



MINIEYE TECHNOLOGY CO., LTD

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

Stock Code : 2431



2025
ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Dr. Liu Guoqing *(Chairman of the Board and General Manager)*

Mr. Yang Guang

Mr. Zhou Xiang

Mr. Wang Qicheng

Non-executive Directors

Mr. Bi Lei

Ms. Liu Yiran

Independent non-executive Directors

Dr. Xiang Yang

Mr. Tan Kaiguo

Dr. Tan Mingkui

AUDIT COMMITTEE

Dr. Xiang Yang

Mr. Tan Kaiguo *(Chairperson)*

Dr. Tan Mingkui

REMUNERATION AND APPRAISAL COMMITTEE

Dr. Xiang Yang

Mr. Tan Kaiguo

Dr. Tan Mingkui *(Chairperson)*

NOMINATION COMMITTEE

Ms. Liu Yiran ⁽²⁾

Dr. Xiang Yang *(Chairperson)*

Dr. Tan Mingkui

JOINT COMPANY SECRETARIES

Ms. Luo Xiwen ⁽¹⁾

Ms. Chan Yan Lam *(ACG, HKACG)* ⁽¹⁾

AUTHORIZED REPRESENTATIVES

Dr. Liu Guoqing

Ms. Chan Yan Lam ⁽¹⁾

AUDITOR ⁽³⁾

Rongcheng (Hong Kong) CPA Limited

Certified Public Accountants

Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

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Hong Kong

LEGAL ADVISER

As to Hong Kong law:

Linklaters

11th Floor, Alexandra House

18 Chater Road

Central, Hong Kong

COMPLIANCE ADVISER

SBI China Capital Hong Kong Securities Limited

4/F, Henley Building

No. 5 Queen's Road Central

Hong Kong

CORPORATE INFORMATION

REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

25th Floor, Tower A, Building 1
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Futian District, Shenzhen
Guangdong Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1918
19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

COMPANY WEBSITE

www.miniye.cc

STOCK CODE

2431

LISTING DATE

December 27, 2024

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKS

China Merchants Bank Co., Ltd.
Shenzhen Branch

China Construction Bank Corporation
Shenzhen Branch

Industrial and Commercial Bank of China Limited
Shenzhen Branch

Notes:

- (1) During the Reporting Period and up to the date of this annual report, (i) one of the Company's joint company secretaries was changed from Mr. Wen Qi to Ms. Luo Xiwen with effect from March 28, 2025; and (ii) one of the Company's joint company secretaries and authorized representatives was changed from Ms. Lam Wing Chi to Ms. Tam Hiu Kwan with effect from June 13, 2025, and from Ms. Tam Hiu Kwan to Ms. Chan Yan Lam with effect from February 20, 2026. For details, please refer to the announcements dated March 28, 2025, June 13, 2025 and February 26, 2026 in respect of such changes of joint company secretary, authorized representative and process agent.
- (2) With effect from September 19, 2025, Dr. Liu Guoqing ceased to serve as a member of the Nomination Committee and Ms. Liu Yiran has been appointed as a member of the Nomination Committee.
- (3) The term of office of the auditor of the Company, PricewaterhouseCoopers, has expired upon the conclusion of the Company's 2024 annual general meeting held on May 23, 2025. The appointment of Rongcheng (Hong Kong) CPA Limited was resolved by the Board on July 25, 2025 and approved by an ordinary resolution at the Company's 2025 second extraordinary general meeting held on August 13, 2025.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present our annual report for the year ended December 31, 2025 to our Shareholders.

The year 2025 marked a period of rapid development for Minieye, and more importantly, a pivotal year for strategic transformation. In the L2+ domain, we achieved the integration of end-to-end technology solutions into vehicles. Throughout this development process, the Company's system-level capabilities, including closed-loop and development toolchains, were significantly enhanced. Concurrently, leveraging our technological breakthroughs in the L2+ domain, we migrated mature technological achievements to the driverless vehicle R&D system. Through the unique pathway of technological homology and capability reuse, we strongly supported the R&D iteration and commercial implementation of L4 autonomous driving and forged a representative path of efficient transformation. Following a year of solid progress, we have formally established a strategic layout driven by both L2+ and L4, enabling us to become one of the very few autonomous driving companies capable of pioneering the commercial implementation of L2+ technology in the L4 domain.

Overall, the Company's business highlights over the past year are primarily reflected in the following aspects:

STEADY REVENUE GROWTH AND THE EMERGENCE OF DRIVERLESS VEHICLES AND OPERATIONAL SERVICES

- The Group achieved revenue of RMB759.0 million during the Reporting Period, representing a steady year-on-year increase of 16.0%. Notably, the driverless vehicles and operational services business was officially launched, generating revenue of approximately RMB65.0 million in its first year of commercial operation. This significant achievement in business expansion has laid a solid foundation for commercial deployment.
- Following business structure adjustments and the implementation of cost reduction and efficiency improvement measures, the Group's gross profit margin continued to improve, increasing by 2.6 percentage points from 16.0% in 2024 to 18.6% in 2025.

DUAL-PILLAR STRUCTURE OF L2+ AND L4 TOOK SHAPE, BUILDING DIFFERENTIATED CORE COMPETITIVE STRENGTHS

Following implementation and strategic execution in 2025, we have achieved the reuse and systematic migration of core capabilities from L2+ advanced driver-assistance systems to L4 autonomous driving. A new business landscape, driven by the dual pillars of mass production in L2+ OEM market and large-scale operation of L4 driverless vehicles, has been formally established. We are one of the few companies in the industry to have completed this strategic layout ahead of others, opening vast prospects for long-term and high-quality development.

CHAIRMAN'S STATEMENT

RAPID DEVELOPMENT OF DRIVERLESS VEHICLE BUSINESS, WITH OVER 6,000 DRIVERLESS LOGISTICS VEHICLES UNDER COOPERATION

- We achieved a breakthrough in the driverless vehicles and operational services in its first year of commercialization, with revenue increasing from zero to approximately RMB65.0 million.
- Autonomous minibus: We were awarded a contract worth tens of millions of RMB for the autonomous minibus project in Tongxiang city and became the official designated vehicle partner for the 2025 World Internet Conference. We secured the Hubei Ezhou Airport project, successfully entering the highly demanding airport scenario with stringent safety and reliability requirements. As of the date of this announcement, we secured over ten autonomous minibus projects cumulatively, with a total of over 40 vehicles.
- Driverless logistics: We officially launched the driverless logistics vehicle brand "Bamboo Robovan" in September 2025. Deployment has been achieved in 18 cities, including Shenzhen, Guangzhou, Changsha, Chongqing, Jiyuan, Dali, Nantong, Changshu, Wuxi, Dezhou, Linyi and Taiyuan, precisely addressing diverse scenario needs such as express delivery, cold chain, agricultural wholesale, auto parts, supermarkets and hotels. As of the date of this announcement, the number of driverless logistics vehicles under cooperation exceeded 6,000.

MID-TO-HIGH-LEVEL INTELLIGENT DRIVING PRODUCTS ACHIEVED MASS PRODUCTION AND DELIVERY, WITH THE BUSINESS ENTERING A FAST TRACK

- In 2025, we achieved mass production and delivery of our iPilot 4 series products, representing a year-on-year revenue increase of 39.0%.
- We continuously obtained design wins for projects from multiple OEMs, including a leading independent brand, a state-owned automaker, a top automotive industry player, a premium SUV new energy vehicle startup, and a hardcore off-road brand. Notably, we obtained three additional design wins for iPilot 4 series from a leading independent brand, made a breakthrough with platform-level design win for projects from a state-owned automaker, and obtained our first mid-to-high-level intelligent driving platform-level design win from a top automotive industry player, for which we will develop solutions for multiple vehicle models targeting both domestic and international markets. The total contract value for the entire project lifecycle is estimated to exceed RMB1.3 billion.

INTELLIGENT CABIN BUSINESS MAINTAINED STRONG GROWTH, AI CABIN SOLUTIONS CREATED NEW AVENUES FOR GROWTH

- In 2025, the intelligent cabin business maintained rapid growth, with revenue increasing by 80.2% year-on-year.
- We innovatively deployed AI agent characterized by "capable, warm and understanding", launched the large model cabin, AI assistant – BamBam, which upgraded the intelligent cabin from basic functions to advanced companionship.
- We expanded from domestic brands to joint venture and luxury brands. We obtained design wins for intelligent cabin projects worth approximately RMB320 million from a joint venture and a luxury brand under a globally renowned automaker in 2025.

CHAIRMAN'S STATEMENT

DEEPENED OVERSEAS BUSINESS LAYOUT

- In 2025, we obtained 12 design wins for overseas projects from OEMs and tier-one suppliers, covered regions such as the EU, Australia, Singapore, Malaysia, India, South Korea, Dubai, Turkey and Mexico.
- We continued to deepen the strategic cooperation with ZF, a global leader in automotive components, achieving comprehensive coverage in the fields of advanced driver-assistance systems and intelligent cabin. Relevant products have entered the mass production and delivery phase starting from 2025, addressing the mandatory demand expansion and supply chain acceleration in overseas markets like the EU, driven by regulatory requirements.
- We signed a memorandum of understanding with STERLING Group, India's leading component supplier to provide solutions such as advanced driver assistance systems (ADAS) and driver monitoring systems (DMS), for meeting new regulatory requirements in India for mandatory ADAS and DMS in new models.
- We facilitated the deployment of driverless logistics vehicles in Saudi Arabia, with a plan to complete the deployment of 1,000 vehicles by 2030, marking the first overseas expansion of our L4 autonomous driving business.

Looking ahead to 2026, it will be a pivotal year for L4 autonomous driving technology to move from validation to mass adoption, and also an important year for the Company to focus its strategy and strive with dedication. We will firmly grasp the core track of L4 driverless vehicles, which offers strong certainty and vast growth potential. Leveraging our technological leadership, cost advantages, and ecosystem synergy, we will advance all businesses with full dedication, steadily achieve our yearly targets to reward the trust and expectations of all Shareholders and partners with high-quality development.

Yours sincerely,

Minieye Technology Co., Ltd

Dr. Liu Guoqing

Chairman of the Board, Executive Director and General Manager

April 30, 2026

FINANCIAL SUMMARY

A summary of our results and assets and liabilities of our Group for the last five financial years as extracted from the audited financial statements of our Group is set out below:

	For the year ended December 31,				
	2021	2022	2023	2024	2025
Revenue	175,174	279,358	476,206	654,481	759,017
Cost of sales	(158,173)	(245,788)	(408,184)	(549,705)	(617,664)
Gross profit	17,001	33,570	68,022	104,776	141,353
Selling expenses	(51,717)	(63,374)	(72,735)	(71,096)	(90,368)
General and administrative expenses	(45,454)	(54,769)	(74,294)	(106,887)	(111,133)
Research and development expenses	(82,201)	(139,349)	(149,826)	(156,107)	(332,619)
Net impairment losses on financial assets	(2,196)	(7,517)	(6,116)	(22,648)	(29,732)
Other income	23,908	4,734	27,922	25,736	14,083
Other gains – net	2,016	6,334	1,338	3,726	(5,487)
Share of results of associates, net	–	–	–	–	(176)
Operating loss	(138,643)	(220,371)	(205,689)	(222,500)	(414,079)
Finance income	212	1,234	1,967	2,273	8,399
Finance costs	(916)	(1,521)	(3,373)	(7,494)	(10,432)
Finance costs – net	(704)	(287)	(1,406)	(5,221)	(2,033)
Loss before income tax	(139,347)	(220,658)	(207,095)	(227,721)	(416,112)
Income tax expense	(450)	(172)	(60)	(17)	(155)
Loss for the year	(139,797)	(220,830)	(207,155)	(227,738)	(416,267)
Loss for the year attributable to:					
Owners of the Company	(132,220)	(214,864)	(197,238)	(216,487)	(400,149)
Non-controlling interests	(7,577)	(5,966)	(9,917)	(11,251)	(16,118)
Other comprehensive loss:					
<i>Items that may be subsequently reclassified to profit or loss</i>					
Exchange differences arising on translation of foreign currency	–	–	–	–	(272)
Total comprehensive loss for the year	(139,797)	(220,830)	(207,155)	(227,738)	(416,539)
Total comprehensive loss for the year attributable to:					
Owners of the Company	(132,220)	(214,864)	(197,238)	(216,487)	(400,401)
Non-controlling interests	(7,577)	(5,966)	(9,917)	(11,251)	(16,138)

FINANCIAL SUMMARY

	As of December 31,				
	2021	2022	2023	2024	2025
Non-current assets	40,539	58,085	95,701	139,193	265,129
Current assets	705,146	758,922	992,107	1,539,097	1,745,731
Total assets	745,685	817,007	1,087,808	1,678,290	2,010,860
Non-current liabilities	10,457	21,013	50,780	45,359	164,327
Current liabilities	318,168	251,921	283,954	489,806	723,705
Total liabilities	328,625	272,934	334,734	535,165	888,032
Total equity and liabilities	745,685	817,007	1,087,808	1,678,290	2,010,860

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In 2025, the country continued to deepen its strategic planning for artificial intelligence and intelligent connected vehicle industry chains. The industry's top-level design and standard system accelerated their refinement, ushering in a critical period of standardization and large-scale development in areas such as intelligent driving, intelligent cabin and driverless logistics vehicle. This has created a favourable policy environment for the sustained and high-quality development of the core businesses of the Company.

At the industry level, OEMs comprehensively deepened their strategies to democratise intelligent driving across all vehicle market segments, driving a continuous and rapid release of demand for mid-to-high-level driver assistance systems. Regarding the policy framework for mid-to-high-level driver assistance systems, on September 17, 2025, the Ministry of Industry and Information Technology (MIIT) solicited public comments regarding the mandatory national standard of the Safety Requirements for Combined Driver Assistance Systems of Intelligent Connected Vehicles (《智能網聯汽車組合駕駛輔助系統安全要求》), which comprehensively regulates the safety baselines, human-machine interaction and data recording requirements for core functions like single/multi-lane/navigate on autopilot. Concurrently, a consultation draft of the Safety Requirements for Automated Driving Systems of Intelligent Connected Vehicles was issued in February 2026, outlining the unified safety baselines for L3 conditionally and L4 highly automated driving for the first time, linking with the L3 automated driving access pilot policy and providing a clear compliance pathway for the mass production of mid-to-high-level intelligent driving. In terms of building safety baselines for driver assistance, mandatory configuration policies now cover both commercial and passenger vehicles. In April 2025, the Ministry of Transport issued amendments to five industry standards, including the Safety Technical Conditions for Commercial Trucks Part 1: Trucks (《營運貨車安全技術條件第1部分：載貨汽車》), mandating the installation of active safety functions such as automatic emergency braking systems (AEBS) in commercial trucks and commercial passenger vehicles, and will be implemented from 2026 onwards. In December 2025, the Technical Requirements and Test Methods for AEBS in Light Vehicles (《輕型汽車自動緊急制動系統技術要求及試驗方法》) was officially released by MIIT and will be implemented from 2028 onwards. This covers all passenger vehicles and light trucks and facilitates the AEBS transitioning from an "optional feature" to a "standard feature", significantly increases the foundational penetration rate of intelligent driving.

In the intelligent cabin business, there are policies accelerating the adoption of driver monitoring systems (DMS). The aforementioned mandatory standards for combined driving assistance and AEBS have explicitly required vehicles to be equipped with DMS to achieve real-time monitoring and warning of driver status, linking it with intelligent driving functions to become a key in-cabin configuration for enhancing driving safety.

MANAGEMENT DISCUSSION AND ANALYSIS

In the driverless logistics vehicle sector, 2025 marked a critical year for the industry's transition from demonstrative testing to large-scale commercial application. At the national level, seven departments including the Ministry of Transport issued the Implementation Opinions on "Artificial Intelligence + Transportation" (《“人工智能+交通運輸”實施意見》), explicitly encouraging the large-scale application of smart logistics and unmanned delivery devices. Departments such as the General Office of the State Council, the State Post Bureau and the Ministry of Commerce had successively introduced policies to support the large-scale advancement of autonomous transportation and unmanned delivery in integrated warehousing, distribution and transportation scenarios, and improve the institutional support for unmanned operations. At the local level, cities such as Beijing, Shenzhen, Shanghai and Guangzhou introduced specialized management rules, public road access rights, established licensing and operational supervision mechanisms, and promoted the scaled deployment of driverless logistics vehicles in urban delivery, postal and express scenarios. These have opened up vast potential for the business expansion of our driverless vehicles and operational services.

BUSINESS REVIEW

We are a leading technology company specializing in intelligent driving, intelligent cabins and driverless vehicles in China. With the mission of "improving road safety, optimizing driving and riding experiences, enhancing transportation efficiency and revolutionizing the industrial ecosystem," we provide safe, efficient and accessible solutions to global customers. Our focus is on two core business segments: "intelligent components and solutions" and "driverless vehicles and operational services", leveraging intelligent technologies to empower diverse portfolio, including passenger and cargo applications. With over a decade of in-depth cultivation, we have established core competitive advantages in full-stack in-house technology, large-scale production capabilities, scenario expansion, ecosystem synergy and global regulatory compliance.

I. Intelligent components and solutions

We focus on the intelligent vehicle sector, integrating our intelligent driving and intelligent cabin businesses into the core business segment of "intelligent components and solutions". This initiative deeply aligns with the industry's future development trend of cabin-driving integration and has built a comprehensive solution system covering all scenarios of automotive intelligence, which empowers intelligent vehicles in all aspects and strives to become a key force in driving intelligent transformation of the industry.

This business provides products and services to OEMs, covering the two core areas of intelligent driving and intelligent cabins. Relying on the full-stack proprietary platform technology, integrated hardware-software R&D capabilities and advanced mass-production delivery capabilities, it continues to iterate and upgrade. Of which, the intelligent driving solutions cover L0 to L2+. Leveraging the core advantage of full-stack in-house R&D, it provides driver assistance products suitable for the needs under different scenarios. The intelligent cabin solutions include driver monitoring systems (DMS), occupant monitoring systems (OMS) and multimodal interaction solutions, balancing safety and experience to meet users' diversified intelligent cabin needs. This forms a business structure of synergistic and deeply integrated development between "intelligent driving and intelligent cabin".

MANAGEMENT DISCUSSION AND ANALYSIS

As of the end of the Reporting Period, the Company achieved mass production for over 40 automotive original equipment manufacturers (OEMs) and obtained 43 new design wins for projects from OEMs and tier-one suppliers during the Reporting Period, covering mainstream domestic brands, as well as some joint ventures and foreign brands.

During the Reporting Period, the Group's revenue from intelligent components and solutions segment was RMB648.9 million, accounting for approximately 85.5% of the Group's total revenue in the Reporting Period.

1. iSafety Driver Assistance Solutions

Our iSafety series comprises intelligent driving solutions covering L0 to L2, with a core focus on vehicle driving safety. It enables core safety-assist driving functions such as adaptive cruise control (ACC) and autonomous emergency braking (AEB). This series of products is highly adaptable to mainstream system-on-chips (SoCs) and is able to realize intelligent driving functions based on electronic control units (ECUs) with low computing power consumption. Leveraging our advantage of full-stack in-house R&D, we can flexibly adapt to different chip platforms for solution development. Solutions based on new chip platforms are currently under development and will provide OEMs with more cost-effective options.

In terms of customer layout, in the commercial vehicle sector, we obtained design wins for AEBS project from several mainstream domestic commercial vehicle OEMs. With the mandatory installation of AEBS on commercial vehicles (including commercial trucks and passenger vehicles, etc.) taking effect in 2026, the mass production scale of our design wins for AEBS project is expected to increase continuously. In the passenger vehicle sector, we continued to deepen the cooperation with domestic own brands and obtained design wins for multiple projects. We further strengthened the cooperation with joint venture brands, and successfully obtained design wins from a joint venture brand under a globally renowned automaker, thus continuously optimizing our customer structure. Concurrently, the official release of the Technical Requirements and Test Methods for AEBS in Light Vehicles (《輕型汽車自動緊急制動系統技術要求及試驗方法》) in 2025 marks the transition of AEBS from an optional item to a standard feature in passenger vehicles, which will significantly increase the penetration rate of intelligent driving in passenger vehicles. Industry data shows that the penetration rate of L2 and above intelligent driving in China's passenger vehicles reached approximately 64.9% in 2025. This implies that nearly 35.1% of passenger vehicles have yet to be equipped with L2 and above intelligent driving systems, and there is still substantial market growth potential for the iSafety series products in the future.

During the Reporting Period, the Group's revenue from iSafety driver assistance solutions was RMB341.0 million, accounting for approximately 44.9% of the Group's total revenue in the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

2. iPilot Mid- to High-Level Driver Assistance Solutions

Our iPilot series features mid- to high-level driver assistance functions, with a focus on L2+ functions, and can deliver advanced intelligent driving functions spanning various scenarios including driving on urban routes and highways, as well as parking. These include navigate on autopilot (NOA), home-zone parking assist (HPA) and automatic parking assist (APA). The Company possesses deep algorithm development capabilities, enabling independent algorithm development on SoCs, with full-stack development and adaptation capabilities from end-to-end algorithm models to domain controller hardware. We can provide one-stop solutions based on chips or collaborate with other suppliers by splitting the solution, to meet the diverse needs of different vehicle models. In 2025, leveraging this core technological strength, we continuously iterated intelligent driving solutions and improved product matrix. We successively launched two intelligent driving solutions, the iPilot 4 Plus and iPilot 4 Max, which further enhanced full-scenario adaptation and scenario response efficiency.

