisory Committee, at which the Resolution on the Election of New Session and the Nomination of Non-Employee Representative Supervisors for the Second Session of the Supervisory Committee of the Company, the Resolution on the Election of New Session and the Nomination of Mr. Cao Gang as a Candidate for Non-Employee Representative Supervisor of the Second Session of the Supervisory Committee, the Resolution on the Election of New Session and the Nomination of Mr. Ni Jie as a Candidate for Non-Employee Representative Supervisor of the Second Session of the Supervisory Committee, and the Resolution on Inclusion of the Resolutions Considered and Approved by the Supervisory Committee in the Agenda of the AGM were considered and approved. On 16 October 2025, the Company convened the First Extraordinary Meeting of the Second Session of the Supervisory Committee, at which the Resolution on the Election of the Chairman of the Second Session of the Supervisory Committee of the Company was considered and approved.

During the Reporting Period, the Supervisory Committee seriously fulfilled the duties and powers granted by the Company Law, the Articles and other relevant laws, regulations and rules, actively attended the Shareholders' meetings and presented at meetings of the Board of Directors, and supervised the Company's regulated operations, production and operation, financial conditions, internal control and performance of duties by the Company's Directors and senior management, and thus considered that: (1) the Board of Directors of the Company achieved standardised operations, reasonable decisions and legal procedures, earnestly implemented the resolutions passed at the Shareholders' meetings, and faithfully fulfilled the fiduciary obligations; (2) the Company had sound financial system, standardised financial operation and good financial position, and there were no material omissions and false records in accounting, the financial report truly and objectively reflected the financial position and operating results of the Company; and (3) the Company's internal control system was well-established, and Directors and senior management of the Company strictly complied with the relevant laws and regulations, the Articles and other corporate systems, earnestly fulfilled the powers granted by the Shareholders, and did not act detrimental to the interests of the Shareholders and the Company.

## REPORT OF THE SUPERVISORY COMMITTEE

### *Working Plan of the Supervisory Committee for 2026*

In 2026, the Supervisory Committee will continue to strictly implement the relevant provisions of the Company Law and the Articles, faithfully fulfill the duties of the Supervisory Committee, and supervise and inspect the operation and behavior of the Board of Directors and senior management in accordance with laws. Meanwhile, the Supervisory Committee will continue to strengthen the function of supervision, earnestly perform its duties, attend the Board meetings, the Shareholders' meetings and relevant office meetings in accordance with laws, and promptly guarantee the legality and compliance of significant decision-making items and procedures, in order to further promote the standardised operation of the Company, further enhance its awareness of risk prevention, and protect the interests of all shareholders, the Company, employees and other stakeholders.

## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of stringent corporate governance practices and procedures, and continuously striving to maintain a high standard of corporate governance, so as to enhance the Company's accountability and transparency continuously. Since the Listing Date, the Company has adopted and applied the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules as its own corporate governance code.

From the Listing Date and up to the date of this Annual Report, the Company has complied with all applicable code provisions set out in the CG Code.

According to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. As of the date of this Annual Report, the chairman of the Company is Mr. Hu Dalin, an executive Director, and the chief executive officer is Mr. He Feng, which is in compliance with the relevant requirements under code provision C.2.1 of the CG Code.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code. Key corporate governance principles and practices of the Company are summarised below.

### THE BOARD

#### *Responsibilities, Accountabilities and Contributions of The Board*

Direction and control of the Company's business are vested in the Board. The Board establishes policies, strategies and plans for the development of the Company's business, and provides leadership in the creation of value for Shareholders of the Company. All Directors have carried out their duties in good faith, have been in compliance with applicable laws and regulations, have taken decisions objectively and have acted in the interests of the Company and its Shareholders at all times. The Directors are required to disclose to the Company details of other offices held by them. The Board takes responsibility for all major matters of the Company, including approving and monitoring all basic management systems, overall strategies and budgets, risk management and internal control systems, material transactions (particularly those involving conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

The Board regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them.

The day-to-day management, administration and operation of the Company are led by the Board and senior management of the Company. The Board has delegated a schedule of responsibilities to the management for implementing Board decisions, and directing and coordinating the daily operation and management of the Company. The Board reviews the delegated functions and work tasks regularly. The management has to obtain Board approval prior to entering into any significant transactions.

If a substantial Shareholder or a Director has a potential conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the relevant Director shall abstain from voting and the independent non-executive Directors who, and whose close associates, have no material interest in the matter shall attend the Board meeting to discuss and vote on the same.

The Company has arranged appropriate insurance coverage on Directors' liabilities in respect of legal actions taken against Directors arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

## CORPORATE GOVERNANCE REPORT

### **Board Composition**

During the Reporting Period and as of date of this Annual Report, the composition of the Board is as follows:

#### **Executive Directors**

Mr. Hu Dalin (*Chairman*)  
Mr. He Feng  
Ms. Ma Lei

#### **Non-Executive Directors**

Mr. Jia Qi (appointed with effect from 16 October 2025)  
Dr. Yao Xiang  
Ms. Gong Xiao  
Dr. Kan Zhigang (retired on 15 October 2025)

#### **Independent Non-Executive Directors**

Ms. Guo Lili  
Mr. Ma Weiguo (appointed with effect from 16 October 2025)  
Mr. Wong Ho Kwan  
Mr. Huang Hua (retired on 15 October 2025)

The biographical details of the Directors and the relationships among the members of the Board are disclosed in the section headed “Biographical Details of Directors, Supervisors and Senior Management” in this Annual Report. Saved as disclosed above, the Directors confirmed that there was no relationship (including financial, business, family or other material/relevant relationship) between the Board members that were required to be disclosed.

The composition of the Board reflects the necessary balance of skills and experience appropriate for the business requirement and objectives of the Group and for the exercise of independent judgement.

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

The Company has implementable and effective mechanisms to ensure independent views and input are available to the Board. All Directors have timely access to all relevant information as well as the advice and services of the company secretary and senior management of the Company, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Any Director may seek independent professional advice in appropriate circumstances at the Company’s expenses, upon reasonable request made to the Board. During the period from the Listing Date and up to the date of this Annual Report, the Board has reviewed the board independence mechanisms and considered that the implementation of the mechanisms was effective.

## CORPORATE GOVERNANCE REPORT

### ***Chairman and Chief Executive***

According to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. As of the date of this Annual Report, the chairman of the Company is Mr. Hu Dalin, an executive Director, and the chief executive officer is Mr. He Feng, which is in compliance with the relevant requirements under code provision C.2.1 of the CG Code.

### ***Directors' Term of Office***

Each of the executive Directors, non-executive Directors and independent non-executive Directors have entered into a service contract/appointment letter with the Company for a term of three years. The term of office of a Director commences from the day when he/she takes office until the term of office of current session of the Board expires.

Under the Articles of Association, Directors shall be elected or replaced at the general meeting and may be removed at the general meeting prior to the expiration of their term of office. The term of office of the Directors is three years and they are eligible for re-election at the end of the term. When the Directors' term expires and re-election is not held in time, or where the resignation of a Director during his term of office causes the number of the members of the Board of Directors to be less than the quorum, the original Directors shall still perform their duties as Directors in accordance with laws, administrative regulations, departmental rules and the Articles of Association before the re-elected Directors take office.

### ***Training and Continuous Professional Development of Directors***

The Directors keep abreast of the regulatory developments and changes and the conduct, business activities and development of the Company in order to effectively perform their responsibilities.

Each newly appointed Director has received a comprehensive, formal and tailored induction on his/her appointment to ensure appropriate understanding of the business and operations of the Group and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction is normally supplemented with meetings with the senior management of the Company.

The Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Continuous briefings and professional development for the Directors are arranged whenever necessary. In addition, reading materials relating to the Company's business and Directors' duties and responsibilities, updates on salient laws, corporate governance, regulations applicable to the Group are provided to the Directors from time to time for their studying and reference. All Directors are encouraged to attend relevant training courses at the Company's expenses.

## CORPORATE GOVERNANCE REPORT

According to the records provided by the Directors, during the year ended 31 December 2025, Mr. Hu Dalin, Mr. He Feng, Ms. Ma Lei, Dr. Kan Zhigang, Mr. Jia Qi, Dr. Yao Xiang, Ms. Gong Xiao, Ms. Guo Lili, Mr. HuangHua, Mr. Ma Weiguo and Mr. Wong Ho Kwan attended training sessions on regulatory development, directors' duties or other relevant topics. In addition, relevant reading materials have been provided to the Directors for their studying and reference. Details of the training are as follows:

Directors	Training Category
<b>Executive Directors</b>	
Mr. HU Dalin ( <i>Chairman</i> )	A, B, D
Mr. HE Feng	A, B, D
Ms. MA Lei	A, B, D
<b>Non-Executive Directors</b>	
Mr. JIA Qi (appointed on 16 October 2025)	A, B, C, D
Dr. YAO Xiang	A, B, D
Ms. GONG Xiao	A, B, D
Dr. Kan Zhigang (retired on 15 October 2025)	A, B, D
<b>Independent Non-Executive Directors</b>	
Ms. GUO Lili	A, B, D
Mr. MA Weiguo (appointed on 16 October 2025)	A, B, C, D
Mr. WONG Ho Kwan	A, B, D
Mr. Huang Hua (retired on 15 October 2025)	A, B, D

*Notes:*

- A: Directors participate in trainings related to the duties of Directors and major compliance matters of listed companies.
- B: Directors participate in trainings related to notifiable transactions and connected transactions under Listing Rules.
- C: Newly appointed Directors participate in trainings related to the responsibilities of Directors, notifiable transactions and connected transactions under Listing Rules, inside information and corporate governance.
- D: Read materials on a wide range of topics, including the roles, functions and responsibilities of Directors, the Listing Rules and other relevant laws.

The newly appointed Directors, Mr. Jia Qi and Mr. Ma Weiguo, had also obtained the legal advice before their appointments from a firm of solicitors under Rule 3.09D of the Listing Rules on 14 October 2025 and confirmed that they understood their obligations as non-executive Director or independent non-executive Director respectively.

### **Model Code for Securities Transactions**

The Company has adopted the Model Code as a code of conduct for all securities transactions by the Directors, Supervisors and relevant employees of the Company. All Directors and Supervisors always abided by the required standards as set out in the Model Code since the Listing Date and up to the date of this Annual Report after making specific enquiries to all the Directors and Supervisors. During the above-mentioned period, the Company was not aware of any case of non-compliance with the Model Code by the relevant employees.

In case the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors, Supervisors and relevant employees in advance.

## CORPORATE GOVERNANCE REPORT

### Board Practices and Conduct of Meetings

The draft agenda of each meeting is normally made available to the Directors in advance. Notice of a regular Board meeting is served on all the Directors at least fourteen days before the meeting. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least three days before each Board meeting or committee meeting to keep Directors apprised of the latest development and financial position of the Company and to enable them to make decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

The senior management normally will attend regular Board meetings and where necessary, other Board and committee meetings, to advise on business development, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company. The Articles of Association contain provisions requiring Directors to abstain from voting at the meetings and not to be counted in the quorum for approving transactions in which such Directors or any of their associates have a material interest.

The secretary of the meetings is responsible for taking and keeping minutes of all Board meetings and committee meetings. Minutes of Board meetings and committee meetings record the matters considered and decisions reached in details, including any concerns raised by Directors or dissenting views expressed.

Draft minutes are normally circulated to all the Directors for comment within a reasonable time after each meeting. Final versions of the minutes are sent to the Directors for their records and are available for their inspection.

### Attendance Records of Board Meetings and Committee Meetings

The attendance records of each Director at the Board and Board Committee meetings of the Company held during the Reporting Period are set out in the table below:

Name of Director	Shareholders' Meeting	Attendance/Number of Meetings held during terms of office					Strategy Committee
		Board	Audit Committee	Remuneration Committee	Nomination Committee		
Mr. Hu Dalin	1/1	10/10	N/A	N/A	3/3	1/1	
Mr. He Feng	1/1	10/10	N/A	3/3	N/A	1/1	
Ms. Ma Lei	1/1	10/10	N/A	N/A	N/A	1/1	
Dr. Kan Zhigang (retired on 15 October 2025)	1/1	7/10	N/A	N/A	N/A	N/A	
Mr. Jia Qi (appointed with effect from 16 October 2025)	0/1	3/10	N/A	N/A	N/A	N/A	
Dr. Yao Xiang	1/1	10/10	N/A	N/A	N/A	N/A	
Ms. Gong Xiao	1/1	10/10	N/A	N/A	N/A	N/A	
Ms. Guo Lili	1/1	10/10	3/3	3/3	1/3	N/A	
Mr. Huang Hua (retired on 15 October 2025)	1/1	7/10	3/3	2/3	2/3	N/A	
Mr. Ma Weiguo (appointed with effect from 16 October 2025)	0/1	3/10	N/A	N/A	N/A	N/A	
Mr. Wong Ho Kwan	1/1	10/10	3/3	1/3	3/3	N/A	

## CORPORATE GOVERNANCE REPORT

### *Board Committees and Corporate Governance Functions*

The Board has established the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy Committee for overseeing particular aspects of the Company's affairs. The Board committees have sufficient resources to execute their requisite duties. All the Board committees should report to the Board on their decisions or recommendations made.

### *Audit Committee*

The Audit Committee currently comprised three independent non-executive Directors, namely, Ms. Guo Lili (Chairlady), Mr. Ma Weiguo and Mr. Wong Ho Kwan. Ms. Guo Lili and Mr. Wong Ho Kwan possess the appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee are to provide independent opinions on the effectiveness of the Group's financial reporting process, risk management, and internal control systems to assist the Board, oversee the audit procedures, develop and review policies, make recommendations to the Board regarding the appointment and removal of external auditors, and perform other duties and responsibilities assigned by the Board.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Audit Committee held three meetings to review the annual financial results and report for the year ended 31 December 2024 and the interim results and report for the six months ended 30 June 2025, major audit findings, significant issues on the financial reporting and compliance procedures, internal control and risk management systems, the effectiveness of the Company's internal audit function, the scope of works and re-appointment of external auditors and the Company's Deed of Non-Competition.

The external auditors were invited to attend the Audit Committee meetings without the presence of executive Directors to discuss with the Audit Committee issues arising from the audit and financial reporting matters. There is no disagreement between the Board and the Audit Committee regarding the re-appointment of external auditors.

## CORPORATE GOVERNANCE REPORT

### **Remuneration Committee**

The Remuneration Committee comprised two independent non-executive Directors and one executive Director, namely, Mr. Wong Ho Kwan (Chairman), Mr. He Feng and Ms. Guo Lili.

The main duties of the Remuneration Committee are to establish and review the remuneration policy and structure for the Directors, supervisors and senior management, approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, ensure none of the Directors determine their own remuneration, and make recommendations on employee benefit arrangements.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Remuneration Committee held three meetings to consider the "Remuneration Policy of the Directors and Senior Management", with a focus on conducting a comprehensive review and evaluation of the remuneration system of the Directors and senior management and the operation of the committees during the reporting period ended 31 December 2025 and considered and approved the H Share Award Scheme, the Remuneration Package for the Directors of the Second Session of the Board of Directors, the Remuneration Package for the Senior Management, and the Director Service Contract.

Pursuant to code provision E.1.5 of the CG Code, the annual remuneration of the senior management, excluding those who also serve as Directors, by band for the year ended 31 December 2025 is set out below:

<b>Remuneration bands</b>	<b>Number of senior management</b>
RMB0 to RMB1,000,000	2
RMB1,000,001 to RMB1,500,000	1
RMB1,500,001 to RMB2,000,000	0
RMB2,000,001 to RMB2,500,000	0
RMB2,500,001 to RMB3,000,000	0
	3

Details of the remuneration of each Director of the Company for the year ended 31 December 2025 are set out in note 35 to the consolidated financial statements contained in this Annual Report.

### **Remuneration Policy of the Directors and Senior Management**

The forms of remuneration that the Directors and senior management members may receive from the Company include directors' fees, basic salary, performance-based remuneration, contributions to pension plans, allowances, non-monetary benefits, equity incentives and other subsidies that comply with laws and regulations. All arrangements must comply with the applicable laws, regulations and regulatory requirements.

The Board will review and determine the remuneration and compensation packages of the Directors and senior management and will receive recommendation from the Remuneration Committee, which will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

## CORPORATE GOVERNANCE REPORT

### *Nomination Committee*

The Nomination Committee comprised one executive Director and two independent non-executive Directors, namely, Wong Ho Kwan (Chairman), Ms. Guo Lili and Mr. Hu Dalin.

The main duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis at least annually and make recommendations on any proposed changes to the Board to cope with the Company's corporate strategy; identify individuals who may be suitably qualified as Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; assess the independence of the independent non-executive Directors; and make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Nomination Committee held three meetings to (i) review the structure, size and composition of the Board (including the skills, knowledge, experience and diversity of perspectives); (ii) assess the independence of the independent non-executive Directors; (iii) review the policy on Board diversity and measurable objectives for implementing the Board Diversity Policy; and (iv) nominate candidates for the second session of the Board of Directors and members of special committees under the the Board of Directors.

### *Board Diversity*

The Company also recognises and embraces the benefits of having a diverse Board to enhance its performance and has adopted a Board Diversity Policy aiming to set out the approach to achieve diversity on the Board. The implementation of the policy is monitored by the Nomination Committee. In designing the Board's composition, board diversity has been considered from a number of measurable objectives, including but not limited to gender, age, cultural and educational background, and professional experience. According to the requirements of the CG Code, the Company has set a preliminary goal of appointing at least one director of a different gender onto the Board, and this goal was achieved when Ms. Ma Lei was appointed as a director in October 2018. As of 31 December 2025, the gender diversity ratio of the Board was 33.3% (three out of nine directors were female). The Nomination Committee shall report its findings and make recommendation to the Board, if any. Such policy and objectives will be reviewed from time to time and at least on an annual basis to ensure their appropriateness in determining the optimum composition of the Board.

As of 31 December 2025, 1 of 3 of the senior management who are also Directors of the Group is female, representing 33.3% of the senior management. The Group had a total of 64 female staff out of 162 employees, representing 39.5% of the employees of the Group. The Group will continue to promote gender equality in recruitment, promotion, training and succession planning and improve the representation ratio of female in middle and senior positions, to reserve talent echelon for Board diversity.

During the Reporting Period, the Board has reviewed the Board Diversity Policy and considered that the implementation of the policy was effective.