Throughout the year of 2025, the iPilot series maintained a steady growth momentum. On the basis of deepening cooperation with existing customers, we successfully expanded to new clients and secured partnerships with several new OEMs, including a state-owned automaker, a leading automotive industry player, a high-end SUV new energy vehicle startup and a hardcore off-road brand. This has further optimized our customer structure. By the end of 2025, we achieved mass production and delivery of the iPilot 4 series products, marking the official entry of the Company's mid-to-high level intelligent driving business into a phase of scaled volume growth, laying a solid foundation for subsequent business growth.

During the Reporting Period, the Group's revenue from iPilot mid- to high-level driver assistance solutions was approximately RMB120.2 million, accounting for approximately 15.8% of the Group's total revenue in the Reporting Period.

3. Intelligent Cabin Solutions

Our intelligent cabin solutions are centered around sensing and interaction, and are designed to enhance the in-cabin experience for both drivers and passengers, primarily comprising driver monitoring system (DMS), occupant monitoring system (OMS) and multimodal interaction solutions. The Company possesses profound in-house developed algorithm capabilities, enabling deep integration of multimodal sensing technology to achieve proactive interaction for voice, gesture, facial expression and biometric information. Leveraging high stability and accuracy, providing solid technical support for cabin safety and basic cabin services, this core capability also lays the foundation for us to incubate high-level intelligent interaction products. In 2025, we launched a cabin large model solution, the AI agent BamBam. Leveraging algorithmic accumulation, integrating large model understanding and generalization capabilities, and utilizing generative AI, it provides users with personalized services, and establishes three major application scenarios: travel companion, life assistance and emotional companion. These cover core in-cabin functions such as vehicle control, navigation, vehicle manual, schedule assistant and emotional dialogue, which are also accelerating the integration of intelligent driving functionalities and deepening the synergy between cabin and driving domains.

MANAGEMENT DISCUSSION AND ANALYSIS

The continuous improvement of DMS-related policies both domestically and abroad serves as a core driver for business growth. In the overseas markets, the EU's GSR regulations have explicitly mandated the installation of driver monitoring functions, with further upgrades scheduled for 2026. In the domestic market, a consultation draft of the mandatory regulation for DMS was introduced in 2025 and is expected to be implemented in 2027. From the perspective of domestic development progress, DMS is still in its early stages. Industry data shows that the installation rate of DMS in China in 2025 was only 24.6%, indicating significant room for growth. The Company has proactively laid out next-generation regulatory technology, taking the lead in completing the development and implementation of DMS/OMS functions under the new regulations like ENCAP2026, CNCAP2026 and CDA-L2. These cover important functions such as advanced telephone functions by drivers, new detection for driver and front-passenger seat belts, poor posture detection and child safety seat detection. Concurrently, the Company has initiated the development and layout of DMS functions in preparation for the L3 regulations expected to take effect in 2026, maintaining an industry-leading position in regulatory compliance and technological upgrades. The new regulations also strengthen the requirements for coordination between intelligent driving and cabin functions, placing higher demands on suppliers' cross-domain integration capabilities. Leveraging its dual business layout in intelligent driving and intelligent cabins, the Company can achieve efficient synergy between DMS and driving assistance system, reinforcing safety redundancy for human-machine co-driving. Currently, several mass-production vehicle models are equipped with both the Company's combined driving assistance and DMS functions, truly realizing the "driving & cabin in sync, all-domain protection" concept. Additionally, the Company's DMS driver monitoring project successfully passed the Automotive SPICE (ASPICE) V4.0 CL3 international assessment, the first domestic project to pass the ML-SPICE assessment for on-vehicle machine learning models, highlighting our core technological strength.

In terms of customer expansion and business globalization, the intelligent cabin business of the Company steadily expanded from domestic OEMs to joint ventures and luxury brands in 2025. It also deepened the cooperation with international Tier-1 suppliers and advanced overseas localization expansion, making it a mainstay of the Company's global business.

During the Reporting Period, the Group's revenue from intelligent cabin solutions was approximately RMB187.8 million, accounting for approximately 24.7% of the Group's total revenue in the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

II. Driverless Vehicles and Operational Services

Our driverless vehicles and operational services segment focuses on full autonomous driving solutions for open-road scenarios. It currently comprises two core product lines: autonomous minibus and driverless logistics. Leveraging cutting-edge technologies like multi-sensor fusion, urban NOA algorithms and end-to-end large models, we continuously advance product development and scenario expansion, facilitating the implementation of smart mobility and smart logistics scenarios.

As a rare player active in both the L2+ and L4 segments, the Company can achieve technology migration from L2+ to L4. This is our prominent core advantage compared to other competitors, providing solid technical support for the rapid development of driverless vehicles and operational services, and propelling the business gradually into a phase of large-scale development.

In the autonomous minibus sector, we achieved a key commercial breakthrough in 2025, with projects launched for operational use in multiple regions across the country, including Shanghai, Suzhou, Hangzhou and Heilongjiang, covering diverse scenarios such as industrial parks, commuter routes and airports. Notably, the Company was successfully awarded the bid for the driverless shuttle bus project of Ezhou Huahu International Airport, marking a key breakthrough in the airport scenario, further broadening the application boundaries of driverless shuttles, and demonstrating the safety, reliability and scenario adaptability of its products.

In the driverless logistics sector, we focused on urban last-mile transportation and short-haul warehouse distribution scenarios. Leveraging full-stack in-house R&D technology, it helps customers achieve safe, efficient and reliable upgrades of intelligent transportation. In 2025, driven by multiple factors including policy support, technological breakthroughs and market demand, the driverless logistics vehicles entered a phase of large-scale deployment, with market size showing rapid growth. We accurately seized this market opportunity, officially launching the driverless logistics brand “Bamboo Robovan (小竹無人車)” in September 2025, including the T5 and T8 models. Following its launch, Bamboo Robovan progressed rapidly, and is currently deployed in 18 cities including Guangzhou, Changsha, Chongqing, Jiyuan, Dali, Nantong, Changshu, Wuxi, Dezhou, Linyi and Taiyuan, and precisely addressed diverse scenario needs such as express delivery, cold chain, agricultural wholesale, auto parts, supermarkets and hotels. Concurrently, the Company secured several significant partnerships: cooperation with Zhixin Yuntu (智芯雲途), a wholly-owned subsidiary of Hunan Xiangjiang Intelligent (湖南湘江智能), to deliver 100 driverless logistics vehicles and supporting software systems by the end of 2026; confirmation of an order for 500 Bamboo T5 driverless logistics vehicles with Shanghai Master (上海瑪斯特), jointly building operational teams and service closed loops covering Jiangsu, Anhui and other regions; a strategic cooperation agreement for 800 vehicles with Newgonow (新吉奧) and Biying Huodi (必應貨滴), achieving full-chain synergy in R&D, manufacturing and operation; and a cooperation agreement for 3,000 automotive-grade driverless logistics vehicles with Ground Iron (地上鐵) and Gecko Vehicle (壁虎汽車), integrating resources in autonomous driving technology, chassis R&D and logistics operations from the three parties to jointly advance product implementation.

MANAGEMENT DISCUSSION AND ANALYSIS

We will continue to deepen technology transfer and product iteration. The first-generation driverless logistics vehicles were primarily developed based on the transformation of the autonomous driving system from autonomous minibus. With the accumulation and breakthroughs in our OEM intelligent driving technology, it provides technical support for the application of map-free versions of L4 driverless logistics vehicles. Currently, the Company's second-generation driverless logistics vehicles are under development, which will significantly reuse the sensor configuration, algorithmic technology, data resources and mass-production capabilities from OEM intelligent driving to achieve upgrades of map-free versions. The map-free technology can effectively improve the deployment efficiency of vehicles on open roads, lower later-stage maintenance costs and enhance the ability to handle complex scenarios, creating favourable conditions for the subsequent operational business of the Company.

Furthermore, we actively participated in industry rule-making, contributed to the "2025-2026 Blue Book on Technology Application and Trend Insights for Autonomous Delivery Vehicles" and the group standard of "Safety Specifications for Remote Driving of Low-Speed Autonomous Driving Equipment". This further enhances the Company's industry influence in the L4 autonomous driving open-road applications segment and lays a solid foundation for the long-term development of driverless vehicles and operational services.

During the Reporting Period, the Group's revenue from driverless vehicles and operational services was approximately RMB65.0 million, accounting for approximately 8.6% of the Group's total revenue in the Reporting Period.

OUR TECHNOLOGIES

L2+ and L4 Dual-Pillar Intelligent Driving Technology Foundation. Leveraging the technical assets and mass-production experience accumulated from its L2+ OEM business, we achieve efficient capability reuse for L4 autonomous driving scenarios, forming differentiated technical barriers.

- At the algorithm level, we reuse our end-to-end algorithm architecture and accumulated expertise in urban NOA and OEM active safety technology, integrate simulation world models, and significantly reduce R&D costs for L4 scenarios, providing driverless logistics vehicles with highly robust perception and decision-making capabilities.
- At the data level, by relying on tens of millions of kilometers of real driving data, hundreds of millions of kilometers of simulated data, and a vast library of corner case scenarios, we have built a full-process, data closed-loop R&D system covering data collection, annotation, training and OTA. By utilizing highly overlapping scenarios like urban route planning, pedestrian/non-motor vehicle avoidance and intersection navigation, it enables the use of L2+ data for L4 model training, accelerating technological iteration.
- At the engineering level, we have served over 40 OEMs and accumulated OEM experience for multiple vehicle models. The sophisticated systems such as functional safety development processes, automotive-grade hardware production and cost control, and multi-sensor integration and calibration can all be reused for the L4 business.

MANAGEMENT DISCUSSION AND ANALYSIS

- At the application level, we have also developed supporting capabilities for unmanned operations and intelligent dispatch systems to address the specific needs of urban distribution logistics, along with dedicated scenario solutions adapted for freight station docking/loading/unloading and internal road navigation in parks/warehouses. This forms an efficient value closed-loop of “technology R&D – product innovation – scenario implementation”.

Full Scenario Coverage of Driving, Parking and in-Cabin. We have achieved full scenario business coverage in driving, parking and intelligent cabins. We actively explore the deep integration of intelligent driving and intelligent cabin technologies. By analyzing road conditions and driver attention, we optimize the human-machine co-driving experience to ensure dual protection for driving safety. In this process, we have built a solid foundation of deep learning technology, using homogeneous underlying technologies to solve technical challenges in driving, parking and in-cabin solutions, which allows us to achieve high coordination and sharing in algorithmic development and computing resources. Concurrently, facing the strengthened requirements for coordination of cabin and driving functions in the latest domestic and international regulations, we leverage the first-mover advantage of our dual business layout of “intelligent driving + intelligent cabin”, and take the lead in completing the deep linkage development of functions like DMS/OMS with L2 intelligent driving, precisely meeting the requirements of new regulations like ENCAP2026, CNCAP2026 and CDA-L2, maintaining industry leadership in regulatory compliance and technological upgrades. The long-accumulated technological and mass-production experience in driving, parking and in-cabin lays a solid foundation for us to seize opportunities in the wave of cabin and driving integration and provide core support for technology transfer and scenario adaptation in L4 driverless vehicle scenarios.

Full-Stack Layout of Algorithms, Software and Hardware. Our core technological strengths derive from full-stack in-house R&D capabilities, spanning across key areas such as core algorithms, hardware design and validation, middleware and comprehensive toolchains, which laid a solid foundation for continuous technological iteration and business extension. Our full-stack in-house R&D not only strengthens the autonomy and flexibility of solutions but also supports the efficient reuse of matured technical capabilities across multiple business lines. In the field of intelligent components and solutions, relying on in-house algorithms and engineering systems, we continuously provide high-stability intelligent driving and cabin products to OEMs. In the field of driverless vehicles and operational services, we transfer and reuse the core algorithms, hardware design and toolchain capabilities accumulated from the OEM business, accelerating the technological iteration and commercialization of driverless logistics vehicles. This model of full-stack in-house R&D and cross-scenario capability reuse enables us to respond rapidly to market changes and efficiently deliver customized solutions, further consolidating our industry’s competitive advantage and enhancing brand influence, the core key to our standing out in the industry.

R&D team. We have six R&D centers, with our Shenzhen headquarters as the core to coordinate the efforts of the R&D centers in Beijing, Shanghai, Wuhan, Nanjing and Suzhou. We have a diverse R&D team of professionals and as of the end of the Reporting Period, our R&D team comprised 545 employees, representing approximately 67.0% of our total employees, including professionals graduating from top-tier domestic and overseas universities, specializing in various disciplines. We have instituted a thorough internal talent development mechanism, including regular training and an R&D knowledge-sharing mechanism for employees at all levels.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OUTLOOK

I. Empowering the leapfrog development of L4 autonomous driving technology through L2+ accumulation

We will fully leverage the massive multi-modal perception data, prior knowledge of driving behavior, extreme scenario library, and environmental interaction experience accumulated over time by our L2+ intelligent driving systems across full-domain roads, diverse traffic flows, and complex operating conditions, so as to provide the core technological momentum for L4 driverless logistics vehicles to evolve from reliance on high-definition maps to vehicle-end autonomous cognition through massive training data provided by data closed-loop and our map-free end-to-end deep learning model, powerfully enabling the capability leap of map-free autonomous driving systems. With online real-time mapping, dynamic topological positioning, environment self-supervised learning, and end-to-end autonomous decision-making as the core architecture, and leveraging the strongly generalized perception foundation and robust decision-making priors formed by L2+ data, the Company aims to achieve autonomous environment understanding, real-time path deduction, and adaptive safe navigation for its driverless logistics vehicles without predefined high-definition maps, without constraints from external road networks, and without continuous positioning enhancement.

The intensive reuse of L2+ data assets will not only significantly reduce the rigid dependence of L4 map-free systems on map collection, updates, and maintenance, but also, through continuous online learning and scenario generalization iteration, substantially enhance the all-weather operational capability, full-operating-condition reliability, and large-scale deployment efficiency of driverless logistics vehicles in complex dynamic scenarios such as industrial parks, urban areas, and last-mile delivery, hence ultimately achieving a leapfrog upgrade of autonomous driving technology from auxiliary empowerment to autonomous intelligence, and from adaptation to limited scenarios to generalization and implementation across all domains.

II. Comprehensive upgrade of next-generation driverless logistics vehicles to explore new operational paradigms

Supported by the L2+ and L4 dual-pillar technology foundation, we will comprehensively upgrade our next-generation driverless logistics vehicles. Through a one-stage, end-to-end technology deployment, we will develop safer, more efficient and easier-to-deploy intelligent driving solutions to achieve systematic improvements and enhance vehicles' operational efficiency, safety, and flexibility in last-mile delivery scenarios such as industrial parks, communities, and urban areas. In addition, driven by technological breakthroughs and product upgrades, we will further extend our business value chain, actively explore and implement commercial operation models, and expand towards the integration of "intelligent equipment + technical solutions + scenario operation" to build a sustainable commercial ecosystem for autonomous driving, propelling the driverless logistics business from single-route, single-project operations towards dispatchable, large-scale operations, hence offering more efficient, more reliable, and more cost-effective systematic solutions for areas such as smart logistics and urban last-mile delivery.

MANAGEMENT DISCUSSION AND ANALYSIS

III. Tackling urban NOA technology and breaking price barriers for high-level intelligent driving with robust technology

We will continue to iterate on our intelligent driving technology, focusing on the research and development and mass production of urban navigate on autopilot (NOA) as our core goal. We are tackling complex urban road scenarios to enable seamless extension of the intelligent driving experience across all scenarios. Adhering to a path of extreme cost-effectiveness and widespread adoption for mainstream vehicle models, we employ a one-stage, end-to-end algorithm to make high-end intelligent driving truly accessible to a broad user base. Currently, our intelligent driving products have achieved mass production of features such as highway NOA and memory driving. Building upon mid-range computing platforms, we aim to develop a fully functional, highly reliable urban NOA solution, continuously enhancing adaptability for complex urban scenarios such as intricate intersections, congested traffic and mixed pedestrian-vehicle environments. Leveraging the advantages of our full-stack in-house algorithms and deep hardware-software integration, we will steadily improve product maturity and reliability. Without compromising the intelligent driving experience, we aim to achieve optimal system costs, thereby accelerating the penetration of high-level urban NOA into the mainstream price range and a wide array of vehicle models. This will allow more consumers to benefit from the convenience and safety of all-scenario intelligent driving, further expand the coverage of our intelligent driving products and continuously increase the Company's market share in the intelligent driving business.

IV. Deepening cabin-driving integration synergy to create cost-effective integrated products

We will continue to deepen our strategic layout for cabin-driving integration. Leveraging our core advantages of parallelly operating both the intelligent driving and intelligent cabin businesses at the current stage, we will promote deep synergy and integrated development between the two business units. This strategy precisely meets the core requirements of industry regulations for cabin-driving interaction, focuses on innovation in integrated cabin-driving products, aims to launch more cost-effective, high-performance integrated solutions, hence solidifies the Company's core business barriers. Currently, we have achieved a comprehensive layout in both the intelligent driving and intelligent cabin businesses. By leveraging our cross-domain integration capabilities, we have enabled data interoperability and command synergy between the two systems, which not only reinforces safety redundancy in human-machine co-driving scenarios but also creates a seamless smart mobility experience for users. It precisely aligns with the development trend of domestic new regulations in relation to intelligent driving and cabin interaction, forming a unique competitive advantage that distinguishes it from peers. Moving forward, we will deeply integrate our intelligent driving algorithms, cabin interaction technologies, and full-stack in-house R&D advantages. Based on optimizing the existing collaborative experience, we will focus on enhancing product cost-effectiveness and performance, developing cabin-driving integrated products that better meet market demands. This will transform technological advantages into product competitiveness, further expand market coverage and help the Company continuously seize market opportunities amidst the ongoing transformation of automotive intelligence.

MANAGEMENT DISCUSSION AND ANALYSIS

V. Actively promote overseas expansion strategy and explore new horizons for global business expansion

Currently, as the growth pace of the domestic automotive market slows down, overseas markets have become a core strategic pillar for automobile manufacturers in China to pursue growth. Leveraging economies of scale and technological accumulation, Chinese automotive brands continue to enhance their international competitiveness and market influence. According to data from the China Association of Automobile Manufacturers (CAAM), China's new vehicle exports reached 7.098 million in 2025, representing a year-on-year increase of 21.1%, ranking first place globally for three consecutive years, which created vast opportunities for companies upstream and downstream in the automotive industry chain to expand overseas. In future, we will actively align with the industry trend of global expansion to support domestic OEMs to expand overseas as a core focus to comprehensively advance the implementation of our globalization strategy. On one hand, we will concentrate on addressing policy differences in overseas regions by conducting localized policy research and forward-looking planning, aiming to precisely adapt to regulatory requirements and industry standards in different markets, provide compliant and efficient technical support for domestic OEMs' overseas expansion and help clients overcome barriers in overseas markets. On the other hand, the Company will proactively promote localized business collaborations in overseas market, deepen coordination with international partners, learn from advanced models for overseas expansion in the industry, and explore diversified cooperation scenarios. By constantly broadening its business horizons, the Company aims to unlock vast opportunities for global development and drive synergistic growth both domestically and globally.

Since December 31, 2025 and up to the date of this annual report, there was no material adverse change in our financial or trading position or prospects and there was no event that would materially affect the information set out in our Group's consolidated financial statements in this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

We generated revenue primarily from intelligent components and solutions, driverless vehicles and operational services and other businesses (including vehicle infrastructure cooperative systems and other businesses). The following table sets forth a breakdown of our revenue by business line for the years indicated:

	Year ended December 31,			
	2025		2024	
	Amount	%	Amount	%
	(RMB in thousands, except for percentages)			
Intelligent components and solutions	648,937	85.5	587,729	89.8
<i>iSafety solutions</i>	340,972	44.9	397,082	60.7
<i>iPilot solutions</i>	120,215	15.8	86,470	13.2
<i>Intelligent cabin solutions</i>	187,750	24.7	104,177	15.9
Driverless vehicles and operational services	64,996	8.6	–	0.0
Others	45,084	5.9	66,752	10.2
Total	759,017	100.0	654,481	100.0

Our revenue from intelligent components and solutions increased by 10.4% from RMB587.7 million in 2024 to RMB648.9 million in 2025. The increases were primarily due to the continued growth in shipment of mid-to-high-level intelligent driving and intelligent cabin.

Our driverless vehicles and operational services did not generate revenue in 2024. Primarily due to the commercialization of our driverless vehicles and operational services commenced in 2025, we recorded revenue of RMB65.0 million from driverless vehicles and operational services in the first year of official operation.

Our other businesses primarily included vehicle infrastructure cooperative systems business and sales of spare parts business. Revenue from other businesses decreased by 32.5% from RMB66.8 million in 2024 to RMB45.1 million in 2025, primarily due to decrease in vehicle infrastructure cooperative systems business, which was in line with the slowdown in market demand for vehicle infrastructure cooperative systems.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

Our cost of sales increased by 12% from RMB549.7 million in 2024 to RMB617.7 million in 2025, primarily due to corresponding increase in cost of sales resulting from revenue growth.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 35% from RMB104.8 million in 2024 to RMB141.4 million in 2025.

Our gross profit margin increased from 16.0% in 2024 to 18.6% in 2025, primarily due to (i) our business scale continuously expanded, leading to better economies of scale; (ii) supported by full-stack R&D capabilities, product specifications and performance have been enhanced, which has improved our gross profit margin; and (iii) we adjusted our product mix, which led to an increase in the proportion of products with higher gross profit margin.

Selling Expenses

Our selling expenses increased by 27% from RMB71.1 million in 2024 to RMB90.4 million in 2025, primarily due to increase in share-based payment expenses, personnel costs, and advertising and promotional expenses.

General and Administrative Expenses

Our general and administrative expenses increased by 4% from RMB106.9 million in 2024 to RMB111.1 million in 2025, primarily due to increase in personnel costs, strategic promotion expenses and office expenses being offset by decrease in listing expenses.

Research and Development Expenses

Our research and development expenses increased by 113% from RMB156.1 million in 2024 to RMB332.6 million in 2025, primarily due to the significant increase in R&D personnel costs and technical service fees. Influenced by the expansion of business scenarios, the proliferation of technology application scenarios and heightened customer delivery requirements, we had to invest more R&D resources in development to meet market and customer demands.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased by 31% from RMB22.6 million in 2024 to RMB29.7 million in 2025, primarily due to increase in provisions for our trade receivables and notes receivable, which was generally in line with the expansion of our business scale.

Other Income

Our other income decreased by 45% from RMB25.7 million in 2024 to RMB14.1 million in 2025, primarily due to decrease in one-off government grants received and decrease in tax refunds.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs – Net

Our net finance costs decreased by 61% from RMB5.2 million in 2024 to RMB2.0 million in 2025, primarily due to increase in interest income from cash and cash equivalents, which was consistent with increase in the average daily balance of our bank deposits. This was partially offset by increase in interest expenses on borrowings, primarily due to increase in bank borrowings during the period.

Total Comprehensive Loss for the Year

As a result of the foregoing, our loss and total comprehensive loss for the year increased by 83% from RMB227.7 million in 2024 to RMB416.5 million in 2025.

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) and adjusted net loss margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe these non-IFRS measures, when shown in conjunction with the corresponding IFRS measures, facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of items.

The following table reconciles our adjusted net loss (non-IFRS measure) for the year indicated with our loss and total comprehensive loss for the year presented in accordance with IFRS:

	Year ended December 31,	
	2025	2024
	(RMB in thousands)	
Loss for the year	(416,267)	(227,738)
<i>Add:</i>		
Share-based payment ⁽¹⁾	39,599	28,711
Listing expenses	-	32,336
Adjusted net loss (non-IFRS measure)	(376,668)	(166,691)
Adjusted net loss margin (non-IFRS measure)⁽²⁾	(49.6%)	(25.5%)

Notes:

- (1) Share-based payment is a non-cash expense arising from granting share-based awards to selected employees. It mainly represents the arrangement that we receive services from employees as consideration for our equity instruments. Share-based payment is not expected to result in future cash payments. Share based payment is recorded under our selling expenses, general and administrative expenses and research and development expenses; and share-based payment in the above table represents the sum of that recorded under each type of such expenses.
- (2) Adjusted net loss margin (non-IFRS measure) equals adjusted net loss (non-IFRS measure) for the year/period divided by revenue for the year/period and multiplied by 100%.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Capital Resources

We monitor and maintain a level of liquidity deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As of December 31, 2025, we had RMB690.7 million in cash and cash equivalents, restricted cash and time deposits, as compared to RMB798.8 million as of December 31, 2024. Our cash and cash equivalents primarily consist of cash at banks denominated in RMB, USD and HKD, with a small portion in Euro and Singapore dollars.

Our net operating cash outflow in 2025 was RMB424.5 million, representing an increase from net operating cash outflow of RMB215.8 million in 2024. Our net cash used in operating activities in 2025 is mainly calculated by operating loss before changes in working capital of RMB285.7 million and decrease in working capital of RMB147.1 million.

Indebtedness

Borrowings

As of December 31, 2025, we had total borrowings of RMB372.5 million, as compared to that of RMB191.5 million as of December 31, 2024. The increases in the balance of our borrowings were primarily due to the growing cash requirements in line with our business expansion and our continued efforts to optimize our debt structure by making better utilization of our debt financing resources and raising funds with lower costs. We borrow primarily from well-established commercial banks in China.

Lease Liabilities

Our lease liabilities are in relation to properties that we lease primarily for our offices and factories. As of December 31, 2024 and 2025, we recognized total lease liabilities of RMB21.0 million and RMB28.0 million, respectively. The fluctuation in our lease liabilities was primarily due to the changes in leases for offices and factories.

Key Financial Ratios

Our current ratio (calculated as current assets divided by current liabilities as of the same date) decreased to 2.41x as of December 31, 2025 from 3.14x as of December 31, 2024, mainly because of (i) increase in operating liabilities; (ii) increase in interest-bearing bank borrowings; and (iii) decrease in cash and cash equivalents.

Our asset-liability ratio (calculated as total assets divided by total liabilities as of the same date) decreased to 2.26x as of December 31, 2025 from 3.14x as of December 31, 2024, mainly because of the increase in our trade payables and borrowings, which led to increase in our total liabilities, while the high-intensity development activities resulted in decrease in our cash reserves, which led to an overall decrease in the asset-liability ratio.

In 2025 and 2024, our gearing ratio (calculated as total interest-bearing borrowings and lease liabilities divided by total equity) was approximately 35.67% and 18.78%, respectively.

Charge on Assets

As of December 31, 2025, we secured a loan of RMB30.0 million with certain non-core patents as the collateral (FY2024: RMB20.0 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditures and Capital Commitments

Our capital expenditures were primarily used for acquisition of land use rights for our production bases, construction of our manufacturing facilities, as well as purchases of R&D and office equipment, our capital expenditures increased to RMB148.5 million in 2025 from RMB71.0 million in 2024.

Our capital commitments were primarily related to property, plant and equipment and intangible assets. As of December 31, 2024 and 2025, we had capital commitments of RMB3.5 million and RMB114.9 million, respectively. The increases were primarily due to an increase in expenditure on construction of plants.

As disclosed in the Prospectus, the Company intends to use 18% of the net proceeds from the Global Offering for improving our R&D infrastructure, equipment and tools and expanding our R&D team to strengthen the scalability as well as efficiency and effectiveness of our R&D process, and approximately 30% of the net proceeds for increasing our production efficiency and solution competitiveness. See “Future Plans and Use of Proceeds” in the Prospectus for further details. Save as disclosed above, the Company had no other material capital expenditure or investment plan as of the date of this annual report.

Contingent Liabilities

As of December 31, 2025, our Company did not have any material contingent liabilities (FY2024: nil).

Financial Risk Management

Our activities expose us to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. Our risk management is predominantly controlled by the treasury department under policies approved by the Board. Our treasury department identifies, evaluates and hedges financial risks in close cooperation with our operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

No Material Adverse Change

Since December 31, 2025 and up to the date of this annual report, there was no material adverse change in our financial or trading position or prospects and there was no event that would materially affect the information set out in our Group’s consolidated financial statements in this report.

PRINCIPAL RISKS AND UNCERTAINTIES

Our business faces risks including those set out in the section headed “Risk Factors” in the Prospectus. The following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond our control:

- The industry in which we operate is highly competitive. If we fail to compete successfully with our existing or potential competitors, our business, results of operations and financial condition may be materially and adversely affected;

MANAGEMENT DISCUSSION AND ANALYSIS

- If we are unable to develop and introduce new solutions that adapt to changing market demand and customer needs in a timely manner, our future business, results of operations, financial condition and competitive position would be materially and adversely affected;
- We have been and intend to continue investing significantly in R&D, which may not generate the results we expect and therefore may adversely affect our short-term cash flow, liquidity and profitability;
- We recorded net losses and had net operating cash outflows during the Reporting Period;
- There can be no assurance that our efforts in seeking design wins for our solutions will succeed; and
- Changes in China's or global economic, political or social conditions or government policies, including, without limitation, geopolitical tensions, imposition of or increase in any industry-specific or product-specific tariffs, outbound investment restrictions on Chinese companies engaged in certain activities involving specified sensitive technologies, or export control measures, may have a material and adverse impact on our business operation, financial performance or position, or prospects.

Generally, we have developed and implemented comprehensive risk management and internal control policies that encompass various aspects of our business operations to supervise and address a spectrum of operational, financial, legal and market risks that may be or have been identified. These extensive risk management and internal control measures are supported by our specific monitoring and reporting procedures and systems as delineated in the relevant policies. Our Board assumes the responsibility for overseeing our overall risk management, ensuring that our risk management policies are not only implemented but also regularly reviewed and upgraded to reflect the evolving business landscape.

In particular, a series of internal procedures have been put in place to manage business operational risks including risks related to incomplete or problematic internal processes, personnel mistakes, IT system failures and external events. We take a comprehensive approach to operational risk management and implement a decentralized mechanism with detailed responsibilities, clear rewards and penalty systems. Our business operations, finance, IT and human resources departments are collectively responsible for ensuring that our business operations comply and conform with internal procedures. On the occurrence of a major adverse event, the matter will be escalated to our senior management and the Board may take appropriate measures. Through effective business operational risk management, we believe that we have the ability to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

SIGNIFICANT INVESTMENT AND MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Our Company had no significant investment and/or material acquisition or disposal of subsidiaries, associates and joint ventures during the year ended December 31, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN RESOURCES

As of December 31, 2025, we had 813 full-time employees, all of whom were based in the PRC. We recruit employees primarily through employment websites, on-campus recruitment and internal referrals. We enter into standard labor contracts with our employees and confidentiality and non-compete agreements with key management and professionals. In addition to salary and allowances, we offer competitive remuneration packages to our employees including performance-based bonuses, long-term incentive programs (such as our Employee Incentive Schemes for selected managers, high-potential talent and key technical professionals) and employee benefit plans. We have established periodical review system to assess the performance of employees, which forms the basis of our decisions with respect to salary increases and promotions.

We emphasize the importance of training and development for our employees to enhance their technical skills and overall performance, and provide induction training to new joiners on our culture, business and industry to help them to fit in as well as tailored, continuing training sessions to improve their skill sets constantly. We are committed to the education, recruitment, development and advancement of diverse team members nationwide, and are recognized for our commitment to those efforts.

EVENTS AFTER THE REPORTING PERIOD

As disclosed in the announcements made by the Company on February 4, 2026 and February 6, 2026, the Company has received a filing notice dated January 26, 2026 issued by the China Securities Regulatory Commission in respect of the implementation of the H Share full circulation for an aggregate of 89,576,892 Unlisted Shares (the “**H Share Full Circulation**”) and received the approval granted by the Stock Exchange on February 6, 2026 for the listing of and permission to deal in 89,576,892 H Shares upon completion of the H Share Full Circulation. See circular dated February 19, 2025 and announcements dated July 24, 2025, February 4, 2026 and February 6, 2026 for further details of the H Share Full Circulation.

Save as disclosed above and in note 46 to the consolidated financial information set forth in this annual report, we are not aware of any material subsequent events since the end of the Reporting Period to the date of this annual report.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Dr. Liu Guoqing (劉國清), aged 39, is our co-founder, chairman of the Board, executive Director, and general manager of our Company. He was appointed as a Director on December 10, 2014, and was redesignated as an executive Director on May 13, 2024. He is primarily responsible for overseeing the overall operation plan and objectives, strategy development and technical research direction, and product development, production and layout of our Group.

Dr. Liu has approximately 14 years of experience in management, technology and industry of solutions for automotive intelligence. Since starting his career in 2012, Dr. Liu has consistently worked in the field of automation. He has been holding directorship and management role in several subsidiaries of our Group, including serving as the executive director of Hubei Youjia Technology Co., Ltd. (湖北佑駕科技有限公司) since December 2017, the executive director of Nanjing Youjia Technology Co., Ltd. (南京佑駕科技有限公司) since February 2018, the executive director and general manager of Chongqing Youjia Innovation Technology Co., Ltd. (重慶佑駕創新科技有限責任公司) since March 2019, the executive director and general manager of Hangzhou Ruijian Zhixing Technology Co., Ltd. (杭州銳見智行科技有限公司) since November 2022, and the executive director and general manager of Guangzhou Youjia Innovation Technology Co., Ltd. (廣州佑駕創新科技有限公司) since May 2023. During his tenure in his current position as the general manager of our Company, he has led the research and development of several major projects for our Company. Dr. Liu has systematically mastered fundamental theoretical knowledge and specialized technical knowledge in the field of automotive intelligence solutions, possesses the ability to stay at the forefront of technological advancements, and is proficient in applying industry standards and procedures. He has achieved important outcomes in his area of expertise. Dr. Liu also has a certain level of technical research ability, capable of writing research findings or technical reports aimed at solving complex technical problems. Prior to founding our Group, Dr. Liu was a project officer at the School of Computer Engineering of the Nanyang Technological University in Singapore from July 2012 to July 2014, and served as general manager and chief engineer at Nanjing Cherui Information Technology Co., Ltd. (南京車銳信息科技有限公司) (“Nanjing Cherui”) from July 2013 to November 2014. Nanjing Cherui was a start-up enterprise principally engaged in research and development, and had no substantive business operations at that time.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Dr. Liu obtained his bachelor's degree in mathematics from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2008, his bachelor's degree in management from Wuhan University (武漢大學) in the PRC in June 2008, and his doctorate degree in computer science from Nanyang Technological University in Singapore in May 2013. Dr. Liu was recognized as 30X30 Entrepreneur Leader (30X30 創業領袖) by the Hurun Research Institute in September 2017, in the 30 Under 30 Asia List by Forbes in 2017, as Nanjing Leading Technological Talent (南京市高層次創業人才) by the Nanjing Talent Working Group (南京市人才工作領導小組) in December 2019, and as Shenzhen High-level Talent (深圳市高層次人才) by the Shenzhen Municipal Human Resources and Social Security Bureau (深圳市人力資源和社會保障局) in September 2020. In October 2016, he was awarded the China Artificial Intelligence Technology Innovation Leader Award (中國人工智能科技創新領導者獎) from the China Center for Information Industry Development (中國電子信息產業發展研究院) under the MIIT.

Dr. Liu has been deeply involved in the research and development of automotive intelligence solutions. Dr. Liu is the leader of several Shenzhen municipal projects, including but not limited to the Shenzhen Peacock Project (深圳市孔雀項目) and the technological projects of the Shenzhen Science and Technology Innovation Commission (深圳市科技創新委員會). Dr. Liu has published several papers in the journals including AAAI Conference on Artificial Intelligence, Conference on Neural Information Processing Systems (神經信息處理系統大會) (NeurIPS). Dr. Liu is one of the primary drafters of the national standard for integrated circuit – test method for CMOS image sensors (集成電路 CMOS 圖像感測器測試方法) (GB/T43063-2023), which was promulgated by the SAMR and the National Standardization Administration (國家標準化管理委員會) and came into effect in January 2024.

Mr. Yang Guang (楊廣), aged 37, is our co-founder, executive Director, and deputy general manager of our Company. He was appointed as a Director on April 11, 2016, and was redesignated as an executive Director on May 13, 2024. He is primarily responsible for overseeing the intelligent driving solutions business, production, manufacturing, quality control and compliance affairs of our Group.

Mr. Yang has approximately 16 years of experience in management and technology. He has been holding directorship and management role in our subsidiaries, including serving as a director of Jiangsu Yuanshi Technology Co., Ltd. (江蘇源駛科技有限公司) since June 2022, and the director and general manager of Wuhan Youjia Innovation Technology Co., Ltd. (武漢佑駕創新科技有限公司) since August 2022 where he contributed to the establishment of our Company's software, hardware and algorithm teams. He led the teams to develop software algorithms for automotive intelligence solutions, achieving hardware integration and mass production delivery. Mr. Yang demonstrated the technical and managerial ability to drive products from concept to mass production and to scale algorithms from prototypes to large-scale production products. He played a crucial role in building the research and development team and leading technical development. He has an in-depth understanding of the hardware manufacturing and quality systems for automotive intelligence solutions. He established the relevant manufacturing and quality capabilities for our Company, earning recognition from numerous automotive OEM customers. Prior to founding our Group, Mr. Yang served as a deputy general manager and engineer at Nanjing Cherui from July 2013 to November 2014 and worked in Tencent Holdings Limited (a company listed on the Hong Kong Stock Exchange (stock code: 700)) from July 2010 to June 2013. He has systematically mastered the foundational theories and specialized technical knowledge required for developing complex software systems and possesses the capability to develop cutting-edge software systems. Since August 2021, Mr. Yang has served as a director of the Guangdong Automotive Big Data Engineering Technology Research Center (廣東省自動駕駛大數據工程技術研究中心) of which one of the supporting units is our Company.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Yang obtained his bachelor's degree in electrical engineering and automation from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2010.

Mr. Yang was recognized as Shenzhen Leading Talent (深圳市領軍人才) by Shenzhen Municipal Human Resources and Social Security Bureau (深圳市人力資源和社會保障局) in November 2021 and has served as a director of Guangdong Engineering Center (廣東省工程研究中心) at Department of Science and Technology of Guangdong Province (廣東省科學技術廳) since 2021.

Mr. Zhou Xiang (周翔), aged 39, is our co-founder, executive Director, and deputy general manager of our Company. He was appointed as a Director of our Company on April 11, 2016, and was redesignated as an executive Director on May 13, 2024. He is primarily responsible for overseeing the vehicle infrastructure cooperative system business and the operations and management of subsidiaries of our Group.

Mr. Zhou has approximately 13 years of experience in management and technology. He has been holding directorship and management role in several subsidiaries of our Group, including serving as the chairman of the board of directors and general manager of Jiangsu Yuanshi Technology Co., Ltd. (江蘇源駛科技有限公同) since June 2022. His expertise in computer science and engineering has provided him with a solid technical foundation. As our Company has grown and developed, Mr. Zhou has continually gained experience in vehicle infrastructure cooperative system research, allowing him to gain a deep understanding of industry development trends and technological frontiers. During the daily management, Mr. Zhou has shown excellent management and innovation awareness. As the primary responsible person of our Company's vehicle infrastructure cooperative system business, he has successfully led several important research and development projects, bringing significant economic benefits to our Company. Prior to founding our group, Mr. Zhou served as a software engineer at R&D center of Trend Micro Technology (China) Co., Ltd. Nanjing Branch (趨勢科技(中國)有限公司南京分公司) from July 2011 and May 2013, and as a deputy general manager and engineer at Nanjing Cherui from July 2013 to November 2014. Since October 2024, Mr. Zhou has served as the deputy secretary-general of the automotive working committee of the China Highway & Transportation Society (中國公路協會自動駕駛工作委員會). Mr. Zhou participated in the drafting of the group standard, namely the Framework for the Construction of Smart Highways in Ordinary Countries and Provinces (普通國省幹線智慧公路建設框架), which was issued by the China ITS Industry Alliance (中國智能交通產業聯盟) and took effect in March 2022.

Mr. Zhou obtained his master's degree in computer software and theory from the Southeast University (東南大學) in the PRC in March 2011.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Wang Qicheng (王啟程), aged 42, is our co-founder, executive Director, and deputy general manager of our Company. He was appointed as a Director on January 8, 2019, and was redesignated as an executive Director on May 13, 2024. He is primarily responsible for overseeing the strategic planning and overseas business development of our Group.

Mr. Wang has over 12 years of experience in management, technology and industry of solutions for automotive intelligence. He has been holding directorship and management role in our subsidiaries, including serving as the executive director of Shanghai Youxing Automotive Electronics Co., Ltd. (上海佑行汽車電子有限公司), since September 2020 and a director of Minsight SG since November 2023. As the head of our overseas business, Mr. Wang integrates automotive intelligence technologies into the strategic planning for international business expansion, promoting our Company's international cooperation and project implementation in the field of automotive intelligence solutions. He excels at collaborating with leading international intelligent driving enterprises, introducing advanced technologies and solutions, and securing a competitive edge for our Company in the global market. In addition, Mr. Wang's expertise and experience enable him to deeply understand industry development trends and technological innovations. By participating in the implementation and management of multiple automotive intelligence projects, he has accumulated a wealth of practical experience and mastered the core principles and application scenarios of automotive intelligence technologies. Prior to founding our group, Mr. Wang previously served at Beijing Guoxin Communication Systems Co., Ltd. (北京國信通訊系統有限公司) from July 2007 to June 2008, and as a deputy general manager and engineer at Nanjing Cherui from July 2013 to November 2014. As of the Latest Practicable Date, Mr. Wang owned 125 patents in the field of automotive intelligence solutions. Mr. Wang obtained his bachelor's degree in electronic engineering from Tsinghua University (清華大學) in the PRC in July 2007.

Non-Executive Directors

Mr. Bi Lei (畢壘), aged 49, was appointed as a Director on March 10, 2019, and was redesignated as a non-executive Director on May 13, 2024.

Mr. Bi has extensive experience in communication engineering and management. Mr. Bi previously served as the general manager at Zhonghuan Satellite Navigation Communication Co Ltd (中寰衛星導航通信有限公司) from October 2011 to August 2013 and has served as the deputy general manager and director of NavInfo Co., Ltd (北京四維圖新科技股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002405)) ("NavInfo") since August 2013. Mr. Bi concurrently serves as the chairman of Zhongjiao Yuke (Beijing) Spatial Information Technology Co., Ltd. (中交宇科(北京)空間信息技術有限公司) and Beijing Shijigaotong Technology Co., Ltd. (北京世紀高通科技有限公司); executive director of Wuhan NavInfo Technology Co., Ltd. (武漢四維圖新科技有限公司) and Xi'an NavInfo Information Technology Co., Ltd. (西安四維圖新信息技術有限公司); and director of Hefei Jiefa Technology Co., Ltd. (合肥傑發科技有限公司) and Zhonghuan Satellite Navigation Communication Co Ltd. (中寰衛星導航通信有限公司).