The Company has also adopted the Procedures for the Nomination Committee to nominate to the Board a person as Director which sets out the criteria and process of selection and performance evaluation, and provides guidance to the Board on nomination and appointment of Directors of the Company. The Board believes that the defined selection process is good for corporate governance in ensuring the Board continuity and appropriate leadership at Board level, and enhancing better Board effectiveness and diversity as well as in compliance with the applicable rules and regulations.

## CORPORATE GOVERNANCE REPORT

In identifying and selecting suitable candidates for directorship, the Nomination Committee would consider at its discretion the candidate's character including integrity, honesty and fairness, backgrounds and qualifications including professional qualifications, skills, knowledge, experience, independence and other relevant necessary criteria, if applicable, to cope with the corporate strategy and achieve board diversity, before making recommendation to the Board. The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other members of the management and external recruitment agents.

### **Strategy Committee**

The Strategy Committee comprised three executive Directors, namely, Mr. Hu Dalin (Chairman), He Feng and Ms. Ma Lei.

The main duties of the Strategy Committee are to study and make recommendations to the Board on the Company's long-term development strategies and major investment decisions.

The written terms of reference of the Strategy Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Strategic Committee held a meeting to consider the Company's medium- and long-term development strategic planning, operational goals and policies, various operational strategies (including product, research and development, marketing, market and talent strategies), significant strategic investment and financing plans and other significant issues, and review the composition, responsibilities and performance of this committee.

### **Corporate Governance Functions**

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

During the Reporting Period, the Board has reviewed the Company's corporate governance policies and practices, the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the Model Code and the Guidelines for Securities Dealings by Relevant Employees, and the Company's compliance with the CG Code and the disclosure in this Corporate Governance Report.

### **Directors' Responsibilities for Financial Reporting in Respect of the Financial Statements**

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

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements. The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The management provides all members of the Board with regularly updates on the Company's performance, positions and prospects.

## CORPORATE GOVERNANCE REPORT

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

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report of this Annual Report.

### *Risk Management and Internal Controls*

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

The Board is fully responsible for evaluating and determining the nature and extent of the risks it is willing to take to achieve the Company's strategic objectives, and for establishing and maintaining appropriate and effective risk management and internal control systems to safeguard Shareholders' investments and the Group's assets.

The Audit Committee assists the Board in overseeing the design and implementation of the risk management and internal control systems. The Company has developed and adopted different risk management procedures and guidelines. Self-evaluation would be conducted each year to confirm that the Company has properly complied with the risk management and internal control policy. All divisions would conduct internal control assessment to identify risks factors with potential impact on the Group's business. The management would assess the likelihood of risk occurrence, monitor the progress of risk management and report to the Board and the Audit Committee on the findings and effectiveness of the systems.

The Group has developed its disclosure policy to provide a general guide to the Company's directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

The Company has engaged experienced personnel for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as assisted by the Audit Committee and the management, has reviewed the internal control assessment report and related documents and the effectiveness of the risk management and internal control systems of the Group, including the financial, operational and compliance controls for the year ended 31 December 2025. The annual review also covered areas on the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting, internal audit and financial reporting functions as well as those relating to the Company's environmental, social and governance performance and reporting. The Board considered that such systems are adequate and effective and ongoing review of the same nature would be conducted annually.

## CORPORATE GOVERNANCE REPORT

### Handling of Inside Information

The Group is aware of its obligations under the SFO and the Listing Rules. During the Reporting Period, the Group has implemented procedures and internal controls to address and release inside information, including:

- (1) the Group has our own procedures in place to maintain the confidentiality of price-sensitive information and/or inside information about the Company;
- (2) the Group will communicate with and from time to time remind all Directors, Supervisors, senior management and relevant employees who may have access to price-sensitive information and/or inside information to comply with such procedures; and
- (3) the disclosure requirements and guidelines under the Listing Rules will be taken fully into account in the Group's dealings. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the "safe harbour provisions". Before the inside information is fully disclosed to the public, the Group ensures the inside information is kept strictly confidential.

In conclusion, the Company believes that its risk management and internal control systems are sufficient and effective.

### EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

The statement of the external auditors of the Company about their reporting responsibilities for the Company's financial statements for the year ended 31 December 2025 is set out in the section headed "Independent Auditor's Report" in this Annual Report.

The external auditor of the Company will be invited to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report and auditor's independence.

During the year ended 31 December 2025, the remuneration paid/payable to the Company's external auditors, PricewaterhouseCoopers is set out below. The remuneration for the audit services also includes the service fees in connection with the initial public offering. The non-audit service conducted by the auditor is agreed-upon procedures service.

Nature of Services	Remuneration (RMB'000)
Audit services	2,110
Non-audit services	10
Total	2,120

### COMPANY SECRETARY

Ms. Cheung Lai Ha (張麗霞) was appointed as the company secretary of the Company since June 2023 and resigned on 28 March 2025. Ms. Cheung is primarily responsible to perform company secretarial matters. Ms. Cheung is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

## CORPORATE GOVERNANCE REPORT

On 28 March 2025, Ms. Cheung has resigned as the company secretary and Ms. Leung Hoi Yan (梁熿欣) has been appointed as the company secretary in replacement of Ms. Cheung. Ms. Leung is an assistant manager of Entity Solutions of Computershare Hong Kong Investor Services Limited, as the Company's company secretary. She is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Mr. He Feng, an executive Director has been designated as the primary contact person of the Company who would work and communicate with Ms. Cheung and Ms. Leung (as the case may be) on the Company's corporate governance and secretarial and administrative matters.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters.

For the year ended 31 December 2025, Ms. Leung has taken not less than 15 hours of relevant professional training in compliance with the requirements of Rule 3.29 of the Listing Rules.

## COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

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

The Company maintains a website at "www.saimo.cloud" as a communication platform with shareholders and investors, where information and updates on the Group's business operations, developments and financial information are available for public access.

The general meetings of the Company provide an opportunity for communication between the Board and the Shareholders. The chairman of the Board as well as chairmen of the Audit Committee, Remuneration Committee, Nomination Committee and Strategy Committee and, in their absence, other members of the respective committees, are available to answer questions at general meetings. The chairman of a meeting will provide the detailed procedures for conducting a poll and answer any questions from the Shareholders on voting by poll. A notice to Shareholders is sent by the Company at least 20 days before the annual general meeting and at least 15 days before the extraordinary general meetings.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them posted of the Company's developments.

## SHAREHOLDERS RIGHTS

As one of the measures to safeguard Shareholders' interests and rights, separate resolutions are proposed at Shareholders' meetings for each substantially separate issue, including the election of individual Directors, for Shareholders' consideration and voting. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange and the Company immediately after the relevant general meetings.

## CORPORATE GOVERNANCE REPORT

### PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

According to the Articles of Association, the shareholder(s) individually or collectively holding more than 10% of the Shares shall be entitled to request the Board of Directors to convene an extraordinary general meeting, and shall put forward such request to the Board of Directors in writing. The Board shall, pursuant to the laws, administrative regulations and Articles of Association, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting within 10 days upon receipt of the request.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within 5 days after it passes a resolution thereon, provided that no change shall be made to the request in such notice without the consent of the relevant shareholders.

If the Board of Directors does not agree to hold the extraordinary general meeting or fails to respond within 10 days upon receipt of the request, the shareholder(s) individually or collectively holding more than 10% of the Shares shall be entitled to propose to the Supervisory Committee to convene an extraordinary general meeting, and shall put forward such request to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within 5 days upon receipt of the request, provided that no change shall be made to the request in such notice without the consent of the relevant shareholders.

In the case of failure to issue the notice of general meeting within the prescribed period, the Supervisory Committee shall be deemed as failing to convene and preside over the general meeting and the shareholder(s) individually or collectively holding more than 10% of the Shares for 90 or more consecutive days may convene and preside over such meeting by such shareholder(s).

If the Supervisory Committee or any shareholder(s) decides to convene a general meeting by itself/themselves, they shall notify the Board of Directors in writing. Prior to the publication of announcement of the resolutions adopted at such general meeting, the shareholders convening such meeting shall hold at least 10% shares in the Company.

### PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT GENERAL MEETING

Pursuant to the Articles of Association, shareholder(s) individually or jointly holding 1% or more of the Company's shares shall have the right to make a proposal to the Company at a shareholders' general meeting of the Company.

The shareholder(s) individually or jointly holding 1% or more of the Company's shares may make ad hoc proposals in writing to the convener of a shareholders' general meeting 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' general meeting and announce the contents of such ad hoc proposals within two days after receipt thereof.

Except as provided by the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposals already specified in the notice of the shareholders' general meeting or add new proposals subsequent to the issuance of the announcement regarding the notice of the shareholders' general meeting.

Proposals which are not specified in the notice of the shareholders' general meeting or which do not comply with the Articles of Association shall not be voted on and resolved at the shareholders' general meeting. For shareholders who want to put forward their proposals, please refer to the section headed "Directing Enquiries to the Board" below for contact details.

## CORPORATE GOVERNANCE REPORT

### DIRECTING ENQUIRIES TO THE BOARD

Shareholders may put forward any enquiries to the Board, by sending written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries. For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice, statement or enquiry (as the case may be) to the following address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Address: Room 301, Zhongguancun International Innovation Building, No. 67 North Fourth Ring West Road, Haidian District, Beijing  
E-mail: saimo@saimo.ai

For enquiries about H share shareholdings, Shareholders should direct their enquiries to the Company's H Share Registrar. Their details are as follows:

Name: Computershare Hong Kong Investor Services Limited  
Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road, Wanchai, Hong Kong  
Tel No.: (852) 2862 8555

### POLICIES RELATING TO SHAREHOLDERS

The Company has a Shareholders' Communication Policy in place to ensure that Shareholders' views and concerns are appropriately addressed. During the Reporting Period, the Company has reviewed the Shareholders' Communication Policy and considered that the policy was effectively implemented with the measures as disclosed under the paragraphs headed "Communications with Shareholders and Investors" and "Shareholder Rights" in this Annual Report.

### DIVIDEND POLICY

The Company has adopted a Dividend Policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, interim, special, final dividends and any distribution of net profits that the Board may deem appropriate may be proposed and/or declared by the Board for a financial year or period. Any final dividend for a financial year will be subject to the Shareholders' approval.

### CONSTITUTIONAL DOCUMENTS

The Articles of Association have been effective since the Listing Date and the latest version of the Articles of Association has been published on the websites of the Stock Exchange and the Company. There has not been any change to the aforesaid Articles of Association since the Listing Date and up to the end of the reporting period.

In light of the recent amendments to the Listing Rules and having regard to the actual circumstances of the Company, the Board proposed the Proposed Amendments to the Articles of Association on 30 March 2026. The Proposed Amendments to the Articles of Association mainly include articles explicitly enabling the Company to hold hybrid general meetings and provide electronic voting means in accordance with the relevant provisions of the Listing Rules. In light of the aforesaid amendments to the Listing Rules and the Proposed Amendments to the Articles of Association, the Board also proposed to make certain amendments to the Rules of Procedure for Shareholders' General Meetings on 30 March 2026. The Proposed Amendments to the Articles of Association and the Rules of Procedure for Shareholders' General Meetings are subject to the approval of the Shareholders by way of special resolution at the forthcoming AGM and, if approved, will become effective upon such approval.

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### OUR VISION FOR SUSTAINABILITY

Beijing Saimo Technology Co., Limited (Stock Code: 02571.HK, hereinafter “the Company” or “the Group”) focuses on intelligent connected vehicle (“ICV”) simulation testing technologies, and primarily engaged in design and R&D of ICV simulation testing products and the provision of related testing, validation and evaluation solutions. ICVs refer to a new generation of vehicles that are equipped with advanced on-board sensors, controllers, actuators and other devices, and that integrate advanced communication and network technologies.

#### Reporting Framework

The disclosure scope of the environmental performance indicators covers the entire office area of the Group’s head office, its subsidiaries and branches, situating in 4 cities of the PRC.

The Report covers the progress and performance of the Group on environment, social and governance (“ESG”) issues from 1 January 2025 to 31 December 2025 (the “Reporting Period”). The disclosure of key performance indicators (KPIs) in the Report cover the Economic KPIs and social KPIs, which are the same as all the entities within the scope of the Group’s financial statements.

The ESG Report is prepared in accordance with the Environment, Social and Governance Reporting Guide (the “Guide”) contained in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) (“Listing Rules”). This report follows the principle of “comply or explain”, and has complied with all mandatory disclosure requirements and the “comply or explain” provisions set out in the Guide.

In preparing this ESG Report, the ESG Working Group has followed the principles of materiality, quantitative and consistency under which we believe the Group has applied a consistent and structured methodology for assessing the materiality level, measuring in meaningful quantitative units and reporting our ESG matters in a scope that is relevant and significant to the Group.

The ESG Report focuses on the activities implemented during the Reporting Period.

### REPORTING PRINCIPLES

The content of this ESG Report is determined through stakeholder engagement and materiality assessment process, which includes identifying ESG-related issues, collecting and reviewing the management and stakeholders’ opinions, assessing the relevance and materiality of the issues and preparing and validating the information reported. The ESG Report has covered key issues that are concerned by different stakeholders.

Quantitative environmental and social KPIs are disclosed in this ESG Report so to enable stakeholders to comprehend the Group’s ESG performance. Information of the standards, methodologies, references and sources of key emission of these KPIs are stated wherever appropriate. To enhance comparability of the ESG performance between years, the Group has strived to adopt consistent reporting and calculation methodologies as far as reasonably practicable. For any changes in calculation methodologies, the Group will specify and explain in detail in the corresponding sections.

### INFORMATION AND FEEDBACKS

We value your feedback on this ESG Report and the Group’s sustainability plan. Should you have any comments and suggestions, please feel free to contact us by email to [ir@saimo.ai](mailto:ir@saimo.ai).

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### BOARD'S OVERSIGHT OF ESG MATTERS

The board of directors (the "Board") has the overall responsibility for ESG strategy, materiality assessment, initiatives, policy and reporting of the Group.

The Group has established a scientific and modern corporate governance framework to ensure that ESG governance could play a better role in its corporate organisation and operations. The Board coordinates its ESG matters as a whole, which is responsible for assessing and determining the Group's ESG-related risks and opportunities; ensuring that appropriate and effective ESG risk management and internal control systems are in place; formulating the Group's annual ESG management approach, strategies, priorities and targets; regularly reviewing the Group's performance against ESG-related targets; and approving disclosures in the Group's ESG Report. In the meantime, the Board has established four committees in accordance with the requirements of the Listing Rules. The committees select candidates for directors based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The nomination committee will continuously oversee the implementation of the Board's diversity policy.

The Group has established an ESG Working Group with the authorisation of the Board to coordinate, manage and report ESG matters. The ESG Working Group is responsible for ensuring that the Group has appropriately skilled people, policies and measures to manage ESG matters, and for regularly reporting to the Board on the management effectiveness of the Group's ESG strategies and related measures. Through continuous improvement of corporate governance, we are committed to building a corporate culture of trust and responsibility to protect the legitimate rights and interests of stakeholders and enhance corporate value.

### Environmental, Social and Governance Management Structure

Organization	Responsibilities
The Board	<ul style="list-style-type: none"> <li>assessing if the Company establishes appropriate risk management and internal control system</li> <li>approving ESG Report</li> </ul>
The Audit Committee	<ul style="list-style-type: none"> <li>Assessing if appropriate ESG strategies are set</li> <li>Reviewing if ESG risks and corresponding internal monitoring system are effective</li> <li>Reviewing ESG Report</li> </ul>
ESG Working Group	<ul style="list-style-type: none"> <li>Composed of representatives from Functional departments</li> <li>Formulating ESG work plans, reporting ESG work to the Board of directors</li> <li>Identifying and assessing material ESG issues</li> <li>Performing ESG risk assessment and formulating corresponding control measures</li> <li>Formulating and updating ESG policies</li> <li>Setting specific sub-targets based on the Company's ESG targets</li> <li>Collecting ESG data and preparing the ESG Report</li> </ul>

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### STAKEHOLDER ENGAGEMENT

Stakeholder engagement is crucial for advancing the corporate sustainable development plan and serves as a key foundation for conducting materiality assessment and gathering feedback on ESG issues to sharpen the focus of our sustainability strategy. In preparing our ESG Report, we established a routine communication mechanism and had maintained dialogue with key stakeholders through multiple channels, so as to gain an in-depth understanding of their demands and expectations.

We believe that trust is built on effective communication. Interaction with stakeholders is an integral part of the Company's day-to-day operations and marketing campaign. Our identified stakeholders include investors, employees, customers, suppliers, business partners, media, government, regulators and the community, among others. Our channels such as social platform, meetings, interviews, and promotion campaigns enable stakeholders to fully express their opinions and suggestions.

The Company attaches great importance to the feedback of stakeholders and has set up diversified communication channels to ensure that information is transparent and open and the communication process is efficient and smooth. Relevant inputs are also incorporated into the business decision-making and management processes on sustainable development.

#### ***Sustainability Materiality Assessment***

A list of sustainability topics is identified which are potentially material to our Group in the context of our business and day-to-day operations. The results of the materiality assessment showed the issues listed on the top of the list weighted by assessment of stakeholders were "product research & development capability" and "employee career development".

Stakeholders	Identified ESG material issues
Employees	Competitive compensation and benefits, employee career development, health and safety
Investors	Protecting shareholder's rights and interests, disclosing important information
Customers	Product research & development capability, customer service experience, compliance operation
Suppliers	Fair competition, win-win cooperation
Communities	Compliance with laws and regulations, devoting to social welfare, promoting community development

In the ESG Report, we will accordingly enhance the disclosure of the above aspects, and highlight the top-ranked issues. This assessment result would be an important reference in our sustainable development plan to continuously enhance our management capabilities in environmental, social and governance areas and deepen our sustainable development practices.

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### Objective and process

Over 65% of the Group's GHG emission came from electricity consumption which is why we have prioritized Scope 2 emission reduction as a key focus in our climate initiative. In line with industry practices, we are gradually setting science-based targets on carbon emission and collaborating with suppliers to explore renewable energy procurement and energy efficiency improvement solutions. During the Reporting Period, while ensuring stable operations, we delegated some low-risk maintenance activities to suppliers and extended environmental and risk management to the supply chain by establishing a supplier ESG code of conduct.