Mr. Bi obtained his bachelor's degree in communication engineering from Communication University of China (中國傳媒大學) (previously known as Beijing Broadcasting Institute (北京廣播學院)), in the PRC in July 1999.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Liu Yiran (劉怡然), aged 37, was appointed as a Director on December 27, 2021, and was redesignated as a non-executive Director on May 13, 2024.

Ms. Liu is a Director nominated by Guokai Zhizao Transformation and Upgrading Fund (Limited Partnership) (國開製造業轉型升級基金(有限合夥)) (“**Guokai Zhizao**”), a substantial Shareholder holding over 5% of the share capital of the Company. Guokai Zhizao is a national-level fund principally engaged in the equity investment in industries including the new information technology and electrical equipment. Ms. Liu previously served at Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)) and CITIC Trust Co., Ltd. (中信信託有限責任公司). Since 2017, Ms. Liu has served as an investment manager and a senior investment manager at China Development Bank Capital Co., Ltd. (國開金融有限責任公司). Since 2019, she has also acted as a senior investment manager at the Guokai Zhizao, overseeing the overall investment in the automotive industry. Ms. Liu has extensive investment experience in the technology industry, enabling her to provide effective advice on the strategic direction of the Company.

Ms. Liu obtained her bachelor’s degree in accounting from the University of Sydney in Australia in June 2012.

Independent Non-Executive Directors

Dr. Xiang Yang (項陽), aged 58, was appointed as an independent non-executive Director of our Company on April 17, 2023.

Dr. Xiang has approximately 23 years of experience in mathematics. Since July 2003, Dr. Xiang has served as the assistant professor, associate professor, and is currently a professor at Department of Mathematics at The Hong Kong University of Science and Technology. Dr. Xiang was a research associate at Princeton University in the U.S. from October 2001 to September 2003. In addition, Dr. Xiang currently serves as the president of the East Asia Section of the Society for Industrial and Applied Mathematics (東亞工業與應用數學會).

Dr. Xiang obtained his bachelor’s degree in applied mathematics from Tsinghua University (清華大學) in the PRC in July 1991, his master’s degree in applied mathematics from Tsinghua University (清華大學) in the PRC in March 1995, and his Ph.D. degree in mathematics from New York University in the U.S. in September 2001.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Tan Kaiguo (譚開國), aged 52, was appointed as an independent non-executive Director of our Company on April 17, 2023.

Mr. Tan has approximately 30 years of experience in auditing and financial management. Mr. Tan has served as the director of the investment and financing centre of Zhejiang Luyuan Electric Vehicle Co., Ltd. (浙江綠源電動車有限公司) since January 2026. He has served as an independent director of TATA Health International Holdings Limited (a company listed on the Hong Kong Stock Exchange (stock code: 1255)) since September 2025. Mr. Tan served as the deputy general manager and financial manager of Ningbo Future Houseware Co., Ltd. (寧波前程家居股份有限公司) (a company listed on the National Equities Exchange and Quotations (stock code: 834282)) from May 2023 to December 2025. He previously worked in BDO China SHU LUN PAN Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)) from June 2000 to June 2001, served as a project manager at the investment banking department at Shenyin & Wanguo Securities Co., Ltd. (申銀萬國證券股份有限公司) (one of the predecessors of Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000166) and the Stock Exchange (stock code: 6806)) from June 2001 to January 2003, worked in Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所(特殊普通合夥)) from January 2003 to August 2007, served as the financial director at Goldbond Group Holdings Limited (金榜集團控股有限公司) from September 2007 to December 2012, served as the chief financial officer at Zhongjing Industrial (Group) Co., Ltd. (中靜實業(集團)有限公司) from January 2013 to April 2021, worked in Jiangsu Asia Electronics Technology Co., Ltd. (江蘇亞電科技有限公司) from May 2021 to April 2022, and served as the deputy general manager and chief financial officer at Shandong Golddafeng Machinery Co., Ltd. (山東金大豐機械有限公司) from May 2022 to April 2023.

Mr. Tan obtained his bachelor's degree in auditing from the East China University of Technology (華東工業大學) (one of the predecessors of the University of Shanghai for Science and Technology (上海理工大學)) in the PRC in July 1996, and Master of Business Administration (MBA) from China Europe International Business School (中歐國際工商學院) in the PRC in August 2014. Mr. Tan was qualified as a certified public accountant (non-practicing) by the Shanghai Institute of Certified Public Accountants (上海市註冊會計師協會) in December 2009.

Dr. Tan Mingkui (譚明奎), aged 42, was appointed as an independent non-executive Director of our Company on April 17, 2023.

Dr. Tan has approximately 12 years of experience in computer science. Dr. Tan served as a senior research associate on computer vision in the School of Computer Science at the University of Adelaide in Australia from June 2014 to August 2016 and has served as a professor and director of the computing center in the School of Software Engineering at South China University of Technology (華南理工大學) since September 2016.

Dr. Tan obtained his bachelor's degree in environmental science and engineering from Hunan University (湖南大學) in the PRC in June 2006, his master's degree in control science and engineering from Hunan University (湖南大學) in the PRC in June 2009, and his Ph.D. degree in computer science from Nanyang Technological University in Singapore in October 2014.

Save as disclosed above in this section, none of our Directors held any directorship in any other listed companies in the three years immediately prior to the Latest Practicable Date. Save as disclosed above, to the best knowledge, information and belief of our Company having made all reasonable enquiries, there is no other information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or other material matter with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SUPERVISORS

Mr. Liao Diguang (廖迪廣), aged 41, was appointed as a Supervisor on May 31, 2021. Mr. Liao joined our Group in July 2017 and is currently a project manager of the research and development center of our Company.

Mr. Liao is experienced in technology engineering including serving as technology supporting engineer, technology department manager, and product manager at Beijing Timecloud Technology Co., Ltd. (北京時間雲科技有限公司).

Mr. Liao obtained his bachelor's degree in communication engineering from Wuhan University of Technology (武漢理工大學) in the PRC in June 2007.

Mr. Ao Zhengguang (敖爭光), aged 40, was appointed as a Supervisor on April 17, 2023. Mr. Ao joined our Group in April 2015, and is currently an algorithm engineer at the research and development center of our Company.

Prior to joining our Group, Mr. Ao worked in Tencent Holdings Limited (a company listed on the Hong Kong Stock Exchange (stock code: 700)) from April 2010 to April 2015.

Mr. Ao obtained his bachelor's degree in computer science and technology from China University of Geosciences (中國地質大學) in the PRC in June 2007, and his master's degree in pattern recognition and intelligent systems from Huazhong University of Science and Technology (華中科技大學) in the PRC in March 2010. He was recognized as an intermediate level software designer (軟件設計師(中級)) by the Hubei Professional Titles Reform Work Group (湖北省職稱改革工作領導小組) in November 2006.

Mr. Wan Hao (宛浩), aged 34, was appointed as a Supervisor of our Company on September 18, 2020. Mr. Wan joined our Group in January 2015 and is currently the design director of our Company.

Prior to joining our Group, Mr. Wan served as a designer at Zhuhai Kingsoft Office Software Co., Ltd. (珠海金山辦公軟件有限公司), a subsidiary of Beijing Kingsoft Office Software, Inc. (北京金山辦公軟件股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 688111)), from January 2014 to December 2014.

Mr. Wan obtained his bachelor's degree in industrial design from Jiangxi University of Science and Technology (江西理工大學) in the PRC in July 2014.

Save as disclosed above in this section, none of our Supervisors held any directorship in any other listed companies in the three years immediately prior to the Latest Practicable Date. Save as disclosed above, to the best knowledge, information and belief of our Company having made all reasonable enquiries, there is no other information relating to our Supervisors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or other material matter with respect to the appointment of our Supervisors that need to be brought to the attention of our Shareholders.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Dr. Liu Guoqing (劉國清), aged 39, is our co-founder, chairman of the Board, executive Director, and general manager of our Company. See “–Directors – Executive Directors” for his biographical details.

Mr. Yang Guang (楊廣), aged 37, is our co-founder, executive Director, and deputy general manager of our Company. See “–Directors – Executive Directors” for his biographical details.

Mr. Zhou Xiang (周翔), aged 39, is our co-founder, executive Director, and deputy general manager of our Company. See “–Directors – Executive Directors” for their biographical details.

Mr. Wang Qicheng (王啟程), aged 42, is our co-founder, executive Director, and deputy general manager of our Company. See “–Directors – Executive Directors” for his biographical details.

Dr. Zheng Wei (鄭偉), aged 43, is a deputy general manager of our Company. Dr. Zheng joined our Company in February 2017 and is currently responsible for overseeing the algorithm research and development and technology related affairs of our Group.

Dr. Zheng has approximately 12 years of experience in technology research and development. He has served as the executive director and general manager of Youjia Innovation (Beijing) Technology Co., Ltd. (佑駕創新(北京)技術有限公司) since December 2020. Prior to joining our Group, he served as a research and development engineer at Beijing Samsung Telecommunications Technology Research Co., Ltd (北京三星通信技術研究有限公司), a subsidiary of Samsung Electronics Co., Ltd. (三星電子株式會社) (a company listed on the Korea Exchange (stock code: 005930)), from July 2013 to February 2017.

Dr. Zheng obtained his bachelor’s degree in electronic engineering from Tsinghua University (清華大學) in the PRC in July 2006, and his doctorate degree in computer application technology from the University of Chinese Academy of Sciences (中國科學院大學) in the PRC in July 2013. Dr. Zheng was recognized as a senior engineer (高級工程師) by the Shenzhen Municipal Human Resources and Social Security Bureau (深圳市人力資源和社會保障局) in July 2022.

Ms. Yang Yihong (楊一泓), aged 35, is a deputy general manager of our Company. Ms. Yang joined our Group in September 2015 and is currently responsible for overseeing sales and intelligent cabin affairs of our Group.

Ms. Yang has been serving as the executive director of Shanghai Youqu Information Technology Co., Ltd. (上海佑麒信息科技有限公司) since June 2020.

Ms. Yang obtained her bachelor’s degree in criminology and criminal justice from the University of New South Wales in Australia in December 2012, and her master’s degree in criminal justice from Boston University in the U.S. in January 2015.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Cheng Zhui (程追), aged 39, is a deputy general manager of our Company. Mr. Cheng joined our Group in July 2015, and is currently responsible for overseeing product research and development, supply chain and cost management related affairs of our Group.

Prior to joining our Group, Mr. Cheng served as a structural engineer at TP-Link Technologies Co., Ltd. (普聯技術有限公司) from July 2010 to July 2015.

Mr. Cheng obtained his bachelor's degree in mechanical design, manufacturing and automation from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2010.

Mr. Wen Qi (聞奇), aged 44, is the chief financial officer of our Company. He was one of the joint company secretaries of the Company from December 27, 2024 to March 28, 2025. Mr. Wen joined our Group in December 2020, and is responsible for overseeing the financial, taxation and board secretarial affairs of our Group.

Mr. Wen has approximately 21 years of experience in accounting and finance. Mr. Wen served as an auditor at PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)) from June 2004 to August 2010, the chief financial officer at Shanghai Fanwen Industrial Development Co., Ltd. (上海泛文實業發展有限公司) from August 2010 to September 2014, and a partner at Shanghai Compliance Enterprise Management Consulting Co., Ltd. (上海合規企業管理諮詢有限公司) from September 2014 to December 2020.

Mr. Wen obtained his bachelor's degrees in biotechnology and business management from Nankai University (南開大學) in the PRC in June 2004.

Ms. Luo Xiwen (羅希文), aged 35, is the Board Secretary of our Company and has been one of the joint secretaries of our Company since March 28, 2025. Since joining the Group in June 2023, Ms. Luo has been primarily responsible for overseeing our Company's securities affairs and investor relations, among others.

Ms. Luo has over 13 years of experience in the field of securities affairs of listed corporations. Prior to joining the Group, she worked in the securities affairs department or the board secretarial department of certain companies listed on the Shenzhen Stock Exchange.

CHANGES IN INFORMATION OF DIRECTOR, SUPERVISOR OR CHIEF EXECUTIVE

As at the date of this report, there were no changes in the Directors', Supervisors' and chief executive of the Company's information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE REPORT

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

CORPORATE GOVERNANCE PRACTICES

We are committed to achieving high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders, and recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group to achieve effective accountability.

The Company has adopted corporate governance practices based on the principles and code provisions as set out in the Corporate Governance Code as its own code of corporate governance practices.

During the Reporting Period and up to the date of this report, the Company has complied with all code provisions set out in the Corporate Governance Code*, except for code provision C.2.1 of the Corporate Governance Code as elaborated in the section headed “– Chairman and General Manager” below. The Board will continue to regularly review the effectiveness of our corporate governance structure and practices.

CORPORATE CULTURE

The Company has established the “Moso Bamboo Spirit” as its core cultural emblem, rooted in the unique life cycle of the Moso bamboo. During its initial growing stage, spanning four years, the visible stem above ground grows merely a few centimeters, while its root system silently extends dozens of meters underground, forming an intricate network of energy reserves. By its fifth year, the accumulated potential erupts, propelling the stem to surge upward at a pace of tens of centimeters daily, reaching over ten meters in just six weeks.

This natural phenomenon perfectly mirrors our corporate development logic. At our inception, we prioritized “deep-rooted growth” as our strategic focus, dedicating ourselves to developing and iterating our foundational technological systems, with sustained investment in core domains such as perception algorithms and hardware architecture. Once our technological roots penetrated the industrial landscape and tapped into essential market demands, the Company transitioned into a phase of scaled value realization, achieving synergistic breakthroughs in technology and commercialization through cutting-edge product portfolios.

* Certain requirements under the Corporate Governance Code came into effect on July 1, 2025, which shall apply to the Company’s corporate governance reports and annual reports for financial years commencing on or after July 1, 2025.

CORPORATE GOVERNANCE REPORT

In governance, the Board and the management consistently practice a “Moso Root-like resilience” philosophy. We recognize that just as the Moso bamboo’s vast underground network safeguards it against adversity, robust governance is the cornerstone of sustainable growth. Through continuous improvement of internal control mechanisms, strengthened risk management systems, and enhanced decision-making transparency, we strive to deeply integrate compliance with innovation, ensuring synchronized progress between strategic execution and shareholder value creation. Not only has the Board’s steadfast adherence to governance standards established secured boundary for technological R&D and commercialization, it also molds predictable, reliable growth resilience amid market complexities.

Guided by the cultural ethos of “deep cultivation leads explosive growth (厚積而薄發·沉潛以躍升)”, we remain committed to long-termism in the transformative era of smart vehicles. In confronting cyclical technological challenges, we fortify our foundations with Moso bamboo-like tenacity. At a critical industry booming stage, we deploy systemic momentum to empower the industry. Not only has this growth philosophy, from latency to leap, fueled our strategic resolve and unified our team, it has also allowed us to deliver sustainable innovation momentum to China’s automotive intelligence transformation.

BOARD OF DIRECTORS

The Board is responsible for the overall leadership of the Group, supervises the Group’s strategic decisions and development plans, and monitors our business and performance. The Board has a broad array of expertise across various sectors, such as overall management, technology, investment accounting and financial management, as well as industry knowledge and experience relevant to our business operations, which equips the Board with a rich tapestry of perspectives and skills.

BOARD COMPOSITION

As of December 31, 2025 and as of the date of this report, the Board consists of a total of nine Directors, comprising four executive Directors, two non-executive Directors and three independent non-executive Directors as set out below:

Executive Director

Dr. Liu Guoqing (*Chairman of the Board and General Manager*)

Mr. Yang Guang

Mr. Zhou Xiang

Mr. Wang Qicheng

Non-executive Directors

Mr. Bi Lei

Ms. Liu Yiran

CORPORATE GOVERNANCE REPORT

Independent Non-executive Directors

Dr. Xiang Yang

Mr. Tan Kaiguo

Dr. Tan Mingkui

The biographical details of the Directors are set out in the section of “Directors, Supervisors and Senior Management” of this report.

None of the Directors or Supervisors has any relationship (including financial, business, family or other material/ relevant relationship) with any other Directors or Supervisors.

DIRECTORS' RESPONSIBILITIES AND ACCOUNTABILITIES

All Directors should carry out their duties as a Director of our Company in good faith and in compliance with applicable laws and regulations, and act in the interests of the Company and the Shareholders at all times. The Board assumes a collective responsibility for the leadership of the Company and for directing and supervising the Company's affairs as appropriate.

All Directors shall have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors are requested to disclose the number and nature of offices held in public companies or organizations and other significant commitments, as well as their identities and the times involved in the issuer, the Directors agreed to disclose their commitments to the Company in a timely manner. The Directors, including independent non-executive Directors, have demonstrated strong commitment and ability to devote sufficient time to discharge their responsibilities at the Board.

Furthermore, the Directors acknowledge their responsibilities for preparing the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The Directors also acknowledge their responsibilities to ensure that the financial statements of the Group are published in a timely manner. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis. The reporting responsibilities of the Company's external auditor on the financial statements of the Group are set out in the section of “Independent Auditor's Report” in this annual report.

CORPORATE GOVERNANCE REPORT

DELEGATION BY THE BOARD

The management, consisting of executive Directors along with other senior management members, is delegated with responsibilities for conducting the daily operations of our Group and for implementing our strategies and business plans from time to time. Executive Directors and senior management members meet regularly to review our business operations and performance, coordinate resources and make operational and financial decisions. The Board also provides directions and supervises the management including in circumstances where senior management report to and follow up on matters that are considered by the Board, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

To oversee certain specific aspects of the Company's affairs, the Board has established four Board Committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy Committee. The Board has delegated responsibilities to the Board Committees as set out in their respective written terms of reference. The terms of reference of each Board Committee are published on the Company's website and the Stock Exchange's website.

BOARD MEETINGS AND GENERAL MEETINGS

The Board meets regularly to discuss and formulate the overall strategy as well as the operation and financial performance of the Group. Directors may participate either in person or through electronic means of communications.

The Board should meet regularly and Board meetings should be held at least four times a year. At least 14 days' notice of all regular Board meetings is given to the Directors who are given the opportunity to include other matters in the agenda of meetings. For other Board and committee meetings, reasonable notice by at least three days' notice is generally given. Board papers together with all appropriate, complete and relevant information are dispatched to all Directors at least three days before each regular Board meeting to ensure that the Directors have sufficient time to review the related documents and be adequately prepared for the meeting.

In addition, the chairman of the Board should at least annual hold a meeting with the independent non-executive Directors without the presence of the other Directors. Such meetings provide an effective forum for the Chairman to listen to the views of the independent non-executive Directors on issues including corporate governance improvement, effectiveness of the Board, and such other issues they may wish to raise in the absence of other Directors and senior management of the Company.

CORPORATE GOVERNANCE REPORT

The attendance of each Director at the Board meetings and general meetings during the Reporting Period is as follows:

Name of Directors	No. of attendance/ No. of board meetings	No. of attendance/ No. of general meetings
Executive Directors		
Dr. Liu Guoqing	10/10	5/5
Mr. Yang Guang	10/10	5/5
Mr. Zhou Xiang	10/10	5/5
Mr. Wang Qicheng	10/10	5/5
Non-executive Directors		
Mr. Bi Lei	10/10	5/5
Ms. Liu Yiran	10/10	5/5
Independent Non-executive Directors		
Dr. Xiang Yang	10/10	5/5
Mr. Tan Kaiguo	10/10	5/5
Dr. Tan Mingkui	10/10	5/5

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS AND SUPERVISORS

We have entered into a contract with each of our Directors and Supervisors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Each of our Directors has entered into service contracts with our Company. The principal particulars of these service contracts comprise (a) a term of three years which is equivalent to the term of the Board; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval. The service contracts can be renewed pursuant to our Articles of Association and applicable rules.

Each of our Supervisors has entered into a contract with our Company. Each contract contains provisions relating to compliance with relevant laws and regulations, observation of our Articles of Association and resolution of disputes by means of arbitration.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to have a service contract with the Company, other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

CORPORATE GOVERNANCE REPORT

The procedures and process of appointment, re-election and removal of Directors and Supervisors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, and making recommendations to the Board on appointment, re-election, and succession planning of Directors.

The Directors shall be elected or replaced by the general meeting and may be removed from office by the general meeting before the expiration of their term of office. The Directors have a tenure of three years and can be re-elected upon the expiry of the tenure, unless otherwise provided by the relevant laws, regulations, the Articles of Association and securities regulatory rules of the place where the Company's shares are listed. The term of office of Directors shall last from the date on which the Directors take office to the expiration of the term of office of the current Board. Where a new Director is not yet available upon expiration of a Director's term, or the number of the Directors on the Board is less than the quorum due to the resignation of a Director within his term, such Director, before the new Director takes his office, shall continue the performance of his duties in accordance with laws, administrative regulations, departmental rules, the articles or association and the regulatory rules of the place where the Company's shares are listed.

CHAIRMAN AND GENERAL MANAGER

The Company has adopted corporate governance practices based on the principles and code provisions as set out in the Corporate Governance Code as its own code of corporate governance practices. Since its Listing, the Company has complied with the applicable code provisions under the Corporate Governance Code set out in Part 2 of Appendix C1 to the Listing Rules, save for code provision C.2.1.