ESG Dimension	Targets	2025 process
Environmental dimension	35% reduction in Scope 2 GHG emissions by 2035 compared with 2023 baseline.	<p>Scope 2 GHG emissions amounted to approximately 244 tonnes, representing an increase compared with 2023 and 2024.</p> <p>Our consumption of purchased electricity amounted to approximately 463,500 kWh, representing an increase compared with 2023 and 2024.</p>

In 2025, Scope 2 GHG emissions and electricity consumption increased compared with 2024 and 2023. This was primarily due to the operation of newly established office premises in 2025, leading to operational scale expansion and an increase in electricity demand. The Group has developed an energy-saving reengineering plan and strengthened the cooperative management with suppliers, including measures such as optimizing lighting systems in office areas and upgrading energy efficiency management on air conditioning. It is expected that energy consumption levels will gradually stabilize in 2026. We will continue to monitor emission intensity indicators to ensure that our business growth is effectively decoupled from carbon emissions.

The Group's second largest resource consumption is water, which is entirely comprised of water consumption in our office for domestic usage (including cleaning, personal hygiene, and drinking). Given that overall water consumption in the software industry is relatively low and primarily focuses on basic employee needs, we have yet to set specific water reduction targets. However, we will continue to monitor water usage and adopt measures to prevent waste and misuse, including adopting water-saving devices, promoting water conservation awareness among employees, and regularly inspecting water facilities for leakage. We will also follow industry practices to evaluate the feasibility of setting water intensity targets, such as water consumption per individual or per unit of revenue after accumulating sufficient data, to more scientifically advance water resource management.

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### OUR BUSINESS MODEL

The Group mainly offers intelligent connected vehicle (ICV) simulation testing software and platform, ICV data platforms and other products, ICV testing and related services, and advisory and other services.

Type of business	Contents
ICV simulation testing software and platforms	<ul style="list-style-type: none"> <li>to provide simulation testing platform and standalone software</li> <li>to test, validate and evaluate the functional completeness and safety of intelligent driving algorithms</li> </ul>
ICV data platforms and other products	<ul style="list-style-type: none"> <li>to assist customers to achieve effective regulation and decision-making in monitoring ICVs</li> <li>to establish intelligent connected data centres or intelligent transportation platforms, or to meet regulatory requirements regarding the filing of automotive OTA upgrade information</li> </ul>
ICV testing and related services	<ul style="list-style-type: none"> <li>to provide simulation tests, closed-course site tests, platform operation, maintenance and related services</li> <li>to assist client test, validate and evaluate the safety and driving capabilities of ICVs</li> <li>to assist clients operate and maintain ICV-related platforms</li> </ul>
Advisory and other services	<ul style="list-style-type: none"> <li>provide advice and technical help on ICV policies, laws, regulations, and industry standards</li> <li>help government authorities organise conferences and seminars for the ICV and related industries</li> <li>support government authorities and others in managing drone test operations or tests</li> </ul>

### Supply Chain Management

As a leading PRC-based technology company specializing in ICV simulation testing and validation solutions, the Group's supply chain is critical to the consistent delivering of innovative, safety-certified products like Sim Pro and Safety Pro. We place high importance on efficient, high-quality supply chain operations, and continuously optimize supply chain management strategies to fulfill the demands of our business development.

Our supply chain is structured around two primary categories of suppliers. First, hardware and components suppliers provide essential infrastructure, including servers, simulation equipment, and data storage devices. Second, service providers deliver ancillary operational support. As of the end of the Reporting Period, the Group has 20 suppliers in total, comprising 18 domestic suppliers and 2 overseas suppliers located in Mainland China, Hong Kong, China, and Australia. This moderately diversified supply chain approach preserves the convenience of localized communication while helping to mitigate risks associated with over-reliance on dynamics of a single market, thereby enhancing supply chain resilience.

Quality and safety remain foundational to our operations. Sim Pro, the Group's proprietary product, is the world's first ICV simulation testing, validation and evaluation tool chain to achieve ISO 26262 ASIL D certification (the highest functional safety level); and Safety Pro obtained ISO 26262 TCL 2 certification in 2023. These certifications exemplified our commitment to rigorous safety standards. By integrating self-developed safety analysis tools with simulation testing platforms, we are able to conduct comprehensive validation of ICVs across extreme scenarios, effectively reducing reliance on physical testing while enhancing scalability and safety.

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

Since the Group is operating in a high-tech and newly emerging industry under strict supervision, our supplier selection criteria are stringent. We have established a management mechanism for supplier onboarding, rating, and continuous assessment. During the onboarding phase, based on project requirements and supply chain layout planning, we conduct entry audits for potential suppliers according to the Supplier Certification Procedure. Suppliers are required to enter into cooperation agreements that include clauses on social responsibility and business ethics, and undertake to comply with relevant laws, regulations, and the Group's compliance requirements.

We assess all our existing suppliers by day-to-day communication including video-conferencing and physical meeting to ensure their capabilities meet requirements and avoid communication barriers. To increase efficiency and reduce waste of resource (i.e. electricity consumption) by our suppliers, we negotiated with all our suppliers to schedule only necessary meetings and promote video-conference so as to reduce numbers of stimulation or demo.

Our focus on product safety certifications aligns with broader ESG objectives, particularly in advancing the development of reliable and secure autonomous driving technologies. Moving forward, we aim to balance efficiency of our supply chain with resilience by deepening diversification strategies and strengthening collaboration with global partners to continuously mitigate risks and strengthen transparency across the supply chain. We will review our suppliers' operational and compliance aspects regularly to ensure that they align with industry trends and the Group's sustainable development objectives.

### **Product responsibility**

We always prioritize customer needs and are committed to delivering safe and high-quality products and services. To foster a secure network environment, we have continuously improved our cybersecurity management policy and structure, and optimized our cybersecurity technologies.

### **Security Management Structure**

The Board attaches great importance to data security and privacy protection issues. The Group has in place comprehensive internal control measures and policies to make sure we do not violate any applicable laws or regulations on data protection and privacy or infringe on any third-party rights in our collection and processing of data. Our main measures are:

1. Data is collected on the principle of minimum necessity;
2. Limit data collection method and monitor the collecting process;
3. Data collection personnel are required to strictly follow the security policy and the encryption rules;
4. Limit the volume of data to be collected, duration to keep, and consider potential public interest implications;
5. Implement internal control measure to ensure secured storage and transmission of data;
6. Adopt internal management procedures to ensure the safety management of data, including data processing guidelines covering the full-cycle of data processing, facility entry control, use control, access control, and vendor control.

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### Data security and privacy compliance

The Group operates in a highly regulated environment, particularly in the areas of cybersecurity, data protection, and privacy. Security breaches could significantly harm our reputation, brand and financial performance. We collect personal information directly from business partners and indirectly through real-world data related to vehicle traffic and movement. We are legally obligated to protect this data from leakage and strictly comply with various regulations, including the Personal Information Protection Law of the People's Republic of China, Data Security Law of the People's Republic of China, and Measures for Cybersecurity Review.

### Measures for data protection

To ensure compliance, we have implemented multiple technical and managerial measures, such as information encryption, access controls and regular audits.

### Monitoring and Adaptation

We are closely monitoring relevant regulatory developments, and will adjust our internal policies in a timely manner in line with new requirements. We have established and are continuously improving security and data protection policies in compliance with the Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and other relevant regulations.

During the Reporting Period, the Group did not have any non-compliance practice or related claim involving data security or privacy breaches.

### Quality Management

The Group has established a robust quality management framework that ensures the highest standards of product and service delivery. This framework is built on strong in-house research and development (R&D) capabilities, stringent quality control measures and a commitment to continuous improvement. Below is a detailed overview of the Company's quality assurance efforts:

#### 1. Strong R&D Foundation

Our quality assurance begins with its strong R&D capabilities, which form the backbone of the technological innovation and product development. As of the end of the Reporting Period, our research and development workforce accounts for more than 68% of our total workforce. Besides, the Group obtained various awards and certifications, including Key Software Enterprise National High and New Technology Enterprise and Zhongguancun High and New Technology Enterprise.

#### 2. Certification and Quality Control Measures

We focus on both process quality and result quality. For process quality, the Group has obtained certifications, such as the ISO 26262 ASIL D and TCL 2 certifications for our core products, as well as the ISO 9001 Quality Management System Certification and Information Security Management System certification, which demonstrate its adherence to international and domestic quality standards.

The Group provides maintenance services and technical support to customers at no cost during the warranty period (normally for one to three years) for our products. This commitment to customer satisfaction underscores our dedication to quality.

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### 3. Intellectual Property Protection

The Company's core technologies are strictly protected by intellectual property (IP) rights, ensuring the integrity and uniqueness of its products. We have invested significant resources in developing proprietary technologies and know-how. We enter into employment agreements with confidentiality, non-compete and IP ownership clauses to effectively protect the Group's intellectual property.

We maintained close communication with suppliers to make sure they comply with applicable material laws and regulations, such as the Cyber Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Data Security Law of the People's Republic of China and the Advertising Law of the People's Republic of China.

As at 31 December 2025, the Group possessed 93 registered patents and had applied for 88 additional patents in the PRC. The Group also registered 62 copyrights, including 61 software copyrights.

### 4. Commitment to Continuous Improvement

We emphasize the importance of quality and reliability in achieving long-term success. Our risk management team systematically identifies and monitors risks that could impact product quality and compatibility. This proactive approach ensures timely mitigation of potential issues.

In the Reporting Period, the Group did not have any product recall cases.

### Customer Service

We are always committed to delivering premier and efficient service experience to our customers. To continuously improve service quality, we perform customer service evaluations regularly and consistently optimize the process management of non-face to face channels. Through various direct communication channels such as WeChat, email, dedicated representatives, and customer service hotlines, we maintain close contact with our customers, ensuring prompt responses to product inquiries and feedback while enabling us to take requisite precautions to prevent related issues from reoccurring.

The Group has not established a separate product recall policy. Related matters are handled according to contractual agreements, and we constantly communicate with our client on product optimization whenever necessary. We set out policy in compliance of goods and services with the Consumer Protection Law and Product Quality Law of PRC, ensuring that all business operations are conducted legally and in accordance with regulatory requirements.

We attach great importance to customer information security and privacy protection, and have implemented multiple data protection measures to strictly safeguard customers' personal information. We prohibit unnecessary information sharing and privacy breaches, and have designated dedicated personnel responsible for the archiving and management of customer information.

During the Reporting Period, the Group did not receive any material complaints from our customers regarding our products or services, nor did any related non-compliance occur.

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### ***Anti-corruption & Whistle-blowing Mechanism***

The Group adheres to the highest standards of business ethics and is committed to ensuring that all business activities are conducted with integrity and in compliance with the law. The Group strictly complies with relevant laws and regulations, including but not limited to the Criminal Law of the PRC and the Anti-money Laundering Law of the PRC and applicable laws in the jurisdictions where the Group operates. The Group has established a comprehensive internal control system, covering mechanisms such as separation of authorities, division of responsibilities, and approval processes. The senior management of finance department design, implement and review the internal controls regularly and internal audit department to review and monitor the implementation independently. The management is responsible for identifying significant risks, formulating response strategies, and integrating risk management into daily business operations, with clear responsibilities and timelines assigned to each role. We have established a bottom-up reporting channel to ensure the effective monitoring of risk response measures.

During the Reporting Period, the Group complied in all material respects with relevant laws and regulations concerning bribery, extortion, fraud, and money laundering, and was not involved in any related legal cases or litigation.

The Group has established formal whistleblowing policies and procedures, providing employees with confidential and anonymous reporting channels. The designated whistleblowing email (which accepts anonymous submissions) and the Human Resource Department serve as the primary channels for receiving reports. All reported matters will be handled fairly and kept confidential.

The management of the Group fully recognizes the importance of a whistleblowing mechanism in upholding the culture of integrity. We are planning to further enhance our whistleblowing policy with reference to the ISO 37002 standard, aligning with international best practices and meeting the expectations of our stakeholders.

### ***Community Involvement***

As a responsible corporation, the Group has been working towards building a beautiful and healthy community and maintaining communication and interaction with the community to contribute to the development of the community. We firmly believe that the sustainable development of an enterprise is inseparable from the prosperity of the community. By actively giving back to the community, not only have we fulfilled our social responsibilities but also establish long-term, mutually beneficial relationships built on trust and shared success.

The Group places great emphasis on culturally enriching its employees and promoting their physical and mental well-being. During the Reporting Period, we worked closely with local labour unions to organize a variety of activities, including visits to technology and cultural exhibitions, and hands-on workshops featuring traditional crafts such as Song brocade (宋錦) table displays, handmade night lights, and Cloisonné storage boxes. These activities allowed employees to appreciate the aesthetic traditional craftsmanship through hands-on practice. At the same time, we continued to promote a healthy lifestyle by organizing sports activities such as walking events, encouraging employees to relieve stress and enhance their physical fitness through exercise. These initiatives not only escalated employees' sense of involvement and belonging but also fostered a team sentiment centered on care, sharing, and learning. We will continue to explore more activity formats that benefit the physical and mental well-being of our employees, working together to contribute positive energy to the community.

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### EMPLOYMENT PRACTICES

#### *Diversity and Equal Opportunity*

The Group regards employees as the most valuable asset and the core driving force for the sustainable development of the enterprise. We are committed to establishing a fair and inclusive employment regime that comprehensively safeguards the legitimate rights and interests of our employees. Upholding the principles of openness, fairness, and impartiality, we actively promote workplace diversity and firmly oppose all forms of discrimination. We prohibit any unfair treatment of employees or job applicants based on factors such as gender, age, race, religious beliefs and gender orientations.

The Group strictly complies with national laws and regulations, and our employee working hours policy is fully compliant. We provide employees with a standard working hours system and guarantee the rights to statutory holidays, including paid leave, maternity leave, sick leave, public holidays, ensuring that employees have sufficient rest time and achieve a healthy work-life balance. We firmly prohibit child labour and forced labour, strictly verify the identity information of job applicants during the recruitment process, and those under 16 years of age must not be recruited. Any material non-compliance with the Group's rules and regulations may result in summary dismissal.

#### *Employee Structure*

As at 31 December 2025, the Group has a total of 162 full time employees. We do not hire part time or temporary staff directly to ensure work process stability and service quality consistency.

The Group has formulated an employee handbook, which clearly stipulates matters such as recruitment, promotion, disciplinary actions, working hours and vacations. Employees are required to fully understand and comply with the contents of the handbook. For any violations of rules and regulations, the Group will issue warnings or terminate employment depending on the severity of the circumstances. We are committed to creating a harmonious, safe, and comfortable working environment, providing a platform for every employee to grow together with the Group. The Group's employment practices strictly adhere to relevant laws and regulations, including the Labour law of the People's Republic of China, the Production Safety Law of the People's Republic of China, and the Law of the People's Republic of China on Prevention and Control of Occupational Diseases. During the Reporting Period, the Group follows laws and regulations in relation to providing a safe working environment and protecting employees from occupational hazards, in all material aspects.

We have established a standardized recruitment process designed to recruit and attract suitable talents who suited the job requirements of each department. Recruitment channels primarily include online recruitment, internal recommendation, and campus recruitment. During the process, comprehensive consideration is given to the experience, qualifications and expertise required for business operations. All applicants who meet the requirements for a post are given equal interview opportunities regardless of gender, age, race, religion or disability. A detailed description of the job, including duties, welfare and salary packages are also provided. Applicants with family relationships are required to proactively declare this to ensure the fairness and transparency of the recruitment process.

Our employee's remuneration is determined based on factors such as qualification, contribution and years of experience. We regularly conduct employee performance assessments and those with excellent performance are given promotion opportunities.

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

To enhance our internal control on the social insurance premium and housing provident funds, we have obtained professional legal advice and assigned our finance and human resource department to jointly monitor the status of monthly payments. Also, we provide entry-level employees with policy explanations and guidance.

During the Reporting Period, the Group follows relevant laws and regulations in relation to staff compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits, in all material aspects.

### **Employee Benefits and Welfare**

The Group is committed to providing employees with competitive compensation and comprehensive welfare and protections. We regularly review our compensation and welfare policies in order to attract, motivate and retain outstanding talents. The annual performance assessment aims to align employee compensation with their contributions through feedback exchange, salary adjustments, and promotion opportunities. To maintain positive labour relationships, we regularly organize social and wellness activities for employees to enrich their work and social life.

### **Training, Education and Development**

The Group is committed to providing employees with comprehensive training that caters for job requirements and career development planning, which provides a dynamic and innovative talent pool for the long-term development of the Company. Through a combination of orientation training and on-the-job training, the Group strives to make sure that all employees possess the necessary competencies for their roles. We support and encourage employees to learn in practice, supporting and encouraging them to pursue self-improvement and life-long learning. We offer continuing education programs to cultivate our employees' professional skills and overall competencies.

### **Anti-Corruption Training**

During the Reporting Period, the Group has conducted anti-corruption training. We have completed anti-corruption training for directors, management, and the front-line sales department, and will subsequently roll it out to all employees, targeting to attain a 100% training coverage by 2027.

### **Occupational Health and Safety**

The Group strove to provide safe, clean and healthy working condition for employees, and has established a series of work safety policy and standard operating procedures. We have implemented the responsibility for production safety and accountability, comprehensively carrying out the investigation and handling of hidden hazards in production safety. We provide necessary security information, training, and protective equipment to ensure employees' safety. The Group strictly complies with all applicable local health and safety regulations., and regularly provides occupational safety education and training to employees to raise employees' safety awareness and improve their risk prevention capabilities.

The Group posts safety and operational guidelines in the workplace to reduce the risk of major safety incidents. We continuously conduct safety promotion and intervention measures to mitigate safety hazards. In the Reporting Period, the Group follows relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards, in all material aspects. In the Reporting Period, within the Group no job-related injury was noted. The Group has not encountered any work-related fatality incidents in the past three years (including the Reporting Period). We monitor the effectiveness of safety-related controls continually and conduct regular assessments on its health and safety performance in order to conserve a healthy and safe workplace for our employees.

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### ENVIRONMENTAL PERFORMANCE

The Group concentrates its resource on managing its core operation (R&D and sales) by engaging external professional parties to maintain hardware to minimize resource consumption and enhance overall efficiency. We generally do not generate, whether directly or indirectly, industrial pollutants in our course of business. Therefore, we are not subject to significant environmental risks. In the Reporting Period, the Group had not been subject to any fines or other penalties due to non-compliance with environmental laws and regulations. We do not expect any material liabilities or expenditures to be incurred in such respect in the foreseeable future. In addition, we have obtained the GB/T 24001–2016 and ISO 14001 : 2015 Environmental Management System Certification in recognition of our efforts in maintaining international environmental management standards.