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should be performed by different individuals. The roles of chairman of the Board and general manager are currently performed by Dr. Liu Guoqing. In view of Dr. Liu's substantial contribution to our Group since our establishment and his extensive experience, we consider that having Dr. Liu acting as both our chairman of the Board and general manager will provide strong and consistent leadership to our Group and facilitate efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Dr. Liu continues to act as both our chairman of the Board and general manager, and therefore currently do not propose to separate the functions of chairman of the Board and general manager. While this would constitute a deviation from Code Provision C.2.1 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Group, given that (i) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Dr. Liu and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he or she acts for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at the Board and/or senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman of the Board and general manager is necessary.

CORPORATE GOVERNANCE REPORT

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors have been given relevant guideline materials regarding the responsibilities and obligations of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Company and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors to ensure that he or she has a proper understanding of the operation and business of the Company and full awareness of Directors' responsibilities and obligation under the Listing Rules and relevant statutory requirements.

All Directors are also updated from time to time on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices.

During the Reporting Period, all Directors had participated in continuous professional development in the following manner in compliance with code provision C.1.4 of the CG Code:

	Training Hours	Training Areas Types of training
Executive Directors		
Dr. Liu Guoqing	10	A, B
Mr. Yang Guang	10	A, B
Mr. Zhou Xiang	10	A, B
Mr. Wang Qicheng	10	A, B
Non-executive Directors		
Mr. Bi Lei	10	A, B
Ms. Liu Yiran	10	A, B
Independent non-executive Directors		
Dr. Xiang Yang	10	A, B
Mr. Tan Kaiguo	10	A, B
Dr. Tan Mingkui	10	A, B

Notes:

Types of Training –

- A. Attending training sessions, including but not limited to briefings, seminars and conferences, on various topics, such as on Listing Rules, directors' duties under applicable laws and regulations, financial reporting, internal control, risk management, ESG, etc.
- B. Reading relevant news alerts, newspaper articles, journals and relevant publications.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board has established four Board Committees (namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee) and has delegated various responsibilities to the Board Committees. All the Board Committees perform their distinct roles in accordance with their respective written terms of reference, which are available on the websites of the Company and the Stock Exchange. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

As at December 31, 2025, the Audit Committee comprised three members, namely Mr. Tan Kaiguo, Dr. Xiang Yang and Dr. Tan Mingkui, all being independent non-executive Directors. Mr. Tan Kaiguo is the chairperson of the Audit Committee.

The primary duties of the Audit Committee include, but are not limited to, the following:

- (1) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and the terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (2) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (3) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, an "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee shall report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- (4) to monitor the integrity of the Company's financial statements and annual reports and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them. In reviewing these statements and reports before submission to the Board, the Audit Committee shall focus particularly on: (i) any changes in accounting policies and practices; (ii) major judgmental areas; (iii) significant adjustments resulting from audit; (iv) the going concern assumptions and any qualifications; (v) compliance with accounting standards; and (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;

CORPORATE GOVERNANCE REPORT

- (5) regarding (4) above: (i) members of the Audit Committee shall liaise with the Board and senior management, and the Audit Committee must meet, at least twice a year, with the Company's auditors; and (ii) the Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, and shall give due consideration to any matters that have been raised by the Company's staff responsible for accounting and financial reporting function, compliance officer or auditors;
- (6) to review the Company's financial controls, and unless expressly addressed by a separate risk committee of the Board, or by the Board itself, to review the Company's risk management and internal control systems;
- (7) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;
- (8) to consider major investigation findings on risk management and internal control matters and management's response to these findings as delegated by the Board or on its own initiative;
- (9) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- (10) to review the financial and accounting policies and practices of the Group;
- (11) to review the external auditors' management letter, any material queries raised by the auditors to management about accounting records, financial accounts or systems of control and management's response;
- (12) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (13) to report to the Board on the matters in the code provisions of the corporate governance code under the Listing Rules;
- (14) to consider other topics, as defined by the Board;
- (15) employees of the Company can, in confidence, raise concerns with the Audit Committee about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- (16) to establish a whistleblowing policy and system for employees of the Company and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Company;

CORPORATE GOVERNANCE REPORT

- (17) to establish, review, approve and update (where appropriate) policies and systems that promote and support anti-corruption laws and regulations;
- (18) to act as the key representative body for overseeing the Company's relations with the external auditor;
- (19) to review the continuing connected transactions of the Company and ensure compliance with the terms approved by the Board and shareholders of the Company; and
- (20) other matters as authorized by the Board and other matters prescribed in relevant laws and regulations, and Listing Rules.

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

During the year ended December 31, 2025, four meetings of the Audit Committee were held and the attendance record of the Audit Committee members is set out in the table below:

Name of Directors	No. of attendance/ No. of meetings
Dr. Xiang Yang	4/4
Mr. Tan Kaiguo	4/4
Dr. Tan Mingkui	4/4

During the Reporting Period, the Audit Committee held four meetings to, among others, review the annual and interim consolidated financial statements of the Group and the annual and interim results announcements published by the Company, discuss the re-appointment of the external auditor and make recommendations to the Board, and review the Group's risk management and internal control system and its effectiveness. The Audit Committee also met with the Company's external auditor regarding the review of the Company's financial report and accounts as well as the related audit and review process.

Remuneration and Appraisal Committee

As at December 31, 2025, the Remuneration and Appraisal Committee comprised three members, including three independent non-executive Directors, namely Dr. Xiang Yang, Mr. Tan Kaiguo and Dr. Tan Mingkui. Dr. Tan Mingkui is the chairperson of the Remuneration and Appraisal Committee.

The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, the following:

- (1) making recommendations to the Board on the overall remuneration policy and structure for Directors' and senior management's remuneration and on the establishment of formal and transparent procedures for developing remuneration policy;
- (2) reviewing and approving management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (3) either: (i) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or (ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, which shall include benefits in kind, pension rights and compensation payments (including compensation payable for loss or termination of their office or appointment);

CORPORATE GOVERNANCE REPORT

- (4) making recommendations to the Board on the remuneration of non-executive Directors;
- (5) considering salaries paid by comparable companies, time commitment and responsibilities, and the employment conditions of elsewhere in the Group;
- (6) reviewing and approving the compensation payable to the executive Directors and senior management for loss or termination of their office or appointment to ensure that such compensation is consistent with the contractual terms; if not, the compensation shall be fair and reasonable and not excessive;
- (7) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are consistent with contractual terms and otherwise reasonable and appropriate;
- (8) ensuring that no Director or any of his/her associate(s) is involved in deciding his/her own remuneration;
- (9) reviewing and/or approving the matters (if any) relating to share schemes under Chapter 17 of the Listing Rules; and
- (10) other matters as required by laws, administrative regulations, the Listing Rules, the CSRC regulations and the Articles of Association.

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

During the year ended December 31, 2025, two meetings of the Remuneration and Appraisal Committee was held and the attendance record of the Remuneration and Appraisal Committee members is set out in the table below:

Name of Directors	No. of attendance/ No. of meetings
Dr. Xiang Yang	2/2
Mr. Tan Kaiguo	2/2
Dr. Tan Mingkui	2/2

During the Reporting Period, the Remuneration and Appraisal Committee held two meetings to, among others, review the remuneration policy for the Directors and senior management and make recommendations to the Board in this regard, and consider awards under the Employment Incentive Schemes.

Nomination Committee

As at December 31, 2025, the Nomination Committee comprised three members, including one non-executive Director, namely Ms. Liu Yiran, and two independent non-executive Directors, namely Dr. Xiang Yang and Dr. Tan Mingkui. Dr. Xiang Yang is the chairperson of the Nomination Committee.

CORPORATE GOVERNANCE REPORT

The primary duties of the Nomination Committee include, but are not limited to, the following:

- (1) appointment or dismissal of senior management;
- (2) reviewing the structure, size and composition of the Board (including skills, knowledge and experience) at least annually, assisting the Board in maintaining a Board skills matrix and making recommendations on any proposed changes to the Board to complement the Company's corporate strategies;
- (3) identifying individuals suitably qualified to become Directors and select or make recommendations to the Board on the selection of, individuals nominated for directorships;
- (4) assessing the independence of independent non-executive Directors, if an independent non-executive Director has served for nine years, the Director is not considered independent;
- (5) making recommendations to the Board on the appointment or re-appointment of as well as succession planning for Directors, in particular, the chairman of the Board and the general manager;
- (6) supporting the Company's regular evaluation of the Board's performance, including conducting regular evaluation of each Director's time commitment and contributions to the Board, as well as their effectiveness in fulfilling their duties; and
- (7) other matters stipulated in laws, administrative regulations, regulation of the CSRC, the Listing Rules and the Articles of Association.

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

During the year ended December 31, 2025, two meetings of the Nomination Committee was held and the attendance record of the Nomination Committee members is set out in the table below:

Name of Directors	No. of attendance/ No. of meetings
Dr. Liu Guoqing ⁽¹⁾	2/2
Ms. Liu Yiran ⁽¹⁾	0/0
Dr. Xiang Yang	2/2
Dr. Tan Mingkui	2/2

Note:

- (1) With effect from September 19, 2025, Dr. Liu Guoqing ceased to serve as a member of the Nomination Committee and Ms. Liu Yiran has been appointed as a member of the Nomination Committee.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Nomination Committee held two meetings to, among others, review the structure and composition of the Board, review the Board Diversity Policy and its effectiveness, and review the independence of the independent non-executive Directors, consider the rotation of Directors at the annual general meeting.

Director Nomination Policy and Procedures

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

- (a) the Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors or senior management of the Company, recommendations from third-party agency firm, and proposals from Shareholders with due consideration given to the selection criteria;
- (b) the Nomination Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, and third-party reference checks;
- (c) the proposed candidates will be asked to submit the necessary personal information for the Nomination Committee's consideration. The Nomination Committee may request the candidate(s) to provide additional information and documents, if considered necessary;
- (d) upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- (e) the Nomination Committee will provide the relevant information of the selected candidate to the Remuneration and Appraisal Committee for consideration of remuneration package of such selected candidate;
- (f) the Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a non-executive Director is considered, the Remuneration and Appraisal Committee will make the recommendation to the Board on the proposed remuneration package;
- (g) the Board may arrange for the selected candidate to be interviewed by the members of the Board who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and
- (h) all appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the Companies Registry of Hong Kong and updating the Register of Directors of the Company. The Director shall consent to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their appointment as a Director.

A Shareholder can serve a notice to the Company within the lodgment period of its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the Nomination Committee's consideration and nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular.

CORPORATE GOVERNANCE REPORT

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

During the year ended December 31, 2025, there was no change in the composition of the Board.

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

Strategy Committee

As at December 31, 2025, the Strategy Committee comprised three members, including two executive Directors, namely Dr. Liu Guoqing and Mr. Yang Guang, and an independent non-executive Director, namely Dr. Tan Mingkui. Dr. Liu Guoqing is the chairperson of the Strategy Committee.

The primary duties of the Strategy Committee include, but are not limited to, the following:

- (a) to study and make suggestions on the Company's long-term development strategic plans;
- (b) to study and make suggestions on major investment and financing plans which are subject to the approval of the Board as provided in the Articles of Association;
- (c) to study and make suggestions on major capital operations and asset management projects which are subject to the approval of the Board as provided in the Articles of Association;
- (d) to study and make suggestions on other major issues that may affect the development of the Company;
- (e) to check the implementation of the above matters;
- (f) other duties authorized by the Board.

During the year ended December 31, 2025, no meeting of the Strategy Committee was held.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTION

The Board recognizes the importance of corporate governance and is responsible for performing the following corporate governance duties:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the code provisions of the CG Code and disclosure in the corporate governance report.

During the year ended December 31, 2025, the Board reviewed the records of training and continuous professional development of Directors and senior management; reviewed the Company's corporate governance policies and practices on compliance with legal and regulatory requirements; reviewed the code of conduct and compliance manual (if any) applicable to employees and Directors; and reviewed the Company's compliance with the code provisions of the CG Code and disclosure in the corporate governance report.

BOARD DIVERSITY

We have adopted a board diversity policy (the "**Board Diversity Policy**") with the aim of enhancing the effectiveness of the Board and maintaining high standards of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

CORPORATE GOVERNANCE REPORT

Our Board currently consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Our board has a broad array of expertise across various sectors, such as overall management, technology, investment accounting and financial management, as well as industry knowledge and experience relevant to our business operations, which equips the Board with a rich tapestry of perspectives and skills. Our Board has a relatively wide range of ages, ranging from 37 years old to 58 years old. We have three independent non-executive Directors with diverse background and experience, representing one-third of the members of our Board. We have one female Director, and target to maintain at least one female representation in the Board. We will strive to achieve gender balance of the Board through certain measures to be implemented by our Nomination Committee in accordance with our Board Diversity Policy. In particular, we will engage resources in training female staff who have relevant experience in our business, and actively identify female individuals suitably qualified to become our Board members. The collective experience and knowledge of our Board members and our senior management members are instrumental in fostering robust decision-making and enhancing business performance. We are committed to adopting a consistent approach to promote diversity at all levels of our Company from the Board to our senior management to all our employees, in order to enhance the effectiveness of our corporate governance as a whole.

Furthermore, the Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. The Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval.

To duly implement the Board Diversity Policy, the measurable objective of at least 1 female Board member has been adopted. As at the date of this report, the Board comprises eight male Directors and one female Director. In the opinion of the Directors, this composition has achieved the above objective on gender diversity of the Board. The Nomination Committee will continue to review the Board Diversity Policy as to its effectiveness going forward.

Workforce Diversity

As at December 31, 2025, the gender ratio in our Board and our workforce are as follows:

Board	Male 88.9%	Female 11.1%
Senior management	Male 77.78%	Female 22.22%
Total workforce (including executive Directors and senior management)	Male 74.4%	Female 25.6%

In order to promote the gender diversity in the composition of the Company's management and workforce, all employees enjoy equal employment, training and career development opportunities. The Company also strives to create an environment and culture which is friendly to our staff of different gender and background. The Company will continue to work towards enhancing gender diversity in the Board and our senior management and overall workforce.

CORPORATE GOVERNANCE REPORT

BOARD INDEPENDENCE

The Company has established a mechanism for the Board to obtain independent views and opinions (including but not limited to the Articles of Association, terms of reference of Board committees) to ensure the Board has an independent element as a key measure to improve the efficiency of the Board.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expense for discharging their duties to the Company. The Board has reviewed the implementation and effectiveness of the mechanism and believed that the mechanism can ensure the Board obtains independent views and opinions.

During the year ended December 31, 2025 and up to the date of this report, the Board has at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise, and independent non-executive Directors representing at least one-third of the Board.

The Company has received from each Independent non-executive Director an annual confirmation of his independence and each of them has confirmed his independence pursuant to Rule 3.13 of the Listing Rules, and the Company considers each of them to be independent.

REMUNERATION POLICY

The Group's remuneration policy and structure for remuneration of the Directors and senior management of the Group are based on their responsibilities, qualification, position and seniority, and is reviewed by the Remuneration Committee periodically.

The remuneration of the non-executive Directors, as well as the individual executive Directors and senior management of the Company is recommended by the Remuneration Committee and is decided by the Board, having regard to the merit, qualifications, and competence of individual directors, the Group's operating results, and comparable market statistics.

CORPORATE GOVERNANCE REPORT

To attract and retain talents and to provide incentives to our employees for long-term development of our Company, our Company adopted the Pre-IPO Employee Incentive Scheme by way of establishing ESOP Holding Entities, namely Youjia Qingcheng, Youjia Zhongcheng and Youjia Licheng. The terms of the Pre-IPO Employee Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules, as it does not involve any grant of share options or awards or issuance of new Shares by our Company after Listing. For details of the Pre-IPO Employee Incentive Scheme, please refer to the section headed “Appendix VI – Statutory and General Information – D. Employee Incentive Scheme” in the Prospectus. In addition, the Company adopted the H Share Option Scheme and the H Share Award Scheme which are subject to Chapter 17 of the Listing Rules. The adoption of the H Share Option Scheme and H Share Award Scheme was approved by the Shareholders at the extraordinary general meeting held by the Company on January 6, 2026. For details of the Post-IPO Share Schemes, please refer to the Company’s announcement and circular each dated December 12, 2025.

Remuneration of Directors and Senior Management

Details of the remuneration of each of the Directors for the year ended December 31, 2025 are set out in Note 42 to the financial statements in this annual report.

Remuneration paid to the senior management members (excluding the Directors) by band for the year ended December 31, 2025 is within the range below:

Range of Remuneration	Number of Individuals
HK\$500,001–HK\$1,000,000	1
HK\$2,000,001–HK\$2,500,000	1
HK\$3,000,001–HK\$3,500,000	1
HK\$3,500,001–HK\$4,000,000	1
HK\$10,000,001–HK\$10,500,000	1

JOINT COMPANY SECRETARIES

The Company has appointed Mr. Wen Qi (聞奇) (“**Mr. Wen**”) and Ms. Lam Wing Chi (林穎芝) (“**Ms. Lam**”) of Tricor Services Limited (a company secretarial service provider) as the joint company secretaries of the Company (the “**Joint Company Secretaries**”) upon Listing.

During the Reporting Period, there occurred the following changes to our joint company secretaries:

- With effect from March 28, 2025, Mr. Wen resigned from his role as a joint company secretary of the Company, and Ms. Luo Xiwen (羅希文) (“**Ms. Luo**”) was appointed as one of the joint company secretaries of the Company.
- With effect from June 13, 2025, Ms. Lam resigned from her role as a joint company secretary of the Company, and Ms. Tam Hiu Kwan (譚曉鈞) (“**Ms. Tam**”) was appointed as one of the joint company secretaries of the Company.

CORPORATE GOVERNANCE REPORT

- With effect from February 20, 2026, Ms. Tam resigned from her role as a joint company secretary of the Company, and Ms. Chan Yan Lam (陳恩霖) (“**Ms. Chan**”) was appointed as one of the joint company secretaries of the Company.

As of the date of this report, the joint company secretaries of the Company are Ms. Luo and Ms. Chan. Our joint company secretaries are responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed. The primary contact person of Ms. Chan at the Company is currently Ms. Luo, the joint company secretary of the Company.

In accordance with the requirements under Rule 3.29 of the Listing Rules, Ms. Luo, Ms. Tam and Ms. Chan confirmed that they have taken not less than 15 hours of relevant professional training during the year ended December 31, 2025.

DIRECTORS' AND SUPERVISORS' SECURITIES TRANSACTIONS

During the year ended December 31, 2025, the Company has adopted the Model Code as the code of conduct regulating dealings in securities of the Company by its Directors, Supervisors and employees who are in possession of inside information in relation to the Group or the Company's securities.

In response to specific enquiries made by the Board, all Directors and Supervisors confirmed that they have complied with the provisions of the Model Code during the year ended December 31, 2025 and up to the date of this report.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established a comprehensive risk management system and formulated the “Risk Management System”. Our risk management process consists of the following key processes: gathering initial risk management information, risk assessment, developing risk management strategies, risk response and control and risk monitoring and improvement. The Board is responsible for assessing and determining the nature and extent of risks, when considering to achieve its strategic objectives. The Board is also accountable for establishing and maintaining an appropriate and effective risk management and internal control system. The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. In particular, the Board has reviewed the effectiveness of the Group's overall risk management and internal control systems during the Reporting Period, and has discussed with and/or received confirmations from the senior management and Audit Committee of the Company in relation to the ongoing implementation and effectiveness of the Group's risk management and internal control systems.

Business Operational Risk Management

We have established a series of internal procedures to manage business operational risks including risks related to incomplete or problematic internal processes, personnel mistakes, IT system failures and external events. We take a comprehensive approach to operational risk management and implement a decentralized mechanism with detailed responsibilities, clear rewards and penalty systems. Our business operations, finance, IT and human resources departments are collectively responsible for ensuring that our business operations comply and conform with internal procedures. On the occurrence of a major adverse event, the matter will be escalated to our senior management and the Board may take appropriate measures. Through effective business operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

CORPORATE GOVERNANCE REPORT

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures. We also provide trainings from time to time to our employees in the finance department to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. Our compliance team works closely with our finance and business departments to: (i) perform risk assessments and advise on risk management strategies; (ii) improve business process efficiency and monitor internal control effectiveness; and (iii) promote risk awareness throughout our Company. We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operations, and our internal control team reviews and monitors the status and effectiveness of those licenses and approvals. Our compliance team works with relevant business departments to obtain requisite governmental approvals or consents for filing with relevant government authorities.

Human Resources Risk Management

We provide regular and specialized training tailored to the needs of our employees in different departments. Through this training, we ensure that our staff's skill sets remain up to date and enable them to discover and meet our customers' needs. We have in place an employee handbook approved by our management and distributed to all our employees, which contains internal rules and guidelines regarding best commercial practice, work ethics, fraud prevention mechanism, negligence and corruption.

Disclosure of Inside Information

The Company has adopted information disclosure policy which sets out, among others, the procedures for identifying, handling and disclosing inside information. The Company will implement and review the policy from time to time to ensure compliance with the relevant applicable laws, rules and regulations.

Whistleblowing Policy

The Company has in place the whistleblowing policy for employees of the Company and other stakeholders who deal with the Company to raise concerns through a dedicated channel with the Audit Committee about possible improprieties in any matters related to the Company. Under the whistleblowing policy, the Company will keep the identity of the whistleblower and the information received confidential, and absolutely prohibit any retaliatory actions against whistleblowers. Any internal personnel found engaging in harassment, discrimination, or adverse treatment of whistleblowers, the Company has the right to take disciplinary sanctions against him/her, and if he/she violates the law, we will refer him/her to law enforcement authorities.

CORPORATE GOVERNANCE REPORT

We also have in place a code of business conduct and ethics, and an anti-bribery and corruption policy approved by our board of directors, providing our employees with the best commercial practice and work ethics as well as our anti-bribery guidance and measures. We make our internal reporting channel open and available to our staff for any wrongdoing or misconduct. Reported incidents and persons will be investigated and appropriate measures will be taken in response to the findings. Further, we have implemented policies to avoid any potential conflicts of interest between our Group and our employees. Our employees are not permitted to take concurrent employment, unless they have obtained prior written approval from the relevant supervisor for engaging in or taking up, whether directly or indirectly, any outside business/employment with reward or any outside business/employment during office hours irrespective of whether there is any reward. We will only permit our employees to take outside business/employment if such business/employment does not directly/indirectly compete with our business.

Internal Audit

We have established an audit committee to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The audit committee consists of three members, namely Dr. Xiang Yang, Mr. Tan Kaiguo and Dr. Tan Mingkui, all being independent non-executive Directors. For the professional qualifications and experience of the members of our Audit Committee, please refer to the section headed "Directors, Supervisors and Senior Management" in this annual report.

We also maintain an internal audit department that is responsible for reviewing the effectiveness of internal controls and reporting to the audit committee on any issues identified. Our internal audit department holds meetings with the management from time to time to discuss any internal control issues we face and the corresponding measures.

The Audit Committee, internal audit department and senior management together monitor the implementation of our risk management policies on an ongoing basis at least annually to ensure our policies and their implementation are effective and sufficient. As of the date of this annual report, the Company is not aware of any material deficiency on the effectiveness or adequacy of its risk management and internal control mechanisms.

AUDITOR'S REMUNERATION

For the year ended December 31, 2025, the fee paid/payable to the external auditor of the Company, Rongcheng (Hong Kong) CPA Limited, in respect of audit and non-audit services is set out as follows:

Type of Services	RMB('000)
Audit services	1,900
Non-audit service ⁽ⁱ⁾	100
Total	2,000

Note:

(i) Service of Agreed-Upon Procedures on preliminary announcement of annual result.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company has adopted a dividend policy (the “**Dividend Policy**”) on payment of dividends. We did not declare or pay dividends on our Shares during the Reporting Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by our Board and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant. Any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient profit to our statutory common reserve fund as described above. In addition, according to our Dividend Policy, any distribution of dividends shall be subject to (i) our remaining after-tax profit after making up losses and allocation of common reserve fund being positive, and our belief that our cash flow is adequate and such distribution would not affect our business sustainability, (ii) our auditors issuing a standard unqualified audit report for the year of the distribution, and (iii) the absence of major investment plans or significant capital expenditures (except for investment projects with raised funds) in the next 12 months. Currently, our Company does not have any pre-determined dividend distribution ratio.

The Board shall review and reassess the Dividend Policy and its effectiveness in its sole and absolute discretion on a regular basis or as required.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders and investors is essential for enhancing investor relations and investor understanding of the Group’s business operations, performance and strategies. The Company has established a shareholders communication policy (the “**Shareholders Communication Policy**”) which aims at establishing a two-way relationship and communication channels with its Shareholders, investors and other stakeholders. These include the annual general meeting, and other general meetings of the Company to allow Shareholders to speak and as a platform for communication and interaction; the annual and interim reports, notices, announcements and circulars and the Company’s website at www.minieye.cc, where up-to-date information on the Company’s business operations and developments, financial information, corporate governance practices and other information are available for public access.

The annual general meeting of the Company provides opportunity for the Shareholders to communicate directly with the Directors. The chairman of the Board Committees will attend the annual general meetings to answer Shareholders’ questions. The auditor will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor’s report, the accounting policies and auditor independence.

CORPORATE GOVERNANCE REPORT

The Board has conducted the annual review of the implementation and effectiveness of the shareholders' communication policy of the Company, and concluded that the policy was implemented effectively during the Reporting Period.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting by Shareholders

Pursuant to Articles 46 of the Articles of Association, the Shareholders who individually or jointly hold more than 10% of the shares of the Company shall have the right to propose to the Board and the Supervisory Committee for convening of an extraordinary general meeting, and shall make such request to the Board and the Supervisory Committee in writing. The Board and the Supervisory Committee shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, make a decision on whether to convene the extraordinary general meeting or not within ten days upon receipt of the request and provide a written reply to the Shareholders. When the Board and the Supervisory Committee agree to convene an extraordinary general meeting, they shall, within five days after the Board resolution and the resolution of Supervisory Committee are made, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the relevant shareholders. When the Board and the Supervisory Committee do not agree to convene an extraordinary general meeting, or do not provide feedback within ten days upon receipts of the request, shareholders who individually or collectively holding more than 10% of the Company's shares for 90 consecutive days, shall have the right to convene and preside over such a meeting. The aforesaid shall not apply where laws, administrative regulations, departmental rules and securities regulatory rules of the place where the shares of the Company are listed stipulate otherwise.

Putting Forward Proposals at General Meetings

Pursuant to Articles 48 of the Articles of Association, the Contents of a proposal shall fall within the terms of reference of the general meeting, have definite subjects and specific matters to be resolved, and shall comply with laws, administrative regulations and provisions of the Articles of Association. Pursuant to Articles 49 of the Articles of Association, when the Company convenes the general meeting, the Board, Supervisory Committee and Shareholders holding more than 1% of the shares of the Company separately or jointly are entitled to submit proposals to the Company. The Shareholders holding more than 1% of the shares of the Company separately or jointly may raise a temporary proposal and submit it to the convener in writing ten days before the general meeting is held. The temporary proposal shall have definite subjects and specific matters to be resolved.

The Board shall supplement the notice of general meeting in two days after receiving the proposal and publicize the content of the temporary proposal, and submit the temporary proposal to the general meeting for consideration, except where the temporary proposal is in violation of laws, administrative regulations or the Articles of Association, or does not fall into the terms of reference of the general meeting. The Company shall not increase the shareholding of Shareholders who submit the temporary proposal. Save as specified above, the convener shall neither revise the proposals set out in the notice of general meeting nor add new proposals after issuing the notice of general meeting. The general meeting shall not vote or pass resolutions on proposals not listed in the notice of the general meeting or not in conformity with Article 48 of the Articles of Association.

CORPORATE GOVERNANCE REPORT

Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the joint company secretaries of the Company whose contact details are as follows:

Address: 25th Floor, Tower A, Building 1, Zhongzhou Binhai Commercial Center
No. 9285 Binhe Avenue, Shangsha Community, Sha Tau Street
Futian District, Shenzhen
Guangdong Province, PRC
(For the attention of the Board)

Email: ir@minieye.cc

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above 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.

Changes in Constitutional Documents

During the year ended December 31, 2025, our Company made certain amendments to the Company's Articles of Association. At the EGM held on March 7, 2025, special resolution was passed by the shareholders of the Company approving certain amendments to the Company's Articles of Association, among others, adoption of the new Articles of Association of the Company to increase the registered share capital of the Company from RMB399,190,000 to RMB399,946,400 and the total number of issued Shares from 399,190,000 to 399,946,400 Shares, respectively. Details of the amendments to the Company's Articles of Association were set out in the Company's announcement and circular each dated February 19, 2025. At the EGM held on August 13, 2025, special resolution was passed by the shareholders of the Company approving certain amendments to the Company's Articles of Association, among others, adoption of the new Articles of Association of the Company to increase the registered share capital of the Company from RMB399,946,400 to RMB406,746,000 and the total number of issued Shares from 399,946,400 to 406,746,000 Shares, respectively. Details of the amendments to the Company's Articles of Association were set out in the Company's announcement and circular each dated July 25, 2025.

The current Articles of Association of the Company are available on the websites of both the Stock Exchange and the Company.

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

We are a leading technology company specializing in intelligent driving, intelligent cabins and driverless vehicles in China. With the mission of “improving road safety, optimizing driving and riding experiences, enhancing transportation efficiency and revolutionizing the industrial ecosystem,” we provide safe, efficient and accessible solutions to global customers. An analysis of the Group’s revenue and operating results for the year ended December 31, 2025 by its principal activities is set out in the “Management Discussion and Analysis” on pages 9 to 26 of this annual report.

RESULTS

The results of the Group for the year ended December 31, 2025 are set out in the consolidated statement of profit or loss and other comprehensive income of the Group on pages 94 to 95 of this annual report.

FINANCIAL SUMMARY

A summary of the Company’s results, assets and liabilities for the last five financial years is set out on page 7 of this annual report.

BUSINESS REVIEW

A fair review of the business of the Group, comprising a discussion and analysis of the Group’s performance during the year, particulars of important events affecting the Group that have occurred since the end of the Reporting Period and an indication of likely future development in the business of the Group are set out in the “Chairman’s Statement” and “Management Discussion and Analysis” on pages 9 to 26 of this annual report. An analysis using financial key performance indicators is set out in the “Management Discussion and Analysis” on pages 9 to 26 of this annual report. Discussions on the Group’s environmental policies and performance, and an account of the Group’s key relationships with its stakeholders are set out in the 2025 Environmental, Social and Governance Report to be issued separately by the Company. Details regarding the Group’s compliance with the relevant laws and regulations which have a significant impact on the Group are also set out in the 2025 Environmental, Social and Governance Report to be issued separately by the Company and the “Corporate Governance Report” on pages 36 to 59 of this annual report. A description of the principal risks and uncertainties facing the Group is set out in the “Management Discussion and Analysis” on pages 9 to 26 of this annual report. All such discussions form part of this report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended December 31, 2025 are set out in note 15 to the consolidated financial statements.

DIRECTORS' REPORT

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended December 31, 2025 are set out in note 28 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's subsidiaries as at December 31, 2025 are set out in note 14 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity. As at December 31, 2025, the Company did not have any reserves available for distribution.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2025.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of our Company's Shares.

PRE-EMPTIVE RIGHTS

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

MAJOR CUSTOMERS AND SUPPLIERS

Customers

Our customers primarily consist of OEMs and tier-one suppliers, the majority of which are located in the PRC. Revenue from our largest customer during the Reporting Period amounted to RMB156.7 million, representing 20.6% of our total revenue for the Reporting Period. Revenue from our five largest customers during the Reporting Period amounted to RMB326.9 million, representing 42.9% of our total revenue for the Reporting Period.

DIRECTORS' REPORT

Suppliers

Our major suppliers primarily consist of raw materials and components suppliers, including suppliers for, among others, electronic components, structure components and camera module, the majority of which are located in the PRC. Purchases from our largest supplier during the Reporting Period amounted to RMB97.5 million, representing 17.9% of our total purchases for the respective periods. Purchases from our five largest suppliers during the Reporting Period amounted to RMB187.9 million, representing 34.5% of our total purchases for the Reporting Period.

None of our Directors, Supervisors and their close associates or any shareholder (which to the knowledge of the Directors own more than 5% of the number of issued Shares (excluding treasury shares) of the Company) has any interest in the above mentioned largest or the five largest customers or suppliers.

EMPLOYEE INCENTIVE SCHEMES

Pre-IPO Employee Incentive Scheme

To attract and retain talents and to provide incentives to our employees for long-term development of our Company, the Company adopted the Pre-IPO Employee Incentive Scheme by way of establishing ESOP Holding Entities, namely Youjia Qingcheng, Youjia Zhongcheng and Youjia Licheng.

The Pre-IPO Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share options or awards or any issuance of new Shares by our Company after Listing. Given the Shares under the Pre-IPO Employee Incentive Scheme have already been issued to Youjia Qingcheng, Youjia Zhongcheng and Youjia Licheng as of the Latest Practicable Date, there will not be any dilutive effect to the issued Shares as a result of the operation of the Employee Incentive Scheme.

Post-IPO Share Schemes

As disclosed in the Company's announcement and circular each dated December 12, 2025, the Company proposed to adopt the H Share Option Scheme and the H Share Award Scheme to, among others, attract, motivate, and retain directors, supervisors, senior management, and employees who have made material contributions to the Company's continuous operation, development, and long-term growth. Each of the H Share Option Scheme and the H Share Award Scheme is subject to Chapter 17 of the Listing Rules. The adoption of the H Share Option Scheme and H Share Award Scheme was approved by the Shareholders at the extraordinary general meeting held by the Company on January 6, 2026.

DIRECTORS' REPORT

A summary of each of the H Share Option Scheme and H Share Award Scheme is set forth below.

H Share Option Scheme

(1) Purposes

The purposes of the H Share Option Scheme are to (i) facilitate the achievement of the Company's long-term sustainable development and performance objectives; (ii) closely align the interests of the grantees with those of Shareholders, investors, and the Company to enhance corporate cohesion, and promote the maximization of the Company's value; (iii) improve the Company's incentive mechanisms to attract, motivate, and retain Directors, Supervisors, senior management, and employees who have made material contributions to the Company's continuous operation, development, and long-term growth; and (iv) recognize and affirm the contributions made or to be made by eligible participants to the Company.

(2) Scheme limit

The total number of Shares which may be issued in respect of all options ("**Options**") that may be granted under the H Share Option Scheme and all share options and share awards that may be granted under any other schemes of the Company would be no more than 42,075,920 Shares (the "**H Share Option Scheme Limit**"), representing no more than 10% of the total number of Shares in issue (excluding any treasury shares) as at the adoption date (i.e. January 6, 2026).

As at the date of this report, the total number of Shares which may be issued in respect of all Options that may be granted under the H Share Option Scheme was 42,075,920 Shares, representing 10% of the issued share (excluding treasury shares) of the Company.

(3) Participants

Eligible participants of the H Share Option Scheme include (i) director(s), supervisor(s), senior management and employee(s) (whether full time or part time employees) of the Company and/or of any of its subsidiaries (including persons who are granted Options under the H Share Option Scheme as an inducement to enter into employment contracts with these companies) ("**Employee Participants**") and (ii) director(s) and employee(s) (whether full time or part time employees) of the the holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company ("**Related Entity Participants**"). For avoidance of doubt, the eligible participants of the H Share Option Scheme shall include independent non-executive Director(s).

In assessing the eligibility of Employee Participants, the Board will consider all relevant factors as appropriate, including, among others, (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities; (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) his/her contribution made or expected to be made to the growth of the Group; (iv) his/her length of engagement or employment with the Group; and (v) his/her educational and professional qualifications, and knowledge in the industry.

DIRECTORS' REPORT

In assessing the eligibility of the Related Entity Participants, the Board will consider all relevant factors as appropriate, including, among others (i) the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in revenue or profits, an addition of expertise to the Group and/or other aspects in support of the development and growth of the Group's business; (ii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group via its role and position held with the Related Entity; (iii) the number, scale and nature of the projects which promote the business, development and growth of the Group in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and (vi) the materiality and nature of the business relation between the Related Entity of which the Related Entity Participant holds office or position on the one hand and the Group on the other hand, and the Related Entity Participant's contribution in such Related Entity which may benefit the core business of the Group through a collaborative relationship.

(4) Maximum entitlement of each participant

The total number of Shares issued and to be issued in respect of all Options granted under the H Share Option Scheme and all share options and share awards under other schemes of the Company to each participant during any 12-month period up to and including the relevant date of grant (including both exercised and unexercised Options and share options as well as vested and unvested share awards, but excluding any Options, share options or share awards that have lapsed pursuant to the terms of the H Share Option Scheme or such Other Schemes) shall not exceed 1.0% of the total number of issued Shares (excluding treasury shares) unless the proposed grant is separately approved by independent Shareholders at a general meeting of the Company.

Notwithstanding the foregoing, each grant of Options to a Director, the chief executive or a substantial shareholder of the Company or any of their respective associates shall require the approval of the independent non-executive Directors (excluding any independent non-executive director who is a proposed grantee of such Options) and the total number of Shares issued and to be issued in respect of all Options granted under the H Share Option Scheme and all share options and share awards under other schemes of the Company to each participant during any 12-month period up to and including the relevant date of grant (including both exercised and unexercised Options and share options as well as vested and unvested share awards, but excluding any Options, share options or share awards that have lapsed pursuant to the terms of the H Share Option Scheme or such any other schemes of the Company) shall not exceed 0.1% of the total number of issued Shares (excluding treasury shares) unless the proposed grant is separately approved by independent Shareholders at a general meeting of the Company.

DIRECTORS' REPORT**(5) Vesting period**

The vesting period in respect of any Options shall not be less than 12 months (or such other period as the Listing Rules may prescribe or permit from time to time). Options granted to Employee Participants may be subject to a shorter vesting period as determined by (i) the Remuneration Committee if such Employee Participant is a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, or (ii) the Board if such Employee Participant is not a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, under any of the following circumstances: (a) the grant of "compensatory" Options to new Employee Participants as replacement for share awards or share options forfeited when leaving their former employer; (b) the grant of Options to Employee Participants whose employment is terminated by reason of death, disability or any force majeure event; (c) the grant of Options subject to performance-based vesting conditions as determined by the Board, in lieu of the standard time-based vesting schedule; and (d) the grant of Options in multiple tranches within a year for administrative and compliance-related reasons.

(6) Exercise period

In respect of any Option, the Board will determine and notify the grantee of the period during which the Option may be exercised, which period shall expire in any event not later than the last day of the 10-year period after the date of grant and, for the avoidance of doubt, the Board may also, if it decides to fix different time periods for Options in respect of different grantees, set conditions and/or restrictions on the exercise of such Option during the period when an Option may be exercised.

(7) Exercise price of an Option and the basis of determining the exercise price of an Option

The exercise price of an Option shall be specified in the grant presented to each grantee in writing.

The exercise price (to be adjusted in accordance with the terms of the H Share Option Scheme) shall be determined by the Board and notified to the grantees, and shall not be less than the highest of the following:

- (a) the closing price of the H Shares as shown in the daily quotation sheets of the Stock Exchange on the date of grant;
- (b) the average of the closing prices of the H Shares as shown in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and
- (c) the nominal value of the H Shares.

DIRECTORS' REPORT

(8) Performance targets and clawback mechanism

Unless otherwise determined by the Board or specified in the grant, there is generally no performance target that needs to be achieved before the exercise of an Option granted to a Grantee, provided that:

- (a) In respect of any participant who is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the Remuneration Committee may, or in respect of any other participant, the Board may, establish performance targets against the attainment of which the Options (as the case may be) granted to the participants concerned. The Directors (or, as the case may be, the Remuneration Committee) shall have the authority, after the grant of any Option (as the case may be) which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less stringent than the original performance targets and are considered fair and reasonable by the Directors (or, as the case may be, the Remuneration Committee).
- (b) Proposed performance targets include business, financial, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit) as well as that for the participants based on individual performance indicators relevant to their roles and responsibilities. The Directors (or, as the case may be, the Remuneration Committee) will conduct assessment at the end of a performance period by comparing the performance of the business segments and the individual performance of the participants with the pre-agreed targets to determine whether the targets and the extents to which the targets have been met.

The Board may at its discretion specify any conditions (including performance targets (if any)) which must be satisfied before the Options may be exercised.

In circumstances where it, in the absolute opinion of the Board, may be regarded as inequitable for any Options to be vested or retained and/or (in case such Option has been exercised) the underlying H Shares issued and allotted upon exercise of such Option to be held (as the case may be) by any grantee, including but not limited to where there has been a material misstatement or omission in the financial reports of the Group or if the relevant grantee has committed any fraud or serious misconduct, such Option if any, and (in case such Option has been exercised) the underlying H Shares issued and allotted upon exercise of such Option if any, shall be subject to clawback. For the avoidance of doubt, any Options, (in case such Option has been exercised) the underlying H Shares issued and allotted upon exercise of such Options may be subject to clawback pursuant to the Company's policy on clawback, as amended from time to time.

DIRECTORS' REPORT**(9) Term of the H Share Option Scheme**

The H Share Option Scheme shall be valid and effective for the period commencing from the date of adoption (i.e. January 6, 2026) and expiring on the day falling one day immediately before the tenth 10th anniversary of the date of adoption (both dates inclusive), which may be terminated earlier in accordance with the provisions of the H Share Option Scheme. The remaining life of the H Share Option Scheme is 9 years and 9 months.

The H Share Option Scheme may be terminated at any time by the Board at its absolute discretion without Shareholders' approval, provided that the Board will only exercise such discretion under specific circumstances where the Board determines appropriate, such as, but not limited to where the Board is of the view that the H Share Option Scheme can no longer serve its designated purposes or when a new share award scheme is proposed to be adopted to replace the H Share Option Scheme. After the expiry or termination of the H Share Option Scheme, no further Options shall be offered or granted under the H Share Option Scheme, but in all other respects the provisions of the H Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting and exercise of any Options granted under the H Share Option Scheme prior thereto or otherwise as may be required in accordance with the provisions of the H Share Option Scheme, and Options granted prior to such expiry or termination shall continue to be valid and exercisable in accordance with the H Share Option Scheme and their terms of grant.

H Share Award Scheme**(1) Purposes**

The purposes of the H Share Award Scheme are to (i) promote the achievement of long-term sustainable development and performance goals of the Company; (2) closely align the interests of the Employee Participants with those of Shareholders, investors and the Company to enhance the cohesion of the Company and to facilitate the maximization of the value of the Company; and (3) improve the Company's incentive mechanism to attract, motivate and retain Employee Participants who have made contributions to the sustainable operation, business development and long-term growth of the Company.

(2) Scheme limit

The total number of Shares which may be issued in respect of all award shares ("**Awards**") that may be granted under the H Share Award Scheme and all share options and share awards that may be granted under any other schemes of the Company would be no more than 42,075,920 Shares (the "**H Share Award Scheme Limit**"), representing no more than 10% of the total number of Shares in issue (excluding any treasury shares) as at the adoption date (i.e. January 6, 2026).