In the Reporting Period, our major environmental impacts on the environment and natural resources are GHG emissions come from purchased electricity.

#### *Use of Resources*

Our major resource consumption in our operation is the use of purchased electricity and business travel. We continually identify ways to improve efficiency by replacing energy intensive equipment, actively conserving resource and regularly assessing operating performance. The Group relies on municipal power grids and water supply systems. We do not anticipate having problem in sourcing electricity and water for our operation.

#### *Energy Consumption Management*

The Group employs multiple energy saving initiatives to improve the operating efficiency of equipment or facilities and reduce energy consumption. In terms of lighting system, the Group has separated switches for different light zones, keeps the lighting fixture clean and installs LED lightings to replace traditional fluorescent light tubes and reminds employees to switch off unnecessary lights when leaving. To reduce the energy consumption of air conditioning, employees are required to switch off the air-conditioners during non-working hours and allowed to dress casually to adapt to indoor temperatures. Office temperature is maintained at 25.5 degree Celsius at all time. Air conditioning systems are also cleaned regularly to enhance their operation efficiency. The Group also encourages employees to set the computers to automatic standby or sleep mode and to turn off unused electrical devices before leaving the office.

#### *Waste Management*

The major waste water generated by the Group is domestic sewage, which is directly discharged to the municipal drainage system. The volume of waste water fluctuates with changes in employee numbers. Currently, we have not conducted specialized research on the treatment efficiency of wastewater.

The hazardous waste generated by the Company mainly includes the small-sized discarded toner cartridges, ink cartridges and used batteries from daily operation of offices and others. The non-hazardous waste primarily consists of general domestic waste generated in the office, which is centrally collected and handled by the commercial building management office. The quantity of general waste was less than one bucket per day, we consider the amount immaterial. Furthermore, the Company uses methods such as publicity and posters to guide employees to properly carry out waste sorting, and promote the recycling and reuse of resources.

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### Compliance Management

Compliance management is always a top priority in our operations. Our operation policy and process ensure that we adhere to all relevant environmental laws and regulations in PRC during our daily operation including the Water Pollution Prevention and Control 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 Wastes, the Environmental Protection Law of the People's Republic of China and the Energy Conservation Law of the People's Republic of China.

In the foreseeable future, our investments regarding ESG issues are estimated to continue to increase along with our overall business development. We strive to balance business growth and environmental protection to achieve our goal of sustainable development. Taking into account the historical levels and the expected increase in the number of staff and electricity consumption in light of our strategic expansion plan, our management team strictly monitor, manages and evaluate resource usage to achieve continuous operational improvement and facilitate the efficient utilization of resources.

### Responding to Climate Change

The Board is of the view that the Group is currently not subject to material climate change-related risks and impacts. Although, the Company do not perform specialized studies on the effects of climate change, we have indeed implemented various forms of resource-saving initiatives in our daily operations.

The Group understands the direct relationship between sustainable development and competitiveness. The energy consumed by business activity does make an impact on water, air and soil resources, and therefore on the ecosystem. The Group also recognises the importance of balancing economic, environmental and social needs. All Group subsidiaries continue to introduce technical refinements and innovations to fulfil targets for reducing, reusing, recycling and renewing natural resources, reducing emissions and waste, improving the utilisation efficiency of natural resources. We encourage our staff to prioritize train instead of airlines for business trips whenever feasible.

The Company takes reference to the recommendations and approach set out by The Task Force of Climate-related Financial Disclosure ("TCFD") in assessing the climate changes impacts on the Group. We have preliminarily assessed a series of potential risks, including:

1. **Transition Risks:** During the transition toward a low-carbon economy, there may be extensive policy, legal, technology, and market changes in response to climate change mitigation and adaptation requirements. Related risks include Policy and Legal Risks, Technology Risk, Market Risk and Reputation Risk.
2. **Physical Risks:** Acute physical risks (such as direct damage to assets and indirect impacts from supply chain disruption driven by extreme weather events) or chronic physical risks (such as long-term shifts in climate patterns) that may have financial implications for the Group.

Based on the preliminary assessment of the Company, we believe the Group is subject to lower physical risk, particularly those driven by acute events. The overall risk-rating of climate-change-related risks and opportunities of the Group is considered low.

### Climate Change impact assessment

The Board has instructed the ESG Working Group to perform an ongoing assessment on the climate-change-related risks and opportunities of the Group. The following table presents the summary of the Group's assessment

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### Climate-related risks:

Type	Climate-related risks	Countermeasures
Transition risk	<p>Policies and laws: Changes in policies, regulations, and supervision may lead to an increase in the operating costs of the Company.</p> <p>Technologies: Failure to promptly adopt emerging technologies such as low-carbon technologies and artificial intelligence may lead to climate-related risks.</p> <p>Market: Customers may place greater emphasis on green and low-carbon products</p> <p>Reputation: Poor performance in addressing climate change and sustainable development may lead to negative consequences</p>	<p>Closely monitoring the changes in relevant laws, regulations and policies, and making adjustments in a timely manner.</p> <p>Continuously providing employees with training on advanced technologies to enhance the technical standards of the Company.</p> <p>Continuously monitoring market trends and offering greener and low-carbon products to meet customers' demands.</p> <p>Actively responding to climate-related events to enhance the capacity for sustainable development.</p>
Physical risks	<p>Acute risks (such as extreme weather conditions) and chronic risks (such as persistent high temperatures) may cause damage to office premises and facilities, thereby increasing operational costs.</p>	<p>Establishing an emergency handling system to continuously improve the emergency response mechanism for extreme weather conditions and monitoring the changes in physical risks continuously.</p>

### Climate-related opportunities:

Type	Climate-related opportunities	Countermeasures
Opportunities	<p>Products and Services: Application of Green and Low-Carbon Technologies</p> <p>Market: The demand from customers for green and low-carbon products has increased</p> <p>Adaptability: Adaptation to climate change to create new market demands and business growth opportunities</p>	<p>Closely monitoring new policies related to climate and actively exploring the application of new technologies to strengthen the research and development of green and low-carbon products, as well as identifying and participating in emerging markets.</p>

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### SOCIAL KEY PERFORMANCE INDICATORS

Social Indicators	B1.1 Number of staff	B1.2 Staff turnover rate
<b>By gender</b>		
Male	98	42%
Female	64	26%
<b>By age group</b>		
Below 30 years old	68	46%
30 to 50 years old	91	28%
Above 50 years old	3	0%
<b>By geographical region</b>		
Beijing, PRC	109	24%
Shanghai, PRC	27	61%
Zhejiang province of PRC	26	56%

Note 1 – employees here refer to staff who have signed labor contracts with the Group

B2 Work health safety – injury and fatalities statistic	2025	2024	2023
<b>Cause of incident</b>			
While operating machinery	0	0	0
Injured by heavy object impact	0	0	0
Others	0	0	0
Lost of workings days due to reported injuries	0	0	0
Legal case related to reported injuries	0	0	0
Compensation other than paid leave related to reported injuries	0	0	0
Case of Loss of life or induce permanent disability	0	0	0
<b>Compensation paid</b>			

Note 1 – employees here refer to staff who have signed labor contracts with the Group

Note 2 – Previous year's figures are updated based on confirmation from medical and insurance company

B3 Training received by staff		Percentage of staff trained	Average training hours per staff
By gender	Male	100%	4.7
	Female	100%	3.8
By ranking	Management	100%	15.7
	Ordinary staff	100%	3.3

Note 1 – employees here refer to staff who have signed labor contracts with the Group

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

For the year ended 31 December 2025

### ENVIRONMENTAL KEY PERFORMANCE INDICATORS

KPIs	Indicators	Unit	2025
	Scope 1 GHG emissions <sup>2</sup>	Tonnes	0
	Scope 2 GHG emissions <sup>3</sup>	Tonnes	244
	Scope 3 GHG emissions <sup>4</sup>	Tonnes	124
A1.2	Total GHG emissions (Scope 1, 2, and 3)	tCO <sub>2</sub> e	368
A2.1	GHG emissions intensity (Total GHG emissions/number of employees)	tCO <sub>2</sub> e/person	2
	Total electricity consumption	kWh	463,500
	Electricity consumption intensity (Total electricity consumption/number of employees)	kWh/person	2,861
A2.2	Total water consumption	Cu M	15,979
	Water consumption intensity (Total water consumption/number of employees)	Cu M/person	98
	Total paper related consumption	Kg	1,850
	Paper consumption intensity (Total paper consumption/number of employees)	Kg/person	11

Notes:

- GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, Appendix II: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange.
- We didn't consume any scope 1 non-renewable fuel.
- Major source of Scope 2 emission came from usage of purchased electricity.
- Indirect emissions from value chain and business travel were included in our scope 3.
- We did not produce any hazardous waste. Our non-hazardous waste includes paper box waste, stickers, and domestic wastes. They were disposed where quantity immaterial and handled by the commercial building's management office as a whole. Since the quantity and value of non-hazardous waste are immaterial and subject to office, setting a target is not meaningful in our case.
- We do not have any problem in sourcing water. Our water usage is solely for domestic use in commercial building premise. Since this is subject to human daily needs and difficult to predict or withhold, we do not consider setting up a target is meaningful in our case.
- Since our revenue is generated by software and services which are both intangible, we do not consume packaging materials.

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
**Beijing Saimo Technology Co., Ltd**  
(incorporated in the People's Republic of China with limited liability)

### OPINION

#### *What we have audited*

The consolidated financial statements of Beijing Saimo Technology Co., Ltd (the "Company") and its subsidiaries (the "Group"), which are set out on pages 90 to 160, comprise:

- the consolidated balance sheet as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

#### *Our opinion*

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

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public 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.

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition – revenue recognised at a point in time
- Measurement of expected credit losses of trade receivables and contract assets.

#### Key Audit Matter

#### Revenue recognition – revenue recognised at a point in time

Refer to Note 6 to the consolidated financial statements.

During the year ended December 31, 2025, the Group recognised revenue at a point in time amounted to approximately RMB 259.7 million.

Revenue from provision of ICV simulation testing software and platforms, ICV data platforms and other products is recognised at a point in time when the related products are delivered to the customers' designated place, inspected and accepted by the customers. Revenue from ICV testing and related services, advisory and other services is recognized at a point in time when the services are completed and the related testing/advisory reports are delivered to and accepted by the customers.

#### How our audit addressed the Key Audit Matter

Our procedures in relation to revenue recognition – revenue recognised at a point in time mainly included:

- We understood and evaluated the management process and internal controls over revenue recognition at a point in time.
- We understood and evaluated the appropriateness of the Group's accounting policy on revenue recognition at a point in time by inquiring with management and tracing to the sales contracts, on a sample basis, to examine the key contract terms including the transfers of control of products or services to customers.
- We inquired with management of the new transactions occurred during the year, visited and interviewed with major new customers.

## INDEPENDENT AUDITOR'S REPORT

### Key Audit Matter

We focused on this area because significant audit effort was devoted to this area due to the magnitude of revenue transactions and the variety of the products and services as agreed with customers.

### How our audit addressed the Key Audit Matter

- We tested the sales transactions, on a sample basis, by tracing to the supporting documents including sales contracts, customers' acceptance reports, relevant processing documents and settlement documents.
- We tested whether the revenue transactions were recognised in the appropriate period by tracing to the supporting documents, on a sample basis, including sales contracts, customers' acceptance reports and other relevant processing documents.
- We performed confirmation procedures with main customers for revenue from delivery of products or services and the relevant account balances.

Based on the procedures performed, we considered that the Group's revenue recognised at a point in time was supported by the evidence obtained.

### Measurement of expected credit losses of trade receivables and contract assets.

Refer to Note 3.1(b), 6(a) and 21 to the consolidated financial statements.

As at 31 December 2025, the carrying amount of the Group's trade receivables and contract assets amounted to approximately RMB 263.8 million and RMB 2.7 million, respectively. Management has estimated the expected credit losses ("ECL") on the trade receivables and contract assets and a loss allowance of approximately RMB 10.1 million and RMB 0.08 million were made as at 31 December 2025 against the trade receivables and contract assets, respectively.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Our procedures in relation to the ECL of trade receivables and contract assets mainly included:

- We obtained an understanding of the management's internal controls and assessment process of the ECL provision on trade receivables and contract assets and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias.
- We evaluated the reasonableness of grouping of trade receivables and contract assets against their nature and risk characteristics and tested, on a sample basis, the accuracy of the key data inputs in the ECL assessment model including the aging of trade receivables and contract assets.

## INDEPENDENT AUDITOR'S REPORT

### Key Audit Matter

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics, such as aging periods. The ECL are determined by reference to external credit rating of the counterparties and adjusted to reflect forward-looking information on macroeconomic factors in different scenarios. For certain counterparties with increased credit risk, their expected credit losses are evaluated on an individual basis.

We focused on this area due to the magnitude of the balance of trade receivables and contract assets and the fact that complex estimates and judgements were involved in the assessment of expected credit losses mentioned above.

### How our audit addressed the Key Audit Matter

- In respect of the ECL assessment model, significant assumptions and parameters used and judgements made by the management, with the support from our internal valuation experts, we performed the following:
  - (a) Assessing the appropriateness of the ECL provisioning methodologies adopted by management.
  - (b) Assessing the reasonableness of the detailed application of the key ECL model parameters and assumptions, including probability of default and loss given default by referencing to the external credit rating of the counterparties.
  - (c) Evaluating the management's assessment and sensitivity analysis of the forward-looking information by considering the GDP growth rate and CPI growth rate with reference to the market condition and industry knowledge based on possibly changed economic scenarios and parameters.
  - (d) Testing the mathematical accuracy of the calculation of management's ECL assessment.
- We assessed the adequacy of the disclosures related to the expected credit losses of trade receivables and contract assets.

Based on the above procedures, we considered that the significant estimates and judgements made by management in relation to the ECL assessment of trade receivables and contract assets were supportable by available evidence.

## INDEPENDENT AUDITOR'S REPORT

### OTHER INFORMATION

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

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

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

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

### RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT

As part of an audit in accordance with ISAs, we exercise professional judgment 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.
- 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.

## INDEPENDENT AUDITOR'S REPORT

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 Ng Ping Fai.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, March 30, 2026

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Revenue	6	262,447	221,883
Cost of sales	9	(121,925)	(70,088)
<b>Gross profit</b>		<b>140,522</b>	151,795
Other income	7	41,755	25,054
Other gains, net	8	30,446	2,848
Selling and marketing expenses	9	(8,966)	(10,916)
General and administrative expenses	9	(36,267)	(29,949)
Research and development expenses	9	(110,475)	(85,871)
Credit loss allowance recognized, net	9	(862)	(242)
<b>Operating profit</b>		<b>56,153</b>	52,719
Share of profit/(loss) of investments accounted for using the equity method	17	2,464	(558)
Finance income	11	6,222	6,004
Finance costs	11	(6,553)	(1,197)
<b>Profit before income tax</b>		<b>58,286</b>	56,968
Income tax credit/(expenses)	12	1,336	(1,874)
<b>Profit for the year</b>		<b>59,622</b>	55,094
<b>Attributable to:</b>			
Owners of the Company		56,265	53,666
Non-controlling interests		3,357	1,428
		<b>59,622</b>	55,094
<b>Other comprehensive loss, net of tax:</b>			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		(1,176)	–
<b>Total comprehensive income for the year</b>		<b>58,446</b>	55,094
<b>Attributable to:</b>			
Owners of the Company		55,089	53,666
Non-controlling interests		3,357	1,428
		<b>58,446</b>	55,094
<b>Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)</b>	13		
<b>Basic</b>		<b>0.43</b>	0.55
<b>Diluted</b>		<b>0.43</b>	0.54

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## CONSOLIDATED BALANCE SHEET

<b>As at December 31</b>			
	Note	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
<b>Assets</b>			
<b>Non-current assets</b>			
Right-of-use assets	14(a)	<b>39,009</b>	49,031
Equipment	15	<b>114,001</b>	37,901
Intangible assets	16	<b>41,540</b>	52,279
Financial assets at fair value through profit or loss	19	<b>147,284</b>	28,731
Investments accounted for using the equity method	17	<b>2,785</b>	321
Term deposits	23(c)	<b>30,419</b>	–
Contract assets	6(a)	<b>677</b>	2,187
Deferred income tax assets	29	<b>2,389</b>	846
Other non-current assets		<b>1,096</b>	955
<b>Total non-current assets</b>		<b>379,200</b>	172,251
<b>Current assets</b>			
Inventory	20	<b>2,955</b>	23,945
Contract assets	6(a)	<b>1,966</b>	1,288
Trade and notes receivable	21	<b>255,763</b>	191,297
Prepayments and other receivables	22	<b>18,968</b>	59,589
Financial assets at fair value through profit or loss	19	<b>137,877</b>	7,029
Restricted cash	23(b)	<b>3,665</b>	4,236
Cash and cash equivalents	23(a)	<b>235,461</b>	208,325
<b>Total current assets</b>		<b>656,655</b>	495,709
<b>Total assets</b>		<b>1,035,855</b>	667,960
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	24	<b>133,333</b>	100,000
Shares held for employee incentive scheme	25	<b>(38,859)</b>	–
Reserves	25	<b>577,303</b>	277,554
Retained earnings		<b>228,048</b>	176,024
<b>Non-controlling interests</b>		<b>899,825</b>	553,578
		<b>7,487</b>	4,130
<b>Total equity</b>		<b>907,312</b>	557,708

## CONSOLIDATED BALANCE SHEET

	Note	As at December 31	
		2025 RMB'000	2024 RMB'000
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	14(a)	33,703	30,065
Deferred income	30	24,094	14,710
<b>Total non-current liabilities</b>		<b>57,797</b>	44,775
<b>Current liabilities</b>			
Trade and notes payable	27	27,742	5,713
Current income tax payables		207	44
Other payables and accruals	28	23,030	23,641
Contract liabilities	6(b)	808	2,563
Lease liabilities	14(a)	17,275	31,686
Deferred income	30	1,684	1,830
<b>Total current liabilities</b>		<b>70,746</b>	65,477
<b>Total liabilities</b>		<b>128,543</b>	110,252
<b>Total equity and liabilities</b>		<b>1,035,855</b>	667,960

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 90 to 160 were approved by the board of directors on March 30, 2026, and were signed on its behalf.

**Hu Dalin**  
Name of director

**He Feng**  
Name of director

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Note	Share capital RMB'000	Shares held for employee incentive scheme RMB'000	Reserves RMB'000	Retained earnings RMB'000	Subtotal RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
<b>Balance at January 1, 2024</b>		100,000	–	271,130	127,580	498,710	2,702	501,412
Profit and total comprehensive income for the year		–	–	–	53,666	53,666	1,428	55,094
<b>Transactions with owners in their capacity as owners</b>								
Share-based payment expenses	26	–	–	1,202	–	1,202	–	1,202
Transfer to PRC statutory reserves		–	–	5,222	(5,222)	–	–	–
<b>Total transactions with owners in their capacity as owners</b>		–	–	6,424	(5,222)	1,202	–	1,202
<b>Balance at December 31, 2024</b>		100,000	–	277,554	176,024	553,578	4,130	557,708
<b>Balance at January 1, 2025</b>		<b>100,000</b>	<b>–</b>	<b>277,554</b>	<b>176,024</b>	<b>553,578</b>	<b>4,130</b>	<b>557,708</b>
Profit for the year		–	–	–	56,265	56,265	3,357	59,622
Currency translation differences		–	–	(1,176)	–	(1,176)	–	(1,176)
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>–</b>	<b>(1,176)</b>	<b>56,265</b>	<b>55,089</b>	<b>3,357</b>	<b>58,446</b>
<b>Transactions with owners in their capacity as owners</b>								
Issuance of ordinary shares upon initial public offering (“IPO”), net of issuance costs	24	33,333	–	295,476	–	328,809	–	328,809
Shares purchased and withheld for share scheme trust	25	–	(38,859)	–	–	(38,859)	–	(38,859)
Share-based payment expenses	26	–	–	1,208	–	1,208	–	1,208
Transfer to PRC statutory reserves		–	–	4,241	(4,241)	–	–	–
<b>Total transactions with owners in their capacity as owners</b>		<b>33,333</b>	<b>(38,859)</b>	<b>300,925</b>	<b>(4,241)</b>	<b>291,158</b>	<b>–</b>	<b>291,158</b>
<b>Balance at December 31, 2025</b>		<b>133,333</b>	<b>(38,859)</b>	<b>577,303</b>	<b>228,048</b>	<b>899,825</b>	<b>7,487</b>	<b>907,312</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	34(a)	80,530	40,587
Interest received		5,690	4,198
<b>Net cash generated from operating activities</b>		<b>86,220</b>	44,785
<b>Cash flows from investing activities</b>			
Purchase of equipment and intangible assets		(147,186)	(43,645)
Interest income received from short-term investments measured at fair value through profit or loss		930	2,475
Purchase of financial assets measured at fair value through profit or loss		(829,759)	(246,000)
Purchase of term deposits with initial term of over three months		(30,108)	–
Proceeds from the redemption of financial assets measured at fair value through profit or loss		606,585	351,000
Receipt of government subsidies for equipment and intangible assets		30,994	10,025
<b>Net cash (used in)/generated from investing activities</b>		<b>(368,544)</b>	73,855
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares upon IPO, net of underwriting commissions, levy and stamp duty		399,767	–
Purchase of shares for share scheme trust		(38,859)	–
Payment of listing expenses capitalized		(28,148)	(9,954)
Payment of lease liabilities		(18,856)	(18,792)
<b>Net cash generated from/(used in) financing activities</b>		<b>313,904</b>	(28,746)
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year		208,325	118,431
Effects of exchange rate changes on cash and cash equivalents		(4,444)	–
<b>Cash and cash equivalents at the end of the year</b>	23(a)	<b>235,461</b>	208,325

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 GENERAL INFORMATION

Beijing Saimo Technology Co., Ltd. (the “Company”) was incorporated in Beijing, the People’s Republic of China (the “PRC”) on January 24, 2014 as a limited liability company. On November 8, 2022, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC, the Company and its subsidiaries (collectively, the “Group”) were primarily engaged in the provision of intelligent connected vehicle (“ICV”) testing, validation and evaluation solutions in the PRC.

On January 15, 2025, the Company completed its initial public offering, and its ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### 2.1 Compliance with IFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”) and requirements of the Hong Kong Companies Ordinance Cap. 622 (“HKCO”).

IFRSs comprise the following authoritative literature:

- International Financial Reporting Standards,
- International Accounting Standards, and
- Interpretations developed by the International Institute of Certified Public Accountants.

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment of complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

#### 2.2 Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention unless otherwise stated, as modified by the revaluation of certain financial assets at fair value through profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### 2.3 New and amended standards adopted by the Group

The Group has applied the 'Amendments to IAS 21 – Lack of Exchangeability' for the first time for its reporting period commencing January 1, 2025, which did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

#### 2.4 New and amended standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group.

Standards and amendments		Effective for annual periods beginning on or after
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts referencing nature-dependent electricity	January 1, 2026
Annual improvements project	Annual improvements to IFRS Accounting Standards – volumes 11	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures and subsequent amendments in October 2025	January 1, 2027
Amendment to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to IFRS 10 and IFRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new and amended standards. It has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have a significant impact on the performance and positions of the Group, except possibly IFRS 18. The Group is still in the process of assessing the impact of IFRS 18, which might mainly impact on the presentation of the Group's consolidated statements of comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

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

#### (a) Market risk

##### (i) Interest rate risk

The Group's interest rate risk primarily arises from bank deposits and cash and cash equivalents. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

If the interest rate of cash and cash equivalents had been 50 basis points higher/lower, the profit before income tax for the year ended December 31, 2025 would have been approximately RMB1,109,000 higher/lower (2024: RMB583,000 higher/lower).

The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate movements.

##### (ii) Price risk

The Group is exposed to price risk in respect of the long-term investments and short-term investments held by the Group and classified in the consolidated balance sheet as financial assets at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from the investments, the Group diversifies its portfolio. The investments are managed by management one by one, either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group's liquidity level simultaneously. The sensitivity analysis is performed by management, see Note 3.3 for details.

##### (iii) Foreign exchange risk

The Company was listed on the Hong Kong Stock Exchange and has established a subsidiary incorporated in Hong Kong. Foreign currency denominated assets and liabilities in currency that is not the Company's functional currency together with expected cash flow from highly probable purchases and sales give rise to foreign exchange exposures.

The Company has foreign currency risk as certain cash and deposits with banks are denominated in foreign currencies, mainly US\$ and HK\$. The newly established Hong Kong subsidiary has not yet engaged in large-scale business, and the Company has purchased certain financial assets to hedge against the risk of exchange rate fluctuations, management is in the opinion that the currency exposure arising from these transactions is not significant to the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted cash, short-term investments measured at fair value through profit or loss, trade and notes receivable, other receivables and contract assets. The carrying amounts of each class of the above financial assets and contract assets represent the Group's maximum exposure to credit risk in relation to financial assets and contract assets.

To manage risk arising from cash and cash equivalents, restricted cash and wealth management products, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions. As for the funds invested during year 2025, the Group has fully redeemed the principals before the report date (Note 19).

The Group's concentration of credit risk primarily arise when the Group has significant exposure to individual customers. As at December 31, 2025 and 2024, 52% and 58% of the total trade and notes receivable was due from the Group's five largest customers, respectively.

To manage risk arising from trade and notes receivable and contract assets, the Group has policies in place to ensure that sales with credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually within 90 to 180 days and the credit quality of these customers are assessed by taking into account their financial position, past experience and other factors.

For other receivables, management makes periodic collective assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experiences. In view of the history of cooperation with debtors and the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding other receivables balances is low.

##### Impairment of financial assets and contract assets

The Group performs impairment assessments under the expected credit loss ("ECL") model on financial assets at amortized cost (mainly including trade and notes receivable and other receivables) and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

While cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

##### Trade and notes receivables and contract assets

For trade and notes receivable and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from the initial recognition of the trade and notes receivable and contract assets.

To measure the expected credit losses, trade and notes receivable and contract assets have been grouped based on shared credit risk characteristics, such as aging periods. The ECL are determined by reference to external credit rating of the counterparties and adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

###### Trade and notes receivables and contract assets (Continued)

For certain counterparties with increased credit risk, their expected credit losses are evaluated on an individual basis.

The Group has identified the China gross domestic product (“GDP”) growth rate and consumer price index (CPI) growth rate of mainland China in which it provides services to be the most relevant factors, and accordingly adjusts the probability of default based on expected changes in those factors. Details of the loss allowance of trade and notes receivable and contract assets as at December 31, 2025 and 2024 are included in Notes 21 and 6(a), respectively.

###### Other receivables

Other receivables mainly include deposits. The management of the Group makes periodic collective assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experiences. The Group measures credit risk using Probability of Default (“PD”), Exposure at Default (“EAD”) and Loss Given Default (“LGD”). This is similar to the approach used for the purposes of measuring ECL under IFRS 9.

- Other receivables that are not credit-impaired on initial recognition are classified as ‘Stage 1’ and have their credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis.
- If a significant increase in credit risk (specifically, when the debtor is more than 30 days past due on its contractual payments) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired. The expected credit loss is measured on a lifetime basis.
- If the financial instrument is credit-impaired (specifically, when the debtor is more than 90 days past due on its contractual payments), the financial instrument is then moved to ‘Stage 3’. The expected credit loss is measured on a lifetime basis.

###### Write-off policy

Financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

##### (c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group’s liquidity risk and to maintain adequate cash and cash equivalents or adjust financing arrangements to meet the Group’s liquidity requirements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

The table below analyses the Group's non-derivative financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 year and 2 years RMB'000	Between 2 years and 5 years RMB'000	Total contractual cash flows RMB'000	Carrying amount liabilities RMB'000
<b>At December 31, 2025</b>					
Trade and notes payable	27,742	–	–	27,742	27,742
Other payables (excluding payroll payables and taxes payables)	14,297	–	–	14,297	14,297
Lease liabilities	18,643	16,343	18,526	53,512	50,978
<b>At December 31, 2024</b>					
Trade and notes payable	5,713	–	–	5,713	5,713
Other payables (excluding payroll payables and taxes payables)	13,241	–	–	13,241	13,241
Lease liabilities	32,673	16,865	14,756	64,294	61,751

#### 3.2 Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long-term.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is not significant.

The Group believes that cash flows from operating activities and available cash and cash equivalents will be sufficient to fund capital expenditures, debt servicing, dividend payments and other cash requirements going forward.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at each balance sheet date, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

#### At December 31, 2025:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Investments measured at fair value through profit or loss (Note 19)	117,372	–	167,789	285,161

#### At December 31, 2024:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Investments measured at fair value through profit or loss (Note 19)	–	7,029	28,731	35,760

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

The following table presents the changes in level 3 instruments of long-term investments measured at fair value through profit or loss for the years ended December 31, 2025 and 2024.

	2025 RMB'000	2024 RMB'000
<b>At the beginning of the year</b>	<b>28,731</b>	25,882
Addition	<b>681,149</b>	–
Redemption	<b>(543,465)</b>	–
Reclassification to other receivables	<b>(2,175)</b>	–
Changes in fair value	<b>3,549</b>	2,849
<b>At the end of the year</b>	<b>167,789</b>	28,731
<b>Net unrealized gains for the year</b>	<b>3,075</b>	2,849

The Group has a team that manages the valuation exercise for level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case-by-case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts were involved when necessary.

As at December 31, 2025, the level 3 instruments mainly includes investments in unlisted equity securities, wealth management products and funds, and level 1 instruments mainly includes investments in listed equity securities (Note 19). As the level 3 instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including discounted cash flows, market approach etc.

The following table summarizes the quantitative information about the significant unobservable inputs used in level 2 and level 3 fair value measurements.

Description	Fair value at		Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair values
	December 31, 2025 RMB'000	December 31, 2024 RMB'000		December 31, 2025 RMB'000	December 31, 2024 RMB'000	
Wealth management products (i)	50,076	7,029	Expected rate of return	0.40% – 3.68%	1.49% – 3.31%	The higher the expected rate of return, the higher the fair value
Funds (ii)	87,801	–	Expected rate of return	0.06% – 1.70%	–	The higher the expected rate of return, the higher the fair value
Unlisted equity securities (iii)	29,912	28,731	Expected volatility	43.8%	46.3%	The higher the expected volatility, the higher the fair value
			Risk-free rate	1.4%	1.2%	The higher the risk-free rate, the higher the fair value

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

- (i) The Group's wealth management products were mainly structured deposits purchased from reputable banks in the PRC with floating rates as at December 31, 2025. The fair values were determined based on expected rate of return (based on management's judgement). The relevant fair value gains/(losses) were minimal because of short term maturity.

If the expected rate of return had increased/decreased by 100 basis points with all other variables held constant, the fair value of the wealth management products measured at FVPL would have increased/decreased by approximately RMB0.5 million as at December 31, 2025.

- (ii) Management determined the fair value of the funds as at December 31, 2025 with reference to the statements provided by the fund managers and the subsequent actual redeemed amount. The fund managers derive the fair value of each investment based on the net assets values of the underlying investments. The related valuation techniques applied are developed by the fund managers, which are not disclosed to the Group.

If the expected rate of return had increased/decreased by 100 basis points with all other variables held constant, the fair value of the funds measured at FVPL would have increased/decreased by approximately RMB0.9 million as at December 31, 2025.

- (iii) For unlisted equity securities as at December 31, 2025 and 2024, the fair value are determined by using the market approach and the significant unobservable inputs include the valuation multiples, such as expected volatility and risk-free rate. Management determines the valuation multiples with reference to the respective multiples of comparable companies.

If the expected volatility had increased/decreased by 5% with all other variables held constant, the fair value of the unlisted equity securities measured at FVPL would have been approximately RMB30.2 million and RMB29.6 million as at December 31, 2025, respectively.

If the risk-free rate had increased/decreased by 1% with all other variables held constant, the fair value of the unlisted equity securities measured at FVPL would have been approximately RMB29.92 million and RMB29.91 million as at December 31, 2025, respectively.

The Group believes that any reasonably possible change in assumptions used for the significant unobservable inputs would not significantly affect the profit or loss for the years.

There were no transfers between levels 1, 2 and 3 of the fair value hierarchy classifications during the years ended December 31, 2025 and 2024.

The carrying amounts of the Group's financial assets that are not measured at fair value including cash and cash equivalents, term deposits, restricted cash, trade and notes receivable and other receivables, and the Group's financial liabilities that are not measured at fair value, including, lease liabilities, trade and notes payable and other payables, approximate their fair values due to their short maturities or the interest rates are close to the market interest rates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

#### **(a) Fair value of financial assets**

Fair value of financial assets, in the absence of an active market, is estimated by using appropriate valuation techniques. Such valuations are based on certain assumptions about credit risk, volatility and liquidity risks, associated with the instruments, which are subject to uncertainty and might materially differ from the actual results. Further details are included in Note 3.3 to the Consolidated financial statements.

#### **(b) Credit loss allowance for trade and notes receivables and contract assets**

The credit loss allowance for trade and notes receivable and contract assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(b).

#### **(c) Valuation of share-based payments**

The fair value of restricted stock units at the grant date is determined by using valuation techniques. Significant estimates on assumptions, such as volatility and dividend yield are made based on management's best estimates. Further details are included in Note 26.

#### **(d) Income taxes**

Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made.

For temporary differences or tax losses which give rise to deferred income tax assets, the Group assesses the likelihood that the deferred income tax assets could be recovered. Deferred income tax assets are recognized based on the Group's estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future.

#### **(e) Revenue recognition**

The Group applies judgement in determining whether the Group is acting as a principal or an agent in relation to provision of products in considering all relevant facts and circumstances, including the contractual terms of the relevant contracts.

As disclosed in Note 7, government grants were recorded as 'other income'. The Group applies judgement in determining whether income from governments is recorded as 'revenue' or 'other income', which mainly depends on whether the control of products or services is transferred to the PRC government authorities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 5 SEGMENT INFORMATION

The Group's business activities are the testing, validation and evaluation of the functionality, compatibility, safety, reliability and comfortability of ICVs in the PRC. The Group does not distinguish revenue, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole.

The Group's chief operating decision-maker has been identified as the board of directors, who reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As all of the Group's non – current assets other than financial instruments and deferred tax assets are all located in Mainland China, no geographical information is presented.

The major customers who contributed more than 10% of total revenue of the Group for the years ended December 31, 2025 and 2024 are listed below:

	Year ended December 31,	
	2025	2024
Number of major customers	2	5
Total revenue from major customers (RMB'000)	76,401	140,798
<b>Customers</b>	<b>RMB'000</b>	<b>% of the total revenue</b>
Year ended December 31, 2025		
Customer A	48,551	18.5%
Customer B	27,850	10.6%
	76,401	29.1%
Year ended December 31, 2024		
Customer C	36,000	16.2%
Customer D	33,743	15.2%
Customer E	24,638	11.1%
Customer F	23,585	10.6%
Customer G	22,832	10.3%
	140,798	63.4%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6 REVENUE

Disaggregation of revenue from contracts with customers by products and services is as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
ICV simulation testing software and platforms	188,810	133,793
ICV data platforms and other products	20,696	20,621
ICV testing and related services	28,244	37,941
Advisory and other services	24,697	29,528
	<b>262,447</b>	221,883

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
At point in time	259,712	220,719
Over time	2,735	1,164
	<b>262,447</b>	221,883

The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Mainland China	210,994	221,883
Hong Kong	51,453	–
	<b>262,447</b>	221,883

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6 REVENUE (Continued)

#### (a) Contract assets

The Group recognized the following assets related to contracts with customers:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Contract assets		
– Current	2,041	1,317
– Non-current	678	2,316
Less: loss allowance	(76)	(158)
	<b>2,643</b>	3,475

Contract assets are generally the final payments of contracts relating to the provision of products which are due at the end of the warranty period.

Movements on loss allowance for contract assets are as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
<b>At the beginning of the year</b>	<b>(158)</b>	(83)
Reversal of/(provision for) loss allowance on contract assets	82	(75)
<b>At the end of the year</b>	<b>(76)</b>	(158)

Expected credit losses rate on contract assets range from 0.18% to 11.51% for the years ended December 31, 2025 and 2024, respectively.

#### (b) Contract liabilities

The Group recognized the following liabilities related to contracts with customers:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Contract liabilities	808	2,563

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6 REVENUE (Continued)

#### (b) Contract liabilities (Continued)

The following table shows the Group's revenue recognized related to carried-forward contract liabilities:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Revenue recognized that was included in the contract liabilities at beginning of year	2,396	7,078

The following table includes the Group's revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Within 1 year	12,540	23,811
Over 1 year	4,623	424
	17,163	24,235

#### (c) Accounting policies of revenue recognition

Revenue is measured according to the consideration received or receivable and stated net of discounts, returns and value-added taxes. The Group recognizes revenue when the specific criteria have been met for each of the Group's activities, as described below.