As at the date of this report, the total number of Shares which may be issued in respect of all Awards that may be granted under the H Share Award Scheme was 42,075,920 Shares, representing 10% of the issued share (excluding treasury shares) of the Company.

DIRECTORS' REPORT

(3) Participants

Eligible participants of the H Share Option Scheme include any Employee Participants. For avoidance of doubt, the eligible participants of the H Share Award Scheme shall exclude independent non-executive Director(s).

The basis of determining eligibility of the Eligible Participants to the grant of any Awards shall be determined by the Board and/or the authorised person in their absolute discretion from time to time on the basis of the amount of contribution the eligible participant has made or is likely to make towards the success of the Group and all relevant factors as aforementioned and as appropriate, including, among others: (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities; (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) his/her contribution made or expected to be made to the growth of the Group; and (iv) his/her educational and professional qualifications, and knowledge in the industry.

A person shall not be considered as an eligible participant of the H Share Award Scheme if, as at the date of grant: (i) he/she has been publicly censured or declared inappropriate by any securities regulatory authority in the past 12 months; (ii) he/she has been imposed an administrative punishment by any securities regulatory authority or administrative authority, or prosecuted for criminal liabilities by any judicial authority in the past 12 months due to any serious violation of laws and regulations; (iii) he/she is prohibited from participating in the H Share Award Scheme as stipulated by laws and regulations; (iv) he/she has committed any other act that seriously violates the relevant provisions of the Group or causes significant damage to the interests of the Group as determined by the Board; or (v) has any other circumstance as determined by the Board for safeguarding the interests of the Group and ensuring compliance with the applicable laws and regulations relating to the operation of the H Share Award Scheme.

(4) Maximum entitlement of each participant

The total number of Shares issued and to be issued in respect of all Awards granted under the H Share Award Scheme and all share options and share awards under other schemes of the Company to each participant during any 12-month period up to and including the relevant date of grant shall not exceed 1.0% of the total number of issued Shares (excluding treasury shares) unless the proposed grant is separately approved by independent Shareholders at a general meeting of the Company.

Notwithstanding the foregoing, each grant of Awards to a Director (other than an independent non-executive Director), the chief executive or a substantial shareholder of the Company or any of their respective associates shall require the approval of the independent non-executive Directors and the total number of Shares issued and to be issued in respect of all Awards granted under the H Share Award Scheme and all share options and share awards under other schemes of the Company to each participant during any 12-month period up to and including the relevant date of grant shall not exceed 0.1% of the total number of issued Shares (excluding treasury shares) unless the proposed grant is separately approved by independent Shareholders at a general meeting of the Company.

DIRECTORS' REPORT**(5) Source of Shares for Awards under the H Share Award Scheme**

The source of the Shares under the H Share Award Scheme shall be:

- (a) H Shares acquired by the trustee through on-market or off-market transactions at the prevailing market price by utilizing the scheme funds in accordance with the instructions of the Company and the relevant requirements under the H Share Award Scheme. The Board and/or the authorised persons may, in accordance with the H Share Award Scheme, give instructions to the trustee in relation to the acquisition of H Shares and specify any conditions or terms, including but not limited to the specified price or price range for the acquisition, the maximum amount of funds for the acquisition and/or the maximum number of H Shares to be acquired; and
- (b) the new H Shares allotted and issued by the Company (for the avoidance of doubt, including transfer of treasury shares), which shall rank pari passu in all respects with the fully paid Shares in issue on the date of allotment.

(6) Vesting period

Subject to all applicable laws, rules or regulations, the Board and/or the authorised persons may determine the vesting criteria and conditions and the vesting periods for the Awards to be granted to each grantee pursuant to the H Share Award Scheme. Save for any other resolution of the Board, the vesting period in respect of any Awards granted shall be no less than 12 months from (and including) the date of grant.

Awards may be subject to a shorter vesting period as determined by (i) the Remuneration Committee under any of the following circumstances:

- (a) grants of "make-whole" Awards to a new eligible participant to replace the share awards or share options that such eligible participant of the H Share Award Scheme forfeited when leaving his/her previous employer;
- (b) the time for granting Awards may be delayed due to administrative or compliance requirements, which typically necessitate granting awards in batches within a year. In such cases, the vesting period may be adjusted to take into account the time when the Awards would have been granted if not for such administrative or compliance requirements;
- (c) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months or release in batches with the first batch vesting within 12 months after the Grant Date, and the final batch vesting after 12 months following the Grant Date;
- (d) grants of Awards with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria; and
- (e) grants of Awards with a total vesting and holding period of more than 12 months.

DIRECTORS' REPORT

(7) Purchase price of an Award

The Board and/or the authorised person may in its absolute discretion determine whether to require the grantees to pay any purchase price for obtaining the Awards and, if so required, determine the amount of the purchase price after taking into account the practices of comparable companies and the effectiveness of the Scheme in attracting talents and motivating the Grantees to contribute to the long-term development of the Group. For the avoidance of doubt the Board and/or the authorised person may determine the purchase price to be at nil consideration.

(8) Performance targets and clawback mechanism

Vesting of the Awards shall be subject to the performance targets, if any, to be satisfied by the grantees as determined by the Remuneration Committee from time to time. The Remuneration Committee shall have the authority, after the grant of any Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less stringent than the original performance targets and considered fair and reasonable by the Remuneration Committee.

The performance targets may include (i) the annual results and performance of the Group or members of the Group; (ii) the achievement of milestones of important projects of the Group; (iii) the key performance indicators of the eligible participant's department and/or business unit; and (iv) the position held by the eligible participants and the results of their annual appraisal, etc., which may vary among the grantees. The Remuneration Committee will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether such targets and the extents to which have been met. If, after the assessment, the Remuneration Committee determines that any prescribed performance targets have not been met, the unvested Awarded Shares shall lapse automatically.

The H Share Award Scheme will also give the Board discretion (but not obligation) to impose that any Awarded Share shall be subject to a clawback under certain circumstances. Upon occurrence of such circumstances, the Board may (but is not obliged to) claw back such number of Shares granted (to the extent not already vested) as the Board may consider appropriate.

(9) Term of the H Share Award Scheme

The H Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on the date of adoption (i.e. January 6, 2026), after which no additional Awards shall be granted, provided that the H Share Award Scheme will remain in full force in all other respects, if there are any Shares that are granted but unvested by the end of the H Share Award Scheme term, the H Share Award Scheme will be extended until such Shares have vested. The remaining life of the H Share Award Scheme is 9 years and 9 months.

Details of Grants under the H Share Option Scheme and H Share Award Scheme

During the Reporting Period and as of the date of this report, no options or awards had been granted under the H Share Option Scheme or the H Share Award Scheme.

DIRECTORS' REPORT

EQUITY-LINKED AGREEMENTS

Save as otherwise disclosed in this annual report, during the year ended December 31, 2025, the Company has not entered into any equity-linked agreement.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance in respect of legal actions arising out of corporate activities against the current Directors, Supervisors and senior management of the Company. The permitted indemnity provision is in force for the benefit of the Directors as required under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, neither the Company nor any of its subsidiaries was a party to any arrangements to enable directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the Reporting Period or at the end of the Reporting Period.

DONATION

The donations made by the Group in the Reporting Period were HK\$1.0 million.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this annual report, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director/supervisor of the Company or an entity connected with a director/supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors and Supervisors, no contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or subsisted during the year ended December 31, 2025.

DIRECTORS' REPORT

DIRECTORS

Executive Directors

Dr. Liu Guoqing *(Chairman of the Board and General Manager)*

Mr. Yang Guang

Mr. Zhou Xiang

Mr. Wang Qicheng

Non-executive Directors

Mr. Bi Lei

Ms. Liu Yiran

Independent non-executive Directors

Dr. Xiang Yang

Mr. Tan Kaiguo

Dr. Tan Mingkui

In accordance with Article 92 of the Articles of Association, the Directors shall be elected or replaced by the general meeting and may be removed from office by the general meeting before the expiration of their term of office. The Directors have a tenure of three years and can be re-elected upon the expiry of the tenure, unless otherwise provided by the relevant laws, regulations, the Articles of Association and securities regulatory rules of the place where the Company's shares are listed. The term of office of Directors shall last from the date on which the Directors take office to the expiration of the term of office of the current Board. Where a new Director is not yet available upon expiration of a Director's term, or the number of the Directors on the Board is less than the quorum due to the resignation of a Director within his term, such Director, before the new Director takes his office, shall continue the performance of his duties in accordance with laws, administrative regulations, departmental rules, the articles or association and the regulatory rules of the place where the Company's shares are listed.

The Company has received a confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and they have made an invaluable contribution to the development of the Company's strategies and policies, providing independent advice. In addition, they have also provided diversity of experience, skills, expertise, background and qualifications to the Board through regular attendance and active participation. The Board considers that they are independent.

DIRECTORS' SERVICE CONTRACTS

We have entered into a contract with each of our Directors and Supervisors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Each of our Directors has entered into service contracts with our Company. The principal particulars of these service contracts comprise (a) a term of three years which is equivalent to the term of the Board; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval. The service contracts can be renewed pursuant to our Articles of Association and applicable rules.

DIRECTORS' REPORT

Each of our Supervisors has entered into a contract with our Company. Each contract contains provisions relating to compliance with relevant laws and regulations, observation of our Articles of Association and resolution of disputes by means of arbitration.

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at December 31, 2025, none of the Directors or their close associates had any competing interests in the businesses which compete or are likely to compete, directly or indirectly, with the Group or would otherwise require disclosure under Rule 8.10 of the Listing Rules.

CONNECTED TRANSACTIONS

For the year ended December 31, 2025, we have not entered into any non-exempt connected transaction or continuing connected transaction which should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions carried out in the normal course of business are set out in note 41 to the consolidated financial statements.

None of these related party transactions constitutes a connected transaction or continuing connected transaction as defined under Chapter 14A of the Listing Rules.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares were listed on the Stock Exchange on December 27, 2024, and the over-allotment option in connection with the Global Offering was partially exercised on January 19, 2025. The Company issued a total of 310,369,508 H Shares at an issue price of HK\$17.00 per share in connection with its Global Offering and the partial exercise of the over-allotment option. The gross proceeds raised by the Company from the issuance of new shares in connection with its Global Offering and the partial exercise of the over-allotment option amounted to approximately HK\$679.1 million, and the net proceeds (after deducting the underwriting commission, incentive fees, other professional parties' fees and other listing expenses) amounted to approximately HK\$619.0 million (the "IPO Net Proceeds").

DIRECTORS' REPORT

The table below sets out the future plan for the intended uses of IPO Net Proceeds and their expected timeline of utilization based on the Company's current estimation:

	Approximate percentage of the IPO Net Proceeds	IPO Net Proceeds allocated for the intended use (HK\$ million)	Amount of IPO Net Proceeds utilized for each intended use during the Reporting Period (HK\$ million)	Amount of IPO Net Proceeds unutilized for each intended use as of December 31, 2025 (HK\$ million)	Expected timeline of utilizing the IPO Net Proceeds in full
Enhancing our R&D capabilities as well as recruiting and retaining relevant R&D talents	40%	247.6	247.6	0	N/A
Increasing our production efficiency and solution competitiveness	30%	185.7	17.7	168	By the end of 2027
Reinforcing our sales and marketing capabilities	20%	123.8	32.2	91.6	By the end of 2027
Working capital and general corporate purposes	10%	61.9	23.5	38.4	By the end of 2027

As of the Latest Practicable Date, there had not been any change in the intended use of the IPO Net Proceeds and the expected implementation timeline as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, and we did not anticipate any material change to our plan on such intended use of the IPO Net Proceeds.

USE OF PROCEEDS FROM THE JULY 2025 PLACING

On July 2, 2025 (after trading hours), the Company and CLSA Limited (the "Sole Placing Agent") entered into a placing agreement (the "July 2025 Placing"), pursuant to which the Company agreed to appoint the Sole Placing Agent, and the Sole Placing Agent agreed to act as the agent of the Company, to procure not less than six (6) placees, who shall be institutional, corporate professional and other investors, and who and whose ultimate beneficial owners shall be the independent third parties, on a best effort basis, to subscribe for up to 6,800,000 new Shares ("placing shares") (representing approximately 1.67% of the number of Shares in issue (i.e. 406,746,400 Shares, excluding the treasury shares) as enlarged by the allotment and issuance of the placing shares in the July 2025 Placing) at the placing price of HK\$23.26 per placing share. The aggregate nominal value of the placing shares is RMB6,800,000. The placing price of HK\$23.26 per placing share represents a discount of approximately 14.80% to the closing price of HK\$27.30 per Share as quoted on the Stock Exchange on July 2, 2025 (being the date of the placing agreement for the July 2025 Placing).

DIRECTORS' REPORT

The July 2025 Placing was conducted under the general mandate granted to the Board at the annual general meeting of the Company held on May 23, 2025. On July 9, 2025, the July 2025 Placing was completed. A total of 6,800,000 new H Shares have been successfully placed by the Sole Placing Agent to no less than six (6) placees at the placing price of HK\$23.26 per placing share in the July 2025 Placing. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the placees and its ultimate beneficial owners are institutional, corporate professional and other investors who are Independent Third Parties, and none of the placees has become a substantial shareholder of the Company immediately after the completion of the July 2025 Placing. The total gross proceeds from the July 2025 Placing are approximately HK\$158.17 million, and the net proceeds from the July 2025 Placing, after deducting the commission and other related expenses and professional fees, amounted to approximately HK\$155.11 million (the "**July 2025 Placing Proceeds**"). The net price of the placing shares was approximately HK\$22.81 per Share.

The table below sets out the future plan for the intended uses of July 2025 Placing Proceeds and their expected timeline of utilization based on the Company's current estimation:

	Approximate percentage of the July 2025 Placing Proceeds	July 2025 Placing Proceeds allocated for the intended use (HK\$ million)	Amount of July 2025 Placing Proceeds utilized for each intended use during the Reporting Period (HK\$ million)	Amount of July 2025 Placing Proceeds unutilized for each intended use as of December 31, 2025 (HK\$ million)	Expected timeline of utilizing the July 2025 Placing Proceeds in full
Enhancing the performance of our Group's intelligent driving solutions and meeting the rapidly growing demand for large-scale implementation of mid- to high-level intelligent driving projects	40%	62.0	46.2	15.8	By the end of 2027
Technological upgrading of L4 autonomous driving solutions to support the commercial deployment of autonomous passenger and cargo transport scenarios	30%	46.5	46.5	0	N/A
Exploring potential strategic partnership, alliance and acquisition opportunities	20%	31.0	11.0	20.0	By the end of 2027
Working capital and general corporate purposes	10%	15.5	1.5	14.0	By the end of 2027

As of the Latest Practicable Date, there had not been any change in the intended use of the July 2025 Placing Proceeds and the expected implementation timeline as previously disclosed in the section headed "Uses of Proceeds from The Placing" in the announcement dated July 3, 2025, and we did not anticipate any material change to our plan on such intended use of the July 2025 Placing Proceeds.

DIRECTORS' REPORT

USE OF PROCEEDS FROM THE DECEMBER 2025 PLACING

On July 2, 2025 (after trading hours), the Company and CLSA Limited, Guotai Junan Securities (Hong Kong) Limited and SBI China Capital Financial Services Limited (the "**Joint Placing Agents**") entered into a placing agreement (the "**December 2025 Placing**"), pursuant to which the Company agreed to appoint the Joint Placing Agents, and the Joint Placing Agents agreed to act as the agent of the Company, to procure not less than six (6) placees, who shall be institutional, corporate professional and other investors, and who and whose ultimate beneficial owners shall be the independent third parties, on a best effort basis, to subscribe for up to 14,012,800 new Shares ("**placing shares**") (representing approximately 3.33% of the number of Shares in issue (i.e. 420,759,200 Shares, excluding the treasury shares) as enlarged by the allotment and issuance of the placing shares in the December 2025 Placing) at the placing price of HK\$14.88 per placing share. The aggregate nominal value of the placing shares is RMB14,012,800. The placing price of HK\$14.88 per placing share represents a discount of approximately 9.98% to the closing price of HK\$16.53 per Share as quoted on the Stock Exchange on November 25, 2025 (being the price for the December 2025 Placing is fixed).

The December 2025 Placing was conducted under the general mandate granted to the Board at the annual general meeting of the Company held on May 23, 2025. On December 2, 2025, the December 2025 Placing was completed. A total of 14,012,800 new H Shares have been successfully placed by the Sole Placing Agent to no less than six (6) placees at the placing price of HK\$14.88 per placing share in the December 2025 Placing. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the placees and its ultimate beneficial owners are institutional, corporate professional and other investors who are Independent Third Parties, and none of the placees has become a substantial shareholder of the Company immediately after the completion of the December 2025 Placing. The total gross proceeds from the December 2025 Placing are approximately HK\$208.51 million, and the net proceeds from the December 2025 Placing, after deducting the commission and other related expenses and professional fees, amounted to approximately HK\$204.43 million (the "**December 2025 Placing Proceeds**"). The net price of the placing shares was approximately HK\$14.59 per Share.

DIRECTORS' REPORT

The table below sets out the future plan for the intended uses of December 2025 Placing Proceeds and their expected timeline of utilization based on the Company's current estimation:

	Approximate percentage of the December 2025 Placing Proceeds	December 2025 Placing Proceeds allocated for the intended use (HK\$ million)	Amount of December 2025 Placing Proceeds utilized for each intended use during the Reporting Period (HK\$ million)	Amount of December 2025 Placing Proceeds unutilized for each intended use as of December 31, 2025 (HK\$ million)	Expected timeline of utilizing the December 2025 Placing Proceeds in full
Enhancing the performance of our Group's intelligent driving solutions and meeting the rapidly growing demand for large-scale implementation of mid- to high-level intelligent driving projects	30%	61.3	0	61.3	By the end of 2027
Technological upgrading of L4 autonomous driving solutions to support the commercial deployment of autonomous passenger and cargo transport scenarios	70%	143.1	23.5	119.6	By the end of 2027

As of the Latest Practicable Date, there had not been any change in the intended use of the December 2025 Placing Proceeds and the expected implementation timeline as previously disclosed in the section headed "Uses of Proceeds from the Placing" in the announcement dated November 26, 2025, and we did not anticipate any material change to our plan on such intended use of the December 2025 Placing Proceeds.

DIRECTORS' REPORT

EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

During the Reporting Period, no remuneration was paid to the Directors or any of the five highest paid individuals as an inducement to join, or upon joining, the Group. During the Reporting Period, no compensation was paid to, or receivable by, any of the Directors, former directors or the five highest paid individuals for the loss of office as director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group. None of the Directors waived any emoluments during the Reporting Period. Details of the senior management of the Company and the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in note 42 and note 7 to the consolidated financial statements.

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

As of December 31, 2025, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (i) 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 under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in the Shares or underlying shares of the Company

Name of Director	Class of Shares	Capacity/ Nature of Interest	Number of Shares held ⁽¹⁾	Approximate percentage of in relevant class of Shares ⁽²⁾	Approximate percentage of in total share capital ⁽²⁾
Dr. Liu Guoqing	Unlisted Shares	Beneficial interest	17,141,751 (L)	19.14%	4.07%
		Interests held jointly with another person ⁽³⁾	21,602,603 (L)	24.12%	5.13%
		Interest in controlled Corporations ⁽⁴⁾	10,554,540 (L)	11.78%	2.51%
	H Shares	Beneficial interest	17,191,752 (L)	5.19%	4.09%
		Interests held jointly with another person ⁽³⁾	21,602,604 (L)	6.52%	5.13%
		Interest in controlled Corporations ⁽⁴⁾	10,554,540 (L)	3.19%	2.51%
Mr. Yang Guang	Unlisted Shares	Beneficial interest	7,464,254 (L)	8.33%	1.77%
		Interests held jointly with another person ⁽³⁾	31,280,100 (L)	34.92%	7.43%
	H Shares	Beneficial interest	7,464,254 (L)	2.25%	1.77%
		Interests held jointly with another person ⁽³⁾	31,330,102 (L)	9.46%	7.45%

DIRECTORS' REPORT

Name of Director	Class of Shares	Capacity/ Nature of Interest	Number of Shares held ⁽¹⁾	Approximate percentage of in relevant class of Shares ⁽²⁾	Approximate percentage of in total share capital ⁽²⁾
Mr. Zhou Xiang	Unlisted Shares	Beneficial interest	7,464,254 (L)	8.33%	1.77%
		Interests held jointly with another person ⁽³⁾	31,280,100 (L)	34.92%	7.43%
	H Shares	Beneficial interest	7,464,254 (L)	2.25%	1.77%
		Interests held jointly with another person ⁽³⁾	31,330,102 (L)	9.46%	7.45%
Mr. Wang Qicheng	Unlisted Shares	Beneficial interest	6,674,095 (L)	7.45%	1.59%
		Interests held jointly with another person ⁽³⁾	32,070,259 (L)	35.80%	7.62%
	H Shares	Beneficial interest	6,674,096 (L)	2.02%	1.59%
		Interests held jointly with another person ⁽³⁾	32,120,260 (L)	9.70%	7.63%

Notes:

- (1) The letter "L" denotes a long position in the Shares.
- (2) The approximate percentage of shareholding interest in the Company is calculated based on the total number of 420,759,200 Shares in issue as at December 31, 2025, which consists of 331,182,308 H Shares and 89,576,892 Unlisted Shares. As at December 31, 2025, the Company had no treasury shares.
- (3) Pursuant to the Amended Party Agreement, each of Dr. Liu Guoqing, Mr. Yang Guang, Mr. Zhou Xiang, Mr. Wang Qicheng, Mr. Yan Shengye and Mr. Wu Jianxin agreed to be parties acting in concert in (i) aligning their votes in the board meetings of the Company, and (ii) aligning their votes in the Shareholders' meeting in respect of the Shares beneficially owned by each of them from time to time, since they became and remained as Directors or Shareholders. The acting-in-concert relationship in respect of Mr. Yan Shengye and Mr. Wu Jianxin lapsed upon 12 months after the Listing. Therefore, under the SFO, each of Dr. Liu Guoqing, Mr. Yang Guang, Mr. Zhou Xiang and Mr. Wang Qicheng is deemed to be interested in the Shares held by each other.
- (4) Dr. Liu Guoqing is the general partner of Youjia Qingcheng, Youjia Zhongcheng and Youjia Licheng, the ESOP Holding Entities. Therefore, under the SFO, Dr. Liu Guoqing is deemed to be interested in Shares held by Youjia Qingcheng, Youjia Zhongcheng and Youjia Licheng.