The provision of ICV simulation testing software and platforms and ICV data platforms consists primarily of deployment of software, software-embedded hardware and hardware infrastructures. These hardware and software are highly interdependent and interrelated with each other and represent multiple inputs to a combined output that is transferred to the customer. Accordingly, the provision of ICV simulation testing software and platforms and ICV data platforms are generally accounted for as a single performance obligation. The provision of other products consists of deployment of hardware infrastructures. The Group assessed the contract terms and determined that the Group is acting as a principal in relation to provision of the above-mentioned products. Revenue is recognized at a point in time when the related products are delivered to the customers' designated place, inspected and accepted by the customers.

Revenue from ICV testing and advisory and other services is recognized at a point in time when the services are completed and the related testing/advisory reports are delivered to the customers. The Group provides operation and maintenance services to customers separately, revenue from related services is recognized over the service period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6 REVENUE (Continued)

#### (c) Accounting policies of revenue recognition (Continued)

##### Contract balance

Timing of revenue recognition may differ from the timing of invoicing to customers. The Group may perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, and also may have the right to an amount of consideration before transferring goods or services to a customer. The Group recognizes a contract asset or a contract liability in the consolidated balance sheet, depending on the relationship between the Group's performance and the customer's payment.

### 7 OTHER INCOME

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Government grants (i)	41,696	21,353
Value-added tax ("VAT") refund (ii)	–	1,692
Interest income from wealth management products and others	59	2,009
	41,755	25,054

#### (i) Government grants

Government grants primarily relate to grants in connection with the Group's contributions to technology development of governments. There are no unfulfilled conditions or contingencies relating to these incomes.

#### (ii) VAT refund

According to the VAT tax regulations in the PRC, the applicable VAT tax rate for sales of computer software is 13% during the periods presented.

### 8 OTHER GAINS, NET

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Fair value changes on financial assets at fair value through profit or loss (Note 19)	30,722	2,849
Others	(276)	(1)
	30,446	2,848

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 9 EXPENSES BY NATURE

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Change in inventory	20,990	(22,203)
Procurement costs	74,175	65,207
Salaries, wages and other benefits (Note 10)	66,524	70,006
Depreciation of equipment (Note 15)	47,808	30,369
Amortization of intangible assets (Note 16)	20,330	11,738
Depreciation of right-of-use assets (Note 14)	16,162	15,129
Commissioned external technical services	12,281	12,628
Business travel expenses	3,422	2,267
Office expenses	2,931	2,476
Rental and property expenses	2,517	2,825
Professional service and other consulting fees	2,294	370
Auditor's remuneration		
– Audit services	2,110	1,180
– Non-audit services	10	100
Business entertainment expenses	1,912	1,580
Share-based payments expenses (Note 26)	1,208	1,202
Credit loss allowance recognized, net (note(a))	862	242
Listing expenses	580	470
Insurance expenses	255	–
Other taxes and surcharges	350	556
Advertising and marketing expenses	104	79
Recruitment and training expenses	51	19
Others	1,619	826
	<b>278,495</b>	197,066

Note:

- (a) Mainly includes the loss allowance on contract assets, trade and notes receivable and other receivables. Please refer to Notes 6(a), 21 and 22.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 10 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	50,725	53,271
Contributions to pension plans	6,478	6,811
Other social security costs, housing benefits and other employee benefits	9,321	9,924
Sub-total	66,524	70,006
Share-based payment expenses (Note 26)	1,208	1,202
	67,732	71,208

#### (a) Pension costs – defined contribution plans

The Group is required to make contributions for its employees in the mainland China to the state-sponsored retirement plan at a rate of 16% (2024: 16%) based on the qualified salaries of the individual employees. The PRC government is responsible for the pension liability of the retired employees.

During the year ended December 31, 2025, no forfeited contributions were utilised by the Group to reduce its contributions for the current year (2024: Nil).

#### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group includes three directors (2024: one) for the year ended December 31, 2025, whose emoluments are reflected in the analysis shown in Note 35. The total emoluments payable to the remaining two individuals (2024: four) during the year are as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Wages and salaries	1,498	2,418
Discretionary bonuses	72	1,292
Contributions to pension plans	143	278
Other social security costs, housing benefits and other employee benefits	189	368
Share-based payment expenses	68	100
	1,970	4,456

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 10 EMPLOYEE BENEFIT EXPENSES (Continued)

#### (b) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

	Year ended December 31,	
	2025	2024
Hong Kong dollars ("HK\$")		
Nil to HK\$500,000	–	–
HK\$500,001 to HK\$1,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	1	3
	2	4

#### (c) During the year ended 31 December 2025 and 2024, none of the directors and supervisors of the Company or the five highest paid individuals:

- (i) received any emolument from the Group as an inducement to join or upon joining the Group;
- (ii) waived or has agreed to waive any emoluments.

### 11 FINANCE INCOME AND FINANCE COSTS

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
<b>Finance income:</b>		
Interest income from bank deposits	6,222	6,004
<b>Finance costs:</b>		
Interest expense on lease liabilities (Note 14)	(1,772)	(1,180)
Foreign exchange losses	(4,742)	–
Others	(39)	(17)
	(6,553)	(1,197)
<b>Finance (costs)/income, net</b>	<b>(331)</b>	<b>4,807</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 12 INCOME TAX (CREDIT)/EXPENSES

The income tax (credit)/expenses for the year comprises current and deferred income tax. Income tax is recognized in the consolidated statements of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

#### **(a) Current income tax**

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

#### **(b) Deferred income tax**

##### **Inside basis differences**

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

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

##### **Outside basis differences**

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for a deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred income tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 12 INCOME TAX (CREDIT)/EXPENSES (Continued)

#### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The income tax (credit)/expenses of the Group for the years ended December 31, 2025 and 2024 are analyzed as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Current income tax	207	44
Deferred income tax (Note 29)	(1,543)	1,830
<b>Income tax (credit)/expenses</b>	<b>(1,336)</b>	<b>1,874</b>

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

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
<b>Profit before income tax</b>	<b>58,286</b>	56,968
Tax calculated at domestic tax rates applicable to profits in the respective countries (Note (a))	12,174	14,242
<i>Tax effects of:</i>		
– Preferential income tax rate applicable to the Group (Note (b))	(698)	(61)
– Super deduction for research and development expenses (Note (c))	(20,265)	(14,342)
– Tax-exempt investment income	(4,484)	–
– Expenses and income not deductible for income tax purposes	470	162
– Utilization of previously unrecognized tax losses	(785)	(350)
– Deductible loss of unrecognized deferred income tax assets in the current year	12,868	2,084
– Tax effect of share of profits of associates and joint ventures	(616)	139
<b>Income tax (credit)/expenses</b>	<b>(1,336)</b>	<b>1,874</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 12 INCOME TAX (CREDIT)/EXPENSES (Continued)

Notes:

**(a) Enterprise income tax in the PRC (“EIT”)**

The income tax provision of the Group in respect of its operations in the Mainland China and Hong Kong were calculated using a tax rate of 25% and 16.5% respectively, on the assessable profits for the year presented, based on the existing legislation, interpretations and practices in respect thereof.

**(b) Preferential EIT rate**

The Company and its subsidiaries are entitled to preferential EIT rates, as follows:

The Company was recognized as the Key Software Enterprise and therefore enjoyed a preferential EIT rate of 0% from January 1, 2019 to December 31, 2023, and can enjoy a preferential EIT rate of 10% from January 1, 2024.

Subsidiaries of the Company, Zhejiang Saimo Technology Co., Ltd., Zhejiang Fly Here Technology Co., Ltd. and Beijing Saimo Automotive Testing Technology Co. Ltd., enjoy tax benefits for small and micro enterprises.

Saimo Technology (Hong Kong) Limited, the Company’s subsidiary in Hong Kong, enjoy tax benefits for the first HK\$2 million assessable profit.

**(c) Super deduction for research and development expenses**

According to Announcement No. 7 of 2023 by the Ministry of Finance and the State Administration of Taxation, since January 1, 2023, the pre-tax deduction rate for enterprise research and development expenses is 100%. The Group has made its best estimate for the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the years.

**(d) Global minimum top-up tax**

The Group has adopted International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 upon their release on May 23, 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure from December 31, 2023. The mandatory exception applies retrospectively and the retrospective application has no impact on the Group’s consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 13 EARNINGS PER SHARE

#### (a) Basic

	Year ended December 31,	
	2025	2024
Profit attributable to owners of the Company (RMB'000)	56,265	53,666
Weighted average number of ordinary shares (thousands)	129,930	98,450
Basic earnings per share (RMB)	0.43	0.55

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year. The shares granted to employees under an equity incentive plan are excluded from the calculation of the weighted average number of ordinary shares.

#### (b) Diluted

	Year ended December 31,	
	2025	2024
Profit attributable to owners of the Company (RMB'000)	56,265	53,666
Weighted average number of ordinary shares used in the basic earnings per share calculation (thousands)	129,930	98,450
Effect of dilution:		
– Restricted stock units (thousands)	1,346	1,367
Adjusted weighted average number of ordinary shares used in the diluted earnings per share calculation (thousands)	131,276	99,817
Diluted earnings per share (RMB)	0.43	0.54

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has restricted stock units outstanding which are potentially dilutive.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 14 LEASES

The Group leases certain of its premises, which are negotiated for terms ranging from 1 to 5 years.

#### (a) Amounts recognized in the consolidated balance sheet

The following amounts are recognized in the consolidated balance sheet:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
<b>Right-of-use assets</b>		
Buildings	4,323	6,328
Land	33,991	41,699
Vehicles	695	1,004
	<b>39,009</b>	49,031
<b>Lease liabilities</b>		
Current	17,275	31,686
Non-current	33,703	30,065
	<b>50,978</b>	61,751

(i) The movement in right-of-use assets in the consolidated balance sheet are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	49,031	26,346
Additions	6,581	1,531
Depreciation charge	(16,162)	(15,129)
Change due to the reassessment of the lease liabilities	(441)	36,283
At the end of the year	<b>39,009</b>	49,031

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 14 LEASES (Continued)

#### (b) Amounts recognized in the consolidated statements of comprehensive income

The consolidated statements of comprehensive income show the following amounts relating to leases:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Depreciation charge for right-of-use assets (Note 9)	16,162	15,129
Interest expense (Note 11)	1,772	1,180
Expenses relating to short-term leases and variable lease payments not included in lease liabilities	909	1,053
Intangible assets and contract fulfilment costs	78	66

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

The Group assesses whether a contract is or contains a lease at inception of a contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease, and payments for these leases are presented in the consolidated statements of cash flows from operating activities.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate specific to the country, term and currency of the contract. In addition, the Group considers its recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating the incremental borrowing rates.

Lease payments include fixed payments, less any lease incentives, variable lease payments that depend on an index or a rate known at the commencement date, and purchase options or extension option payments if the Group is reasonably certain to exercise these options. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and right-of-use asset and are recognized as an expense in the consolidated statements of comprehensive income in the period in which the event or condition that triggers those payments occurs.

A lease liability is remeasured upon a change in the lease term, changes in an index or rate used to determine the lease payments or reassessment of the exercise of a purchase option. The corresponding adjustment is made to the related right-of-use asset.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated starting at the commencement date over the shorter period of the useful life of the underlying asset and lease term.

The lease liability is presented in the 'Lease liabilities' line and the right-of-use assets are presented in the 'Right-of-use assets' line in the consolidated balance sheet. In addition, the principal portion of the lease payments and the interest component are presented within financing activities in the consolidated statements of cash flows.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15 EQUIPMENT

The detailed information of the Group's equipment is as below:

	<b>Electronics equipment</b> RMB'000	<b>Furniture and fixtures</b> RMB'000	<b>Motor vehicles</b> RMB'000	<b>Total</b> RMB'000
<b>Year ended December 31, 2024</b>				
Opening net book amount	57,631	4,662	28	62,321
Additions	5,926	65	–	5,991
Disposals	(42)	–	–	(42)
Depreciation charge	(28,660)	(1,686)	(23)	(30,369)
<b>Closing net book amount</b>	<b>34,855</b>	<b>3,041</b>	<b>5</b>	<b>37,901</b>
<b>At December 31, 2024</b>				
Cost	92,233	6,871	142	99,246
Accumulated depreciation	(57,378)	(3,830)	(137)	(61,345)
<b>Net book amount</b>	<b>34,855</b>	<b>3,041</b>	<b>5</b>	<b>37,901</b>
<b>Year ended December 31, 2025</b>				
Opening net book amount	<b>34,855</b>	<b>3,041</b>	<b>5</b>	<b>37,901</b>
Additions	<b>124,123</b>	–	–	<b>124,123</b>
Disposals	<b>(75)</b>	<b>(140)</b>	–	<b>(215)</b>
Depreciation charge	<b>(46,216)</b>	<b>(1,592)</b>	–	<b>(47,808)</b>
<b>Closing net book amount</b>	<b>112,687</b>	<b>1,309</b>	<b>5</b>	<b>114,001</b>
<b>At December 31, 2025</b>				
Cost	<b>209,887</b>	<b>6,442</b>	<b>142</b>	<b>216,471</b>
Accumulated depreciation	<b>(97,200)</b>	<b>(5,133)</b>	<b>(137)</b>	<b>(102,470)</b>
<b>Net book amount</b>	<b>112,687</b>	<b>1,309</b>	<b>5</b>	<b>114,001</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15 EQUIPMENT (Continued)

(a) Depreciation charges were recognized in the following categories:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Research and development expenses	45,546	23,657
General and administrative expenses	1,950	5,897
Selling and marketing expenses	151	169
Cost of sales	125	185
Expensed in the consolidated statements of comprehensive income	47,772	29,908
Capitalised in contract fulfilment costs	36	461
	47,808	30,369

#### (b) Accounting policies of equipment

Equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Electronic equipment 3–5 years
- Furniture and fixtures 3–5 years
- Motor vehicles 3–5 years

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other gains/(losses), net in the consolidated statements of comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 16 INTANGIBLE ASSETS

The detailed information of the Group's intangible assets is as below:

	Software and systems RMB'000	Internally generated intangible assets RMB'000	Internally generated intangible assets (not yet ready for use) RMB'000	Total RMB'000
<b>Year ended December 31, 2024</b>				
Opening net book amount	19,272	1,142	11,328	31,742
Additions	32,275	–	–	32,275
Transfers	–	11,328	(11,328)	–
Amortization charge	(9,154)	(2,584)	–	(11,738)
<b>Closing net book amount</b>	<b>42,393</b>	<b>9,886</b>	<b>–</b>	<b>52,279</b>
<b>At December 31, 2024</b>				
Cost	64,002	12,921	–	76,923
Accumulated amortization	(21,609)	(3,035)	–	(24,644)
<b>Net book amount</b>	<b>42,393</b>	<b>9,886</b>	<b>–</b>	<b>52,279</b>
<b>Year ended December 31, 2025</b>				
Opening net book amount	<b>42,393</b>	<b>9,886</b>	–	<b>52,279</b>
Additions	<b>9,591</b>	–	–	<b>9,591</b>
Amortization charge	<b>(17,746)</b>	<b>(2,584)</b>	–	<b>(20,330)</b>
<b>Closing net book amount</b>	<b>34,238</b>	<b>7,302</b>	<b>–</b>	<b>41,540</b>
<b>At December 31, 2025</b>				
Cost	<b>66,183</b>	<b>12,921</b>	–	<b>79,104</b>
Accumulated amortization	<b>(31,945)</b>	<b>(5,619)</b>	–	<b>(37,564)</b>
<b>Net book amount</b>	<b>34,238</b>	<b>7,302</b>	<b>–</b>	<b>41,540</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 16 INTANGIBLE ASSETS (Continued)

(a) Amortization charges were recognized in the following categories:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Research and development expenses	17,648	8,952
General and administrative expenses	70	169
Selling and marketing expenses	11	11
Cost of sales	2,597	2,603
Expensed in the consolidated statements of comprehensive income	20,326	11,735
Capitalised in contract fulfilment costs	4	3
	20,330	11,738

#### (b) Accounting policies of intangible assets

Intangible assets mainly include software and systems. They are initially recognized and measured at cost. The Group amortizes these intangible assets with a limited useful life using the straight-line method over 3–10 years.

When determining the length of useful lives of these intangible assets, management takes into account the (i) estimated period during which such assets can bring economic benefits to the Group; and (ii) the useful life estimated by comparable companies in the market.

#### Research and development costs

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

Expenditure incurred to develop new products is capitalised only when the Group can demonstrate the technical feasibility of completing intangible assets 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 assets will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred. Capitalised development costs are amortised from the point at which the new products are released.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 17 INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Investments in subsidiaries	108,882	10,800

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

Name of entity	Place and date of incorporation/ establishment and kind of legal entity	Registered capital	Percentage of ownership interest		Principal activities
			2025	2024	
Zhejiang Saimo Technology Co., Ltd. (浙江賽目科技有限公司)	The PRC/ April 17, 2019/ limited liability company	RMB10 million	100%	100%	ICV testing-related business
Beijing Saimo Automotive Testing Technology Co. Ltd. (北京賽目汽車測試技術有限公司)	The PRC/ March 16, 2022/ limited liability company	RMB1 million	80%	80%	ICV testing and related services
Zhejiang Fly Here Technology Co., Ltd. (浙江這裏飛科技有限公司)	The PRC/ August 13, 2021/ limited liability company	RMB13 million	51%	51%	Drone testing – related technology development, advisory and services.
Beijing Liyi Technology Co., Ltd. (北京勵翼科技有限公司)	The PRC/ December 30, 2024/ limited liability company	RMB2 million	60%	60%	Drone testing – related technology development, advisory and services.
Saimo Technology (Hong Kong) Limited (賽目科技(香港)有限公司)	Hong Kong/ March 13, 2025/ limited liability company	HK\$100 million	100%	N/A	ICV testing-related business and overseas investment holding

The English names of certain subsidiaries referred herein represent the directors' best effort at translating the Chinese names of these companies as no English names have been registered.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 17 INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE (Continued)

	2025 RMB'000	2024 RMB'000
<i>Investment in an associate accounted for using the equity method</i>		
<b>As at the beginning of the year</b>	<b>321</b>	879
Share of profit/(loss) of the investment	<b>2,464</b>	(558)
<b>As at the end of the year</b>	<b>2,785</b>	321

#### (a) Details of investment in the associate

As at 31 December 2025 and 2024, the Company owns a 49% equity interest in Beijing Dysprosium Data Technology Co., Ltd. ("Beijing Dysprosium"), which was established in the PRC as a limited liability company on April 12, 2021 with the registered capital of RMB 1 million. Beijing Dysprosium is primarily engaged in providing data platform related services in relation to vehicle integrated application service system. The Company paid its own portion of the registered capital of RMB 490,000 on April 20, 2022.

#### (b) Fair value

Beijing Dysprosium is a private company and there is no quoted market price available for its shares.

#### (c) Contingent liabilities

As at 31 December 2025 and 2024, there are no contingent liabilities relating to the Group's interest in its associate.

#### (d) Summarised financial information

The carrying amount of this associate during the year is as below:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Carrying amount of the profit/(loss) of the associate	<b>5,029</b>	(1,139)
Amounts of the Group's share of profit/(loss) from continuing operations	<b>2,464</b>	(558)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 18 FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31,	
	2025 RMB'000	2024 RMB'000
<b>Financial assets</b>		
Financial assets at fair value through profit or loss (Note 19):		
– Unlisted equity securities	29,912	28,731
– Wealth management products	50,076	7,029
– Listed equity securities	117,372	–
– Funds	87,801	–
Financial assets at amortized cost:		
– Trade and notes receivable (Note 21)	255,763	191,297
– Prepayments and other receivables (excluding prepayments to suppliers, deductible value-added input tax, prepayment of income tax and listing expenses to be capitalized)	3,381	2,644
– Term deposit (Note 23(c))	30,419	–
– Restricted cash (Note 23(b))	3,665	4,236
– Cash and cash equivalents (Note 23(a))	235,461	208,325
	<b>813,850</b>	442,262
<b>Financial liabilities</b>		
Financial liabilities at amortized cost:		
– Trade and notes payable (Note 27)	27,742	5,713
– Other payables and accruals (excluding payroll payables and taxes payables) (Note 28)	14,297	13,241
Lease liabilities (Note 14)	50,978	61,751
	<b>93,017</b>	80,705

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

#### (a) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>		
Long-term investments measured at fair value through profit or loss		
– Unlisted equity securities	29,912	28,731
– Listed equity securities (Note (i))	117,372	–
	147,284	28,731
<b>Current assets</b>		
Short-term investments measured at fair value through profit or loss		
– Wealth management products	50,076	7,029
– Funds (Note (ii))	87,801	–
	137,877	7,029

#### (b) Amounts recognized in profit or loss

During the year, the following gains were recognized in profit or loss:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Fair value gains of financial assets at fair value through profit or loss recognized in other gains (Note 8)		
– Unlisted equity securities	1,181	2,849
– Listed equity securities (Note (i))	27,173	–
– Wealth management products	976	–
– Funds (Note (ii))	1,392	–
	30,722	2,849

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### (b) Amounts recognized in profit or loss (Continued)

Note:

- (i) During the year, the Group purchased 4,160,000 and 6,760,000 shares of Ruifeng Power Group Company Limited (“Ruifeng Power”), a listed company on the Main Board of the Hong Kong Stock Exchange, at HK\$7.18 and HK\$10.30 per share on September 19, 2025 and October 16, 2025, respectively. As at December 31, 2025, the Company holds approximately 1.365% of the issued share capital of Ruifeng Power with trading market price of HK\$11.90 per share.
- (ii) During the year, the Company made investments in several fund products totaling approximately RMB162.0 million, which were denominated in US\$ and HK\$. The corresponding management fees were RMB2.1 million. The underlying portfolios of these funds comprised a variety of assets, including securities, bonds, and cash management products.

As at December 31, 2025, the Company partially redeemed fund investments amounting to RMB75.5 million, resulting in an outstanding balance of RMB90.0 million. Subsequently, all the remaining principal amount of RMB82.0 million was fully redeemed and received by the Company, along with an exchange loss of RMB1.9 million recorded as “Other losses, net”. The remaining investment income receivable of approximately RMB6.1 million is still outstanding as of the date of this report.

### 20 INVENTORY

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Hardware procurement	849	22,071
Contract fulfilment costs	2,106	1,874
	<b>2,955</b>	23,945

Contract fulfilment costs are the costs incurred to fulfil contracts of provision of products and services, which will be recognized to cost of sales when the Group’s related performance obligations are satisfied and hence the related revenue is recognized. Management considers that no provision for impairment of contract fulfilment costs is required to be recognized as of the balance sheet dates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 21 TRADE AND NOTES RECEIVABLE

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Trade receivables		
– Third parties	263,792	185,815
– Related parties	–	829
Less: loss allowance	(10,127)	(8,969)
	253,665	177,675
Notes receivable	2,100	13,795
Less: loss allowance	(2)	(173)
	2,098	13,622
	255,763	191,297

The carrying amounts of the Group's trade and notes receivable are denominated in RMB.

The Group generally allows a credit period within 90 to 180 days to its customers. Aging analysis of trade and notes receivable based on date of completion of contractual obligations is as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
<b>Trade and notes receivable</b>		
Up to 6 months	163,936	143,211
6 months to 1 year	45,528	24,125
1 to 2 years	29,439	19,230
Over 2 years	26,989	13,873
	265,892	200,439

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 21 TRADE AND NOTES RECEIVABLE (Continued)

Movement on the Group's loss allowance for trade and notes receivable are as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
<b>At the beginning of the year</b>	<b>(9,142)</b>	(8,818)
Credit loss allowance recognized, net	<b>(987)</b>	(324)
<b>At the end of the year</b>	<b>(10,129)</b>	(9,142)

The credit loss allowance of the Group's trade and notes receivable as at December 31, 2025 and 2024 were determined as follows:

	As at December 31, 2025		
	Gross carrying amount RMB'000	Expected credit loss rate	Credit loss allowance RMB'000
Credit loss allowance	265,892	-3.81%	<b>(10,129)</b>

  

	As at December 31, 2024		
	Gross carrying amount RMB'000	Expected credit loss rate	Credit loss allowance RMB'000
Credit loss allowance	200,439	-4.56%	(9,142)

### 22 PREPAYMENTS AND OTHER RECEIVABLES

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Prepayments to suppliers	<b>10,756</b>	5,341
Deductible value – added input tax	<b>4,904</b>	2,931
Rental, bidding and other deposits	<b>440</b>	2,103
Listing expenses capitalized (note (i))	–	48,839
Others	<b>2,941</b>	541
Less: loss allowance	<b>(73)</b>	(166)
	<b>18,968</b>	59,589

(i) Listing expenses were deducted from equity upon listing of the Company on January 15, 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 22 PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Movement on the Group's credit loss allowance for prepayments and other receivables are as follows:

	2025 RMB'000	2024 RMB'000
<b>At the beginning of the year</b>	<b>(166)</b>	(323)
Reversal of credit loss allowance	93	157
<b>At the end of the year</b>	<b>(73)</b>	(166)

### 23 CASH AND CASH EQUIVALENTS

#### (a) Cash and cash equivalents

Cash and cash equivalents mainly include deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less.

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Cash and cash equivalents	235,461	208,325

Cash and cash equivalents are denominated in the following currencies:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
RMB	111,135	208,325
US\$	51,748	–
HKD	72,578	–
	235,461	208,325

#### (b) Restricted cash

Restricted cash represents amounts held at banks as security deposits mainly for the issuance of letters of guarantee or bank acceptance bills.

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Restricted cash	3,665	4,236

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 23 CASH AND CASH EQUIVALENTS (Continued)

#### (c) Term deposit

Term deposit represents amounts held at banks with a maturity date on May 9, 2028, bearing the interest rate of 2.15%.

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Principal	30,000	–
Interest	419	–
	30,419	–

### 24 SHARE CAPITAL

	Number of shares Thousand	Nominal value of ordinary shares RMB'000
<b>Authorised and issued:</b>		
<i>Ordinary shares of RMB1 each</i>		
As at January 1, 2024 and December 31, 2024	100,000	100,000
As at January 1, 2025	100,000	100,000
Issuance of ordinary shares upon IPO (Note (a))	33,333	33,333
As at December 31, 2025	133,333	133,333

Notes:

- (a) On January 15, 2025, the Company listed on the Main Board of the Hong Kong Stock Exchange and made an offering of 33,333,400 ordinary shares at a price at HKD12.99 per share. The gross proceeds received by the Company were approximately HKD 433,001,000 (equivalent to approximately RMB 399,767,000). The respective share capital amount was approximately RMB33,333,400 and share premium arising from the issuance was approximately RMB295,476,000 as recognized in reserves (Note 25), net of the share issuance costs. The share issuance costs paid and payable mainly include share underwriting commissions, lawyers' fees, reporting accountant's fee and other related costs, which are incremental costs directly attributable to the issuance of the new shares. These share issuance costs amounting to RMB70,957,000 were treated as a deduction against the share premium arising from the issuance.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 25 SHARES HELD FOR EMPLOYEE INCENTIVE SCHEME AND RESERVES

	Shares held for employee incentive scheme RMB'000	Capital reserves RMB'000	Share premium RMB'000	Share-based payments expenses RMB'000	Currency translation differences RMB'000	Statutory reserves RMB'000	Total RMB'000
<b>Balance at January 1, 2024</b>	–	257,191	–	3,109	–	10,830	271,130
Share-based payments expenses	–	–	–	1,202	–	–	1,202
Transfer to PRC statutory reserves	–	–	–	–	–	5,222	5,222
<b>Balance at December 31, 2024</b>	–	257,191	–	4,311	–	16,052	277,554
<b>Balance at January 1, 2025</b>	–	257,191	–	4,311	–	16,052	277,554
Issuance of ordinary shares upon IPO	–	–	295,476	–	–	–	295,476
Share-based payments expenses	–	–	–	1,208	–	–	1,208
Transfer to PRC statutory reserves	–	–	–	–	–	4,241	4,241
Shares purchased and withheld for share scheme trust (note(a))	(38,859)	–	–	–	–	–	(38,859)
Currency translation differences	–	–	–	–	(1,176)	–	(1,176)
<b>Balance at December 31, 2025</b>	<b>(38,859)</b>	<b>257,191</b>	<b>295,476</b>	<b>5,519</b>	<b>(1,176)</b>	<b>20,293</b>	<b>538,444</b>

- (a) On October 20, 2025, the Company set up a share scheme trust (the “Trust”), which is administered by a third-party trustee. H shares of the Company will be purchased by the Trust from the open market from time to time to manage the satisfaction of the share awards. The consideration, including any directly attributable incremental cost, is presented as “Shares held for employee incentive scheme” and the amount is deducted from total equity. When the Trust transfers the Company’s shares to the awardees upon vesting, the related costs of the awarded shares vested are credited to “Shares held for employee incentive scheme”, with a corresponding adjustment made to “Reserve – Share-based payments expenses”. During the year, the trustee of the Trust purchased and withheld 3,226,200 ordinary shares of the Company (2024: nil) for an amount of approximately HK\$42,599,000 (equivalent to approximately RMB 38,859,000) (2024: nil), which had been deducted from equity.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 26 SHARE-BASED PAYMENTS

Share-based payments expenses for the years presented relate to the employee incentive scheme as detailed below.

On December 31, 2020, shareholders of the Company granted 27 employees (including three executive directors of the Company) restricted stock units for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. These eligible participants were granted a total of 1.933% of indirect equity interests of the Company at a consideration of RMB1 per person. These awards may be earned upon the completion of three-year performance periods after the successful listing of the shares of the Company.

Share-based payments expenses amounting to RMB1,208,000 and RMB1,202,000 were recognized for the years ended December 31, 2025 and 2024, respectively.

Movements in the number of restricted stock units granted to employees are set out as below:

	<b>Number of restricted stock units</b>
As at January 1, 2024 and December 31, 2024	28,165
<b>As at January 1, 2025 and December 31, 2025</b>	<b>28,165</b>

#### *Fair value of restricted stock units*

The Group has used the discounted cash flow method and the straight-line interpolation method to determine the underlying equity fair value of the Company and adopted the equity allocation model to determine the fair value of the underlying share capital. The fair value of each restricted stock unit was determined by reference to the fair value of the ordinary shares of the Company. Key assumptions as set out below are determined by the Group based on management's best estimates.

	As at December 31, 2020
Fair value per restricted stock (RMB)	228
Exercise price (RMB)	1
Weighted average cost of capital	16.2%
Dividend yield	0%
Expected volatility	44.1%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 26 SHARE-BASED PAYMENTS (Continued)

The Group's share-based compensation plans and how these are accounted for:

The Group operates a share incentive plan, under which it receives services from employees as consideration for equity instruments ("restricted stock units") of the Company. The fair value of the services received in exchange for the grant of the equity instruments is recognized as an expense on the consolidated statements of comprehensive income with a corresponding increase in equity.

In terms of restricted stock units awarded to employees, the total amount to be expensed is determined by reference to the fair value of the options granted:

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

Service and non-market performance vesting conditions are included in the calculation of the number of restricted stock units that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of restricted stock units that are expected to vest based on the service and non-marketing vesting performance conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated statements of comprehensive income, with a corresponding adjustment to equity.

When the restricted stock units are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in reserves will continue to be held in reserves.

### 27 TRADE AND NOTES PAYABLE

	<b>As at December 31,</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Trade payables	<b>27,742</b>	5,136
Notes payable	–	577
	<b>27,742</b>	5,713

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 27 TRADE AND NOTES PAYABLE (Continued)

The aging analysis based on date of receipt of goods and services are as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Up to 3 months	25,074	3,465
3 to 6 months	20	–
Over 6 months	2,648	2,248
	<b>27,742</b>	5,713

As at December 31, 2025 and 2024, the carrying amounts of trade and notes payable, which were primarily denominated in RMB, approximated their fair values.

### 28 OTHER PAYABLES AND ACCRUALS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Payroll payable	7,358	8,934
Payables to vendors	13,896	6,068
Listing expenses payable	–	5,818
VAT payable	1,078	1,262
Other tax payable	297	204
Others	401	1,355
	<b>23,030</b>	23,641

The carrying amounts of other payables approximated their fair values as at December 31, 2025 and 2024.

### 29 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when the taxes relate to the same tax authority and where offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately on the balance sheets.

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Deferred income tax assets	9,108	8,329
Deferred income tax liabilities	(6,719)	(7,483)
Deferred income tax assets, net	<b>2,389</b>	846

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 29 DEFERRED INCOME TAX (Continued)

#### (a) Deferred income tax assets

The movements in deferred income tax assets (prior to offsetting of balances within the same taxation jurisdiction) during the period are as follows:

	Lease liabilities RMB'000	Deferred income RMB'000	Tax losses RMB'000	Other deductible temporary differences RMB'000	Total RMB'000
<b>At 1 January, 2024</b>	2,955	2,359	39	1,221	6,574
(Charged)/credited to profit or loss	2,394	(705)	(39)	105	1,755
<b>At December 31, 2024</b>	5,349	1,654	–	1,326	8,329
Analysis:					
– to be recovered within 12 months	4,011	183	–	896	5,090
– to be recovered after more than 12 months	1,338	1,471	–	430	3,239
	5,349	1,654	–	1,326	8,329
<b>At 1 January, 2025</b>	<b>5,349</b>	<b>1,654</b>	–	<b>1,326</b>	<b>8,329</b>
(Charged)/credited to profit or loss	<b>(309)</b>	<b>474</b>	–	<b>614</b>	<b>779</b>
<b>At December 31, 2025</b>	<b>5,040</b>	<b>2,128</b>	–	<b>1,940</b>	<b>9,108</b>
Analysis:					
– to be recovered within 12 months	<b>1,702</b>	<b>50</b>	–	<b>1,103</b>	<b>2,855</b>
– to be recovered after more than 12 months	<b>3,338</b>	<b>2,078</b>	–	<b>837</b>	<b>6,253</b>
	<b>5,040</b>	<b>2,128</b>	–	<b>1,940</b>	<b>9,108</b>

Other deductible temporary differences are mainly arising from credit losses allowance and share-based payments expenses.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 29 DEFERRED INCOME TAX (Continued)

#### (b) *Deferred income tax liabilities*

The movements in deferred income tax liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the period are as follows:

	Financial assets at fair value through profit or loss RMB'000	Right-of-use assets RMB'000	Total RMB'000
<b>At January 1, 2024</b>	2,288	1,610	3,898
Charged to profit or loss	285	3,300	3,585
<b>At December 31, 2024</b>	2,573	4,910	7,483
Analysis:			
– to be recovered within 12 months	–	2,845	2,845
– to be recovered after more than 12 months	2,573	2,065	4,638
	2,573	4,910	7,483
<b>At January 1, 2025</b>	<b>2,573</b>	<b>4,910</b>	<b>7,483</b>
Charged/(credited) to profit or loss	<b>306</b>	<b>(1,070)</b>	<b>(764)</b>
<b>At December 31, 2025</b>	<b>2,879</b>	<b>3,840</b>	<b>6,719</b>
Analysis:			
– to be recovered within 12 months	<b>189</b>	<b>1,632</b>	<b>1,821</b>
– to be recovered after more than 12 months	<b>2,690</b>	<b>2,208</b>	<b>4,898</b>
	<b>2,879</b>	<b>3,840</b>	<b>6,719</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 29 DEFERRED INCOME TAX (Continued)

#### (c) *Deferred income tax assets not recognized*

	As at December 31,	
	2025 RMB'000	2024 RMB'000
<b><i>Deferred income tax assets not recognized</i></b>		
Tax losses and temporary differences	70,308	21,973
Deferred income tax assets not recognized	17,576	5,493

Deferred income tax assets are recognized for tax losses carried forward to the extent that realization of the related tax benefits through the future taxable profits are probable.

Tax losses without recognition of deferred income tax assets can be carried forward against future taxable income. As at 31 December 2025, these losses amounting to RMB 3.28 million, RMB 7.44 million, RMB8.11 million and RMB 51.47 million will expire in 2027, 2028, 2029 and 2030, respectively (As at 31 December 2024, these losses amounting to RMB6.38 million, RMB7.44 million and RMB8.15 million will expire in 2027, 2028 and 2029, respectively).

### 30 DEFERRED INCOME

	As at December 31,	
	2025 RMB'000	2024 RMB'000
<b>Government grants:</b>		
– Asset-related	24,094	14,710
– Income-related	1,684	1,830
	25,778	16,540

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 31 CONTINGENCIES AND COMMITMENTS

The Group did not have any material contingent liabilities as at December 31, 2025 (2024: Nil).

#### (a) Capital commitments

The Group's capital expenditure contracted for at the end of the dates but not yet incurred is as follows:

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Investment in subsidiaries	1,200	1,200

### 32 DIVIDENDS

No dividends have been paid or declared by the Group or the companies comprising the Group during the year ended December 31, 2025 (2024: Nil).

### 33 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

#### (a) Subsidiaries

Interests in subsidiaries are set out in note 17.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 33 RELATED PARTY TRANSACTIONS (Continued)

#### (b) Key management personnel compensation

Key management includes executive directors and other members of the Company's senior management team. The compensations payable to key management for employee services are shown below:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	8,059	2,601
Share-based compensation	1,086	975
Housing benefits and other social security costs	622	332
Contributions to pension plans	465	246
	10,232	4,154

#### (c) Names and relationships with related parties

The following companies are related parties of the Group that had significant transactions and/or balances with the Group during the year.

Names of the major related parties	Relationship
Hangzhou Yuhang Urban Development Investment Group Co., Ltd.	A shareholder of the subsidiary – Zhejiang Fly Here Technology Co., Ltd
Beijing Saidi Property Management Co., Ltd.	A company controlled by the shareholders of a significant shareholder – Saidi Testing and Certification Centre Co., Ltd.
Beijing Dysprosium Data Technology Co., Ltd.	A limited liability company owned as to 49% by Beijing Saimo Technology Co., Ltd. And was established as a joint venture of our Company and Beijing EIDC.
Hangzhou Yuhang Asset Management Co., Ltd.	A wholly-owned subsidiary of Hangzhou Yuhang Urban Development Investment Group Co., Ltd., which is a shareholder of the subsidiary – Zhejiang Fly Here Technology Co., Ltd.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 33 RELATED PARTY TRANSACTIONS (Continued)

#### (d) Significant transactions with related parties

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
<b>(i) Purchases of goods and services</b>		
Beijing Dysprosium Data Technology Co., Ltd.	3,419	–
Hangzhou Yuhang Asset Management Co., Ltd.	–	493
Beijing Saidi Property Management Co., Ltd.	28	28
	<b>3,447</b>	521
<b>(ii) Lease</b>		
(a) Addition of right-of-use assets		
Hangzhou Yuhang Asset Management Co., Ltd.	1,642	–
(b) Interest expenses accrued on lease liabilities		
Hangzhou Yuhang Asset Management Co., Ltd.	43	–

#### (e) Significant balance with related parties

	As at December 31,	
	2025 RMB'000	2024 RMB'000
<b>(i) Receivables from related parties</b>		
Hangzhou Yuhang Urban Development Investment Group Co., Ltd.	–	1,758
Hangzhou Yuhang Asset Management Co., Ltd.	209	–
	<b>209</b>	1,758
<b>(ii) Payables to related parties</b>		
Beijing Saidi Property Management Co., Ltd.	14	–
Beijing Dysprosium Data Technology Co., Ltd.	171	–
	<b>185</b>	–
<b>(iii) Prepayments to related parties</b>		
Beijing Dysprosium Data Technology Co., Ltd.	–	650

All the balances with related parties are trade in nature.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 34 CASH FLOW INFORMATION

#### (a) Cash generated from operations

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
<b>Profit before income tax</b>	<b>58,286</b>	56,968
Adjustments for:		
– Depreciation of equipment	<b>47,808</b>	30,369
– Depreciation of right-of-use assets	<b>16,162</b>	15,129
– Amortization of intangible assets	<b>20,330</b>	11,738
– Credit loss allowance recognized, net	<b>862</b>	242
– Share-based payment expenses	<b>1,208</b>	1,202
– Finance income, net	<b>(3,229)</b>	(4,824)
– Foreign exchange losses, net	<b>4,334</b>	–
– Interest income from wealth management products	<b>(930)</b>	(1,032)
– Losses on disposal of equipment	<b>219</b>	1
– Fair value changes on financial assets at fair value through profit or loss	<b>(30,666)</b>	(2,849)
– Share of (profit)/loss of the investment accounted for using the equity method	<b>(2,464)</b>	558
– Decrease in contract assets	<b>914</b>	4,583
– Decrease/(increase) in inventory	<b>20,990</b>	(22,203)
– Increase in trade and notes receivable	<b>(65,503)</b>	(25,926)
– Increase in prepayments and other receivables	<b>2,369</b>	(6,692)
– Decrease/(increase) in restricted cash	<b>571</b>	(567)
– Increase/(decrease) in trade and notes payable	<b>22,029</b>	(1,449)
– Decrease in other payables and accruals	<b>10,751</b>	(3,094)
– Decrease in contract liabilities	<b>(1,755)</b>	(4,515)
– Decrease in deferred income	<b>(21,756)</b>	(7,052)
<b>Cash generated from operations</b>	<b>80,530</b>	40,587

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 34 CASH FLOW INFORMATION (Continued)

#### (b) Reconciliation of liabilities from financing activities

This section sets out an analysis and the movements of liabilities from financing activities for the year.

	<b>Lease liabilities</b> (Note 14) RMB'000
<b>Liabilities from financing activities as at January 1, 2024</b>	40,520
Cash flows	(17,763)
Accrued interest expenses	1,180
Addition of new leases	1,346
Reassessment of the lease liabilities	36,468
<b>Liabilities from financing activities as at December 31, 2024</b>	61,751
<b>Liabilities from financing activities as at January 1, 2025</b>	<b>61,751</b>
Cash flows	<b>(18,856)</b>
Accrued interest expenses	<b>1,772</b>
Addition of new leases	<b>6,752</b>
Reassessment of the lease liabilities	<b>(441)</b>
<b>Liabilities from financing activities as at December 31, 2025</b>	<b>50,978</b>

#### (c) Major non-cash investing and financing activities

There were no material non-cash transactions during the year ended December 31, 2025 (2024: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 35 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

The remuneration of each director and supervisor of the Group for the year ended December 31, 2025 is set out as follows:

	Fees RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Contributions to pension plans RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Share-based payment expenses RMB'000	Total RMB'000
<b>Executive Directors</b>							
Mr. Hu Dalin	-	2,129	10	70	94	-	2,303
Mr. He Feng	-	1,596	10	70	94	828	2,598
Ms. Ma Lei	-	1,451	131	70	94	138	1,884
<b>Non-executive Directors</b>							
Dr. Kan Zhigang	-	-	-	-	-	-	-
Mr. Jia Qi	-	-	-	-	-	-	-
Dr. Yao Xiang	-	-	-	-	-	-	-
Ms. Gong Xiao	-	-	-	-	-	-	-
<b>Independent Non-executive Directors</b>							
Mr. Ma Wei Guo	-	42	-	-	-	-	42
Ms. Guo Lili	-	200	-	-	-	-	200
Mr. Huang Hua	-	-	-	-	-	-	-
Mr. Wong Ho Kwan	-	200	-	-	-	-	200
<b>Supervisors</b>							
Mr. Ni Jie	-	-	-	-	-	-	-
Dr. Cao Gang	-	-	-	-	-	-	-
Ms. Xue Na	-	234	10	42	57	18	361
	-	5,852	161	252	339	984	7,588

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 35 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

The remuneration of each director and supervisor of the Group for the year ended December 31, 2024 is set out as follows:

	Fees RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Contributions to pension plans RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Share-based payments expenses RMB'000	Total RMB'000
<b>Executive Directors</b>							
Mr. Hu Dalin	-	960	80	68	92	-	1,200
Mr. He Feng	-	600	50	68	92	821	1,631
Ms. Ma Lei	-	600	50	68	92	137	947
<b>Non-executive Directors</b>							
Dr. Kan Zhigang	-	-	-	-	-	-	-
Dr. Yao Xiang	-	-	-	-	-	-	-
Ms. Gong Xiao	-	-	-	-	-	-	-
<b>Independent Non-executive Directors</b>							
Ms. Guo Lili	-	-	-	-	-	-	-
Mr. Huang Hua	-	-	-	-	-	-	-
Mr. Wong Ho Kwan	-	-	-	-	-	-	-
<b>Supervisors</b>							
Mr. Ni Jie	-	-	-	-	-	-	-
Dr. Cao Gang	-	-	-	-	-	-	-
Ms. Xue Na	-	241	20	42	56	17	376
	-	2,401	200	246	332	975	4,154

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 35 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

#### *(a) Directors' and supervisors' retirement and termination benefits*

No retirement and termination benefits were paid or payable to the directors or supervisors during the year ended December 31, 2025 (2024: Nil).

#### *(b) Consideration provided to third parties for making available directors' and supervisors' services*

No consideration was provided to third parties for making available directors' or supervisors' services during the year ended December 31, 2025 (2024: Nil).

#### *(c) Information about loans, quasi – loans and other dealings in favour of directors and supervisors, controlled body corporates by and connected entities with such directors and supervisors*

No loans, quasi-loans and other dealings in favour of directors or supervisors, controlled body corporates by and connected entities with such directors or supervisors existed as at December 31, 2025 or at any time during the year (2024: Nil).

#### *(d) Directors' and supervisors' material interests in transactions, arrangements or contracts*

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director or supervisor of the Company had a material interest, whether directly or indirectly, existed as at December 31, 2025 or at any time during the year (2024: Nil).

### 36 SUBSEQUENT EVENTS

On January 6, 2026, the Company entered into an investment agreement with Shanghai Shuxin Juhui Enterprise Management Consulting Partnership ("Shuxin Juhui"), Shanghai Xinjuhui Technology Partnership ("Xinjuhui") and Jing Wei in respect of the shares of Zhejiang Saimo Technology Co., Ltd. (the "Target Company"), which is one of the Company's subsidiaries. Pursuant to the agreement, Shuxin Juhui, Xinjuhui and Jing Wei subscribed for the increased registered capital of RMB9.61 million of the Target Company in the form of intellectual property rights and monetary capital and will hold 49% of the equity interest in the Target Company upon completion of the capital increase. The Company will hold the remaining 51% of the equity interest in the Target Company then.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 37 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

#### (a) Balance sheet of the Company

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
<b>Assets</b>		
<b>Non-current assets</b>		
Right-of-use assets	37,756	48,856
Property, plant and equipment	113,177	37,027
Intangible assets	41,473	52,272
Financial assets at fair value through profit or loss	29,912	28,731
Investments in subsidiaries and associates	109,372	11,290
Term deposits	30,419	–
Contract assets	677	2,187
Deferred income tax assets	2,188	791
Other non-current assets	910	937
<b>Total non-current assets</b>	<b>365,884</b>	182,091
<b>Current assets</b>		
Contract fulfilment costs	2,628	23,444
Contract assets	1,825	1,288
Trade and notes receivable	214,875	188,905
Prepayments and other receivables	37,695	58,292
Financial assets at fair value through profit or loss	137,877	–
Restricted cash	3,660	4,236
Cash and cash equivalents	214,451	197,473
<b>Total current assets</b>	<b>613,011</b>	473,638
<b>Total assets</b>	<b>978,895</b>	655,729
<b>Equity</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	133,333	100,000
Shares held for employee incentive scheme	(38,859)	–
Reserves	578,479	277,554
Retained earnings	201,462	165,751
<b>Total equity</b>	<b>874,415</b>	543,305

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 37 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

#### (a) Balance sheet of the Company (Continued)

	As at December 31,	
	2025 RMB'000	2024 RMB'000
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liabilities	33,049	29,964
Deferred income	24,094	14,710
<b>Total non-current liabilities</b>	<b>57,143</b>	44,674
<b>Current liabilities</b>		
Trade and notes payable	6,536	4,767
Other payables and accruals	22,180	28,091
Contract liabilities	170	1,443
Lease liabilities	16,767	31,619
Deferred income	1,684	1,830
<b>Total current liabilities</b>	<b>47,337</b>	67,750
<b>Total liabilities</b>	<b>104,480</b>	112,424
<b>Total equity and liabilities</b>	<b>978,895</b>	655,729

The balance sheet of the Company was approved by the Board of Directors on March 30, 2026 and was signed on its behalf.

**Hu Dalin**  
Name of director

**He Feng**  
Name of director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 37 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

#### (b) Reserve movement of the Company

	Shares held for employee incentive scheme (Note 25) RMB'000	Capital reserves RMB'000	Share-based payments expenses (Note 26) RMB'000	Statutory reserves RMB'000	Total RMB'000
<b>Balance at January 1, 2024</b>	–	257,191	3,109	10,830	271,130
Share-based payments expenses	–	–	1,202	–	1,202
Transfer to PRC statutory reserves	–	–	–	5,222	5,222
<b>Balance at December 31, 2024</b>	–	257,191	4,311	16,052	277,554
<b>Balance at January 1, 2025</b>	–	<b>257,191</b>	<b>4,311</b>	<b>16,052</b>	<b>277,554</b>
Issuance of ordinary shares upon IPO	–	<b>295,476</b>	–	–	<b>295,476</b>
Share-based payments expenses	–	–	<b>1,208</b>	–	<b>1,208</b>
Shares purchased and withheld for share scheme trust	<b>(38,859)</b>	–	–	–	<b>(38,859)</b>
Transfer to PRC statutory reserves	–	–	–	<b>4,241</b>	<b>4,241</b>
<b>Balance at December 31, 2025</b>	<b>(38,859)</b>	<b>552,667</b>	<b>5,519</b>	<b>20,293</b>	<b>539,620</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

#### 38.1 Principles of consolidation and equity accounting

##### (a) Subsidiaries

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

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated balance sheet and consolidated statement of changes in equity.

##### (b) Associates

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

##### (c) Equity method

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 38.4.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(Continued)

#### 38.1 Principles of consolidation and equity accounting (Continued)

##### (d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

#### 38.2 Separate financial statements

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

Impairment testing of the investments in subsidiaries and an associate are required upon receiving a dividend from the investment if the dividend exceeds the total comprehensive income of the subsidiary and the associate in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial information of the investee's net assets including goodwill.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(Continued)

#### 38.3 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). As the major operations of the Group are within the PRC, the Group determined to present the Historical Financial Information in RMB, which is the Company's functional currency.

##### (b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of comprehensive income on a net basis within other gains/(losses), net.

#### 38.4 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill, mainly including equipment, intangible assets, right-of-use assets as well as equity-accounted investments, that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(Continued)

#### 38.5 Investments and other financial assets

##### (a) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

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

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

See Note 18 for details of each type of financial assets.

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

##### (b) Measurement

At initial recognition, the Group 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

##### Debt instruments

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

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(Continued)

#### 38.5 Investments and other financial assets (Continued)

##### (b) Measurement (Continued)

###### Debt instruments (Continued)

- Fair value through other comprehensive income (“FVOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses), net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), net and impairment expenses are presented as separate line item in the consolidated statements of comprehensive income.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the consolidated statements of comprehensive income within other gains/(losses), net in the period in which it arises.

###### Equity instruments

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

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the consolidated statements of comprehensive income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(Continued)

#### 38.5 Investments and other financial assets (Continued)

##### (c) Impairment

The Group assesses on a forward-looking basis for the expected credit losses on financial assets (including trade and notes receivable, other receivables, term deposits with initial term of over three months, restricted cash and cash and cash equivalents), which is subject to impairment under IFRS 9. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and notes receivable, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 3.1(b) for details.

For others, it is measured as either a 12-month expected credit loss or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as the lifetime expected credit losses.

##### (d) Derecognition

###### Financial assets

The Group derecognizes a financial asset, if the part being considered for derecognition meets one of the following conditions: (i) the contractual rights to receive the cash flows from the financial asset expire; or (ii) the contractual rights to receive the cash flows of the financial asset have been transferred, the Group transfers substantially all the risks and rewards of ownership of the financial asset; or (iii) the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to the eventual recipient in an agreement that meets all the conditions of de-recognition of transfer of cash flows ("pass through" requirements) and transfers substantially all the risks and rewards of ownership of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognized in profit or loss:

- the carrying amount of the financial asset transferred;
- the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized directly in equity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognize the asset to the extent of its continuing involvement and recognizes an associated liability.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(Continued)

#### 38.6 *Offsetting financial instruments*

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

#### 38.7 *Inventory*

Inventories are stated at the lower of cost and net realizable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### 38.8 *Contract fulfilment costs*

The Group recognizes the contract fulfilment costs from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- 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
- the costs are expected to be recovered.

The contract fulfilment costs recognized shall be amortized to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates.

The Group recognizes an impairment loss in profit or loss to the extent that the carrying amount of contract fulfilment cost recognized exceeds:

- the remaining amount of consideration that the entity expects to receive in exchange for the services to which the asset relates; less
- the costs that relate directly to providing those services and that have not been recognized as expenses.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(Continued)

#### **38.9 Trade and notes receivable and other receivables**

Trade and notes receivable are amounts due from customers for products sold or services performed in the ordinary course of business. Majority of other receivables are deposits. If the collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and notes receivable are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Notes 38.5(c) and 3.1(b) for a description of the Group's impairment policy for trade and other receivables.

#### **38.10 Cash and cash equivalents and restricted cash**

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

Cash that is restricted from withdrawal, from use or from being pledged as security is reported separately on the face of the consolidated balance sheet and is not included in the total cash and cash equivalents in the consolidated statements of cash flows.

#### **38.11 Share capital**

Ordinary shares from owners are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

#### **38.12 Trade and other payables**

Trade and notes payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Majority of other payables are payroll payables, listing expenses payables and other taxes payables. Trade and other payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(Continued)

#### 38.13 Employee benefits

##### (a) Pension obligations and other social welfare benefits

Full-time employees of the Group in the PRC are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurances, medical insurances, unemployment benefits and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labour regulations require that the Group make contributions to the government for these benefits based on a certain percentage of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the required contributions.

##### (b) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

##### (c) Bonus plans

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

##### (d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(Continued)

#### **38.14 Provisions**

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

#### **38.15 Dividend income**

Dividend income is recognized when the right to receive payment is established.

#### **38.16 Dividend distribution**

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

#### **38.17 Government grant**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated statements of comprehensive income over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the property and equipment and other non-current assets are included in liabilities and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

#### **38.18 Interest income**

Interest income of capital protected wealth management products is recognized as finance income. Interest income on financial assets at amortized cost and financial assets at FVOCI calculated using the effective interest method is recognized as other income. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(Continued)

#### **38.19 Earnings per share**

##### **(a) Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

##### **(b) Diluted earnings per share**

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

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