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

DIRECTORS' REPORT

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

As at December 31, 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Interests in Shares or underlying Shares of the Company

Name of Shareholder	Class of Shares	Capacity/ Nature of Interest	Number of Shares held ⁽¹⁾	Approximate percentage of in relevant class of Shares ⁽²⁾	Approximate percentage of in total share capital
Youjia Qingcheng	Unlisted Shares	Beneficial interest	6,193,090 (L)	6.91%	1.47%
Beijing Siwei Internet Fund Management Center (Limited Partnership)	H Shares	Beneficial interest ⁽³⁾	32,611,320 (L)	9.85%	7.75%
Beijing Siwei Tiansheng Private Equity Fund Management Co., Ltd.	H Shares	Interest in controlled Corporations ⁽³⁾	32,611,320 (L)	9.85%	7.75%
NavInfo Co., Ltd.	H Shares	Interest in controlled Corporations ⁽³⁾	32,611,320 (L)	9.85%	7.75%
Shenzhen Zeyi Semiconductor Investment Partnership (Limited Partnership)	H Shares	Beneficial interest ⁽⁴⁾	21,421,719 (L)	6.47%	5.09%
Shenzhen Zeyi Private Equity Venture Capital Fund Management Co., Ltd.	H Shares	Interest in controlled Corporations ⁽⁴⁾	21,421,719 (L)	6.47%	5.09%
Mr. Chi Ke	H Shares	Interest in controlled Corporations ⁽⁴⁾	21,421,719 (L)	6.47%	5.09%
Gongqingcheng Xinxing Entrepreneurship Investment Partnership (Limited Partnership)	H Shares	Interest in controlled Corporations ⁽⁴⁾	21,421,719 (L)	6.47%	5.09%
Shenzhen Times Trust Creation No. 1 Investment Partnership (Limited Partnership)	H Shares	Interest in controlled Corporations ⁽⁴⁾	21,421,719 (L)	6.47%	5.09%
Mr. Chen Yaoqing	H Shares	Interest in controlled Corporations ⁽⁴⁾	21,421,719 (L)	6.47%	5.09%

DIRECTORS' REPORT

Name of Shareholder	Class of Shares	Capacity/ Nature of Interest	Number of Shares held ⁽¹⁾	Approximate percentage of in relevant class of Shares ⁽²⁾	Approximate percentage of in total share capital
Guokai Zhizao Transformation and Upgrading Fund (Limited Partnership)	Unlisted Shares	Beneficial interest ⁽⁵⁾	20,548,643 (L)	22.94%	4.88%
Guokai Investment Fund Management Co., Ltd.	Unlisted Shares	Interest in controlled Corporations ⁽⁵⁾	20,548,643 (L)	22.94%	4.88%
China Development Bank Capital Co., Ltd	Unlisted Shares	Interest in controlled Corporations ⁽⁵⁾	20,548,643 (L)	22.94%	4.88%
National Manufacturing Transformation and Upgrade Fund Co., Ltd.	Unlisted Shares	Interest in controlled Corporations ⁽⁵⁾	20,548,643 (L)	22.94%	4.88%
China International Capital Corporation Limited	H Shares	Interest in controlled Corporations ⁽⁶⁾	21,481,705 (L)	6.49%	5.11%
	H Shares	Interest in controlled Corporations ⁽⁶⁾	776,800 (S)	0.23%	0.18%
CICC Capital Operations Co., Ltd.	H Shares	Interest in controlled Corporations ⁽⁶⁾	20,016,932 (L)	6.04%	4.76%
Zhiying Huirong Private Fund Management (Beijing) Co., Ltd.	H Shares	Interest in controlled Corporations ⁽⁷⁾	17,000,902 (L)	5.13%	4.04%
Zhejiang Puhua Tianqin Equity Investment Management Co., Ltd.	H Shares	Interest in controlled Corporations ⁽⁸⁾	16,012,381 (L)	4.83%	3.81%
Mr. Zhang Tieshuang	Unlisted Shares	Interest in controlled Corporations ⁽⁹⁾	5,369,975 (L)	5.99%	1.28%
Shenzhen Kangchengheng Capital Management Group Limited	H Shares	Interest in controlled Corporations ⁽¹⁰⁾	38,992,255 (L)	11.77%	9.27%
Mr. Yuan Yakang	H Shares	Interest in controlled Corporations ⁽¹⁰⁾	38,992,255 (L)	11.77%	9.27%
KCH International Investment Limited	H Shares	Interest in controlled Corporations ⁽¹⁰⁾	24,564,960 (L)	7.42%	5.84%
Tianjin Kangchengheng Enterprise Management Consultation Partnership (Limited Partnership)	H Shares	Interest in controlled Corporations ⁽¹⁰⁾	24,564,960 (L)	7.42%	5.84%
Zhuji Kangchengheng Huiying Investment Partnership (Limited Partnership)	H Shares	Interest in controlled Corporations ⁽¹⁰⁾	24,564,960 (L)	7.42%	5.84%

DIRECTORS' REPORT

Name of Shareholder	Class of Shares	Capacity/ Nature of Interest	Number of Shares held ⁽¹⁾	Approximate percentage of in relevant class of Shares ⁽²⁾	Approximate percentage of in total share capital
Zhuji Economic Development and Financing Investment Co., Ltd.	H Shares	Interest in controlled Corporations ⁽¹⁰⁾	24,564,960 (L)	7.42%	5.84%
Zhuji Municipal Finance Bureau	H Shares	Interest in controlled Corporations ⁽¹⁰⁾	24,564,960 (L)	7.42%	5.84%

Notes:

- (1) The letter "L" and "S" denote a long position and a short position in the Shares.
- (2) The approximate percentage of shareholding interest in the Company is calculated based on the total number of 420,759,200 Shares in issue as at December 31, 2025, which consists of 331,182,308 H Shares and 89,576,892 Unlisted Shares. As at December 31, 2025, the Company had no treasury shares.
- (3) Beijing Siwei Internet Fund Management Center (Limited Partnership) (北京四維互聯基金管理中心(有限合夥)) ("Beijing Siwei") is a limited partnership established under the laws of the PRC. Its general partner is Beijing Siwei Tiansheng Private Equity Fund Management Co., Ltd. (北京四維天盛私募基金管理有限公司) ("Beijing Siwei Management"). Beijing Siwei is held by Beijing Siwei Management as to 1% and its limited partner, NavInfo Co., Ltd. as to 99%. Therefore, under the SFO, each of Beijing Siwei Management and NavInfo Co., Ltd is deemed to be interested in the Shares held by Beijing Siwei.
- (4) Shenzhen Zeyi Semiconductor Investment Partnership (Limited Partnership) (深圳澤奕半導體投資合夥企業(有限合夥)) ("Shenzhen Zeyi") is a limited partnership established under the laws of the PRC. Its general partner is Shenzhen Zeyi Private Equity Venture Capital Fund Management Co., Ltd. (深圳澤奕私募創業投資基金管理有限公司) ("Shenzhen Zeyi Management"), which is in turn held by Mr. Chi Ke (池可先生) as to 75.23%. Shenzhen Zeyi is held as to 1.03% by Shenzhen Zeyi Management, and its limited partners, among which (i) 33.33% is held by Gongqingcheng Xinxing Entrepreneurship Investment Partnership (Limited Partnership) (共青城欣興創業投資合夥企業(有限合夥)) ("Gongqingcheng"), (ii) 33.33% is held by Shenzhen Times Trust Creation No. 1 Investment Partnership (Limited Partnership) (深圳時代信創壹號投資合夥企業(有限合夥)) ("Shenzhen Times"), and (iii) 32.31% is held by nine other limited partners, none of which holds one-third or more of the interest therein. Gongqingcheng is held by Mr. Chen Yaoqing (陳瑤清先生) as to over 90%, and Shenzhen Times is held by a total of 18 partners and none of which holds one-third or more of the interest therein. Therefore, under the SFO, each of Shenzhen Zeyi Management, Mr. Chi Ke, Gongqingcheng, Shenzhen Times and Mr. Chen Yaoqing is deemed to be interested in the Shares held by Shenzhen Zeyi.
- (5) Guokai Zhizao Transformation and Upgrading Fund (Limited Partnership) (國開製造業轉型升級基金(有限合夥)) ("Guokai Zhizao") is a limited partnership established under the laws of the PRC. Its general partner is Guokai Investment Fund Management Co., Ltd. (國開投資基金管理有限責任公司) ("Guokai Management"), which is in turn wholly owned by China Development Bank Capital Co., Ltd (國開金融有限責任公司) ("CDB"). Guokai Zhizao is held by Guokai Management as to 0.2% and its limited partner, National Manufacturing Transformation and Upgrade Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司) ("Manufacturing Transformation Fund") as to 99.8%. Manufacturing Transformation Fund is in turn held by CDB as to 13.59% and 19 other shareholders as to 86.41%, none of which holds one-third or more of the interest therein. Therefore, under the SFO, each of Guokai Management, CDB and Manufacturing Transformation Fund is deemed to be interested in the Shares held by Guokai Zhizao.

DIRECTORS' REPORT

- [6] Liantong Zhongjin Innovation Industry Equity Investment Fund (Shenzhen) Partnership (Limited Partnership) (聯通中金創新產業股權投資基金(深圳)合夥企業(有限合夥)) ("Liantong CICC"), Qingdao CICC Alpha Intelligent Internet Industry Equity Investment Fund (Limited Partnership) (青島中金甲子智能互聯產業股權投資基金(有限合夥)) ("CICC Alpha") and Zhongjin (Changde) Emerging Industry Venture Capital Partnership (Limited Partnership) (中金(常德)新興產業創業投資合夥企業(有限合夥)) ("CICC Changde") directly held 2.47%, 2.18% and 1.40% of the Company's H Shares, respectively. The general partner of Liantong CICC is Liantong CICC Private Equity Investment Management (Shenzhen) Co., Ltd. (聯通中金私募股權投資管理(深圳)有限公司), which is in turn held as to 51% by CICC Capital Operations Co., Ltd. (中金資本運營有限公司) ("CICC Capital"). CICC Capital is ultimately wholly owned by China International Capital Corporation Ltd. (中國國際金融股份有限公司) ("CICC"). The general partner of CICC Alpha is CICC ALPHA (Beijing) Private Equity Investment Fund Management Co., Ltd. (中金甲子(北京)私募投資基金管理有限公司), which is in turn held by CICC Capital as to 51%. The general partner of CICC Changde is CICC Capital. Therefore, under the SFO, each of CICC and CICC Capital is deemed to be interested in the Shares held by Liantong CICC, CICC Alpha and CICC Changde. China International Capital Corporation Hong Kong Securities Limited ("CICC Hong Kong") directly held a long position of 1,464,773 and a short position of 776,800 in the unlisted derivatives of the Company. CICC Hong Kong is ultimately wholly owned by CICC. Therefore, under the SFO, CICC is deemed to be interested in the unlisted derivatives held by CICC Hong Kong.
- [7] Zhuhai Jiashi Shengqi Venture Capital Fund Partnership (Limited Partnership) (珠海嘉實盛啟創業投資基金合夥企業(有限合夥)) ("Jiashi Shengqi"), Zhuhai Jiashi Shengde Venture Capital Fund Partnership (Limited Partnership) (珠海嘉實盛德創業投資基金合夥企業(有限合夥)) ("Jiashi Shengde") and Zhuhai Jiashi Shengxuan Venture Capital Fund Partnership (Limited Partnership) (珠海嘉實盛烜創業投資基金合夥企業(有限合夥)) ("Jiashi Shengxuan") directly held 1.80%, 1.70% and 1.64% of the Company's H Shares, respectively. The general partner of each of Jiashi Shengqi, Jiashi Shengde and Jiashi Shengxuan is Zhiying Huirong Private Fund Management (Beijing) Co., Ltd. (智盈匯融私募基金管理(北京)有限公司) ("Zhiying Huirong"). Therefore, under the SFO, Zhiying Huirong is deemed to be interested in the Shares held by Jiashi Shengqi, Jiashi Shengde and Jiashi Shengxuan.
- [8] Tongxiang Wuzhen Puhua Fengqi Venture Capital Partnership (Limited Partnership) (桐鄉烏鎮普華鳳棲創業投資合夥企業(有限合夥)) ("Puhua Fengqi"), Jinhua Puhua Tianqin Equity Investment Fund Partnership (Limited Partnership) (金華普華天勤股權投資基金合夥企業(有限合夥)) ("Puhua Tianqin") and Hangzhou Binjiang Puhua Tianqing Equity Investment Partnership (Limited Partnership) (杭州濱江普華天晴股權投資合夥企業(有限合夥)) ("Binjiang Puhua") directly held 2.03%, 1.40% and 1.40% of the Company's H Shares, respectively. The general partner of each of Puhua Fengqi and Puhua Tianqin is Zhejiang Puhua Tianqin Equity Investment Management Co., Ltd. (浙江普華天勤股權投資管理股份有限公司) ("Puhua"). The general partner of Binjiang Puhua is Hangzhou Binjiang Puhua Equity Investment Management Co., Ltd., which is in turn held by Puhua as to 70%. Therefore, under the SFO, Zhejiang Puhua Tianqin Equity Investment Management Co., Ltd. is deemed to be interested in the Shares held by Puhua Fengqi, Puhua Tianqin and Binjiang Puhua.
- [9] Harbin Xinrong Qihang Venture Capital Enterprise (Limited Partnership) (哈爾濱鑫榕啟航創業投資企業(有限合夥)) ("Xinrong Capital") and Shenzhen Qianhe Wanhe Venture Capital Partnership (Limited Partnership) (深圳千賀萬禾創業投資合夥企業(有限合夥)) ("Shenzhen Wanhe") directly held 2.00% and 4.00% of the Company's Unlisted Shares, respectively. The general partner of Xinrong Capital is Zhoushan Guangchuan Venture Capital Partnership (Limited Partnership) which is in turn held as to 95% by Mr. Zhang Tieshuang (張鐵雙先生). The general partner of Shenzhen Qianhe Wanhe Venture Capital Partnership (Limited Partnership) is Tianjin Yuerong Qihe Enterprise Management Partnership (Limited Partnership) (天津越榕啟赫企業管理合夥企業(有限合夥)) which is held by its general partner, Mr. Zhang Tieshuang as to 10%. Therefore, under the SFO, Mr. Zhang Tieshuang is deemed to be interested in the Shares held by Xinrong Capital and Shenzhen Wanhe.
- [10] Shenzhen Jiaxin Yuande Equity Investment Fund Partnership (Limited Partnership) (深圳市嘉信元德股權投資基金合夥企業(有限合夥)) ("Jiaxin Yuande"), Shenzhen Kangchengheng Ruixiang Investment Partnership (Limited Partnership) (深圳市康成亨睿享投資合夥企業(有限合夥)) ("Kangchengheng Ruixiang") and KCH International Investment Limited directly held 3.11%, 1.24% and 7.42% of the Company's H Shares, respectively. The general partner of Jiaxin Yuande is Shenzhen Jialin Xinye Equity Investment Management Co., Ltd. (深圳市嘉霖信業股權投資管理有限公司) ("Jialin Management"), which is in turn held by Shenzhen Kangchengheng Capital Management Group Limited (深圳市康成亨資本管理集團有限公司) ("Kangchengheng") as to approximately 51.5%. The general partner of Kangchengheng Ruixiang is Kangchengheng. Kangchengheng is held as to 87% by Mr. Yuan Yakang (袁亞康先生). KCH International Investment Limited was held as to 70% by Tianjin Kangchengheng Enterprise Management Consultation Partnership (Limited Partnership) (天津市康成亨企業管理諮詢合夥企業(有限合夥)) ("Tianjin KCH"). Tianjin KCH was in turn held as to 1% by its general partner, Kangchengheng and as to 99% by its limited partner, Zhuji Kangchengheng Huiying Investment Partnership (Limited Partnership) (諸暨康成亨匯英創業投資合夥企業(有限合夥)) ("Zhuji Kangchengheng"), respectively. Zhuji Kangchengheng was held as to 99% by its limited partner, Zhuji Economic Development and Financing Investment Co., Ltd. (諸暨經開創融投資有限公司), which was ultimately controlled by Zhuji Municipal Finance Bureau (諸暨市財政局). Therefore, under the SFO, each of Tianjin KCH, Kangchengheng, Mr. Yuan Yakang, Zhuji Kangchengheng, Zhuji Economic Development and Financing Investment Co., Ltd. and Zhuji Municipal Finance Bureau is deemed to be interested in the respective Shares held by Jiaxin Yuande, Kangchengheng Ruixiang and KCH International Investment Limited.

Save as disclosed above, as at December 31, 2025, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' REPORT

PUBLIC FLOAT

As of December 31, 2025, the issued share capital of the Company comprised 331,182,308 H Shares and 89,576,892 Unlisted Shares. The Company has maintained a sufficient public float representing the Initial Prescribed Threshold (as defined in the Listing Rules) in accordance with Rule 19A.28B of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as otherwise disclosed in this annual report, there was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries for the year ended December 31, 2025. Subsequent to the Reporting Period and up to the Latest Practicable Date, the Company repurchased a total of 8,346,200 H Shares on the Stock Exchange at the consideration of approximately HK\$120 million (excluding transaction fees).

Month of repurchase	Number of H Shares repurchased (held at treasury shares)	Price per H Share repurchased		Total consideration (HKD'000)
		Highest (HKD)	Lowest (HKD)	
2026				
January	5,011,200	17.50	14.49	79,845
February	1,333,000	15.00	14.65	19,956
April	2,002,000	10.30	9.86	20,384
	8,346,200			120,186

The Board believes that the above share repurchases reflect the management's firm confidence in the long-term value of the Group and is conducive to enhancing the Group's capital market value and its ability to deliver returns to Shareholders. The share repurchases are in the interests of the Company and its Shareholders as a whole.

As of December 31, 2025, no H Shares were repurchased or held by the Company as treasury shares. As of the Latest Practicable Date, the Company had no present intention to use or sell the treasury shares.

Save as disclosed above, during the Reporting Period and up to the Latest Practicable Date, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the securities of the Company listed on the Stock Exchange, nor sole any treasury shares of the Company.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 36 to 59 of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Information on the Company's fulfillment of its environmental and social responsibilities will be disclosed in the 2025 Environmental, Social and Governance Report to be issued separately by the Company.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

To the best knowledge, information and belief of the Board and the management, the Group is in compliance with applicable laws and regulations that may have significant effect on the business and operations of the Group. The Group did not record any material losses and impacts arising from non-compliance with the regulations during the year ended December 31, 2025. Details are set out in the section headed "Management Discussion and Analysis" of this annual report.

AUDITORS

The auditor of the Company has changed from PricewaterhouseCoopers to Rongcheng (Hong Kong) CPA Limited during the year ended December 31, 2025. The consolidated financial statements for the year ended December 31, 2025 have been audited by Rongcheng (Hong Kong) CPA Limited.

On behalf of the Board

Minieye Technology Co., Ltd

Dr. Liu Guoqing

Chairman of the Board, Executive Director and General Manager

Shenzhen, April 30, 2026

REPORT OF SUPERVISORY COMMITTEE

In 2025, the Supervisory Committee of Minieye Technology Co., Ltd (the “**Company**”) strictly complied with the provisions of the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), and other laws, regulations and rules as well as the Articles of Association of Minieye Technology Co., Ltd (the “**Articles of Association**”) and the Working Rules for the Supervisory Committee of the Company, to conscientiously perform and independently exercise the supervisory authorities and duties of the Supervisory Committee. Members of the Supervisory Committee sat in the Board meetings and the general meetings and exercised effective supervision over the Company’s production and operation, development projects, financial position, major decisions and the performance of duties by the Directors, managers and other senior management, playing a better role in facilitating the Company’s regulated operation. The major work of the Supervisory Committee for 2025 is hereby reported as follows:

I. MEETINGS OF THE SUPERVISORY COMMITTEE

After the Company held the inaugural meeting and the first extraordinary general meeting on April 17, 2023, the Company was converted into a joint stock company with limited liability. The first session of the Supervisory Committee of the Company was formed with three members. The first session of the Supervisory Committee held 2 meetings in 2025, the details of which are as follows:

On May 23, 2025, the seventh meeting of the first session of the Supervisory Committee of the Company considered and approved the Resolution on the Company’s <2024 Supervisory Committee Work Report> (《關於公司<2024年度監事會工作報告>的議案》), the Resolution on the Company’s <2024 Annual Report> (《關於公司<2024年年度報告>的議案》), the Resolution on the Company’s <2024 Final Financial Report> (《關於公司<2024年度財務決算報告>的議案》), the Resolution on the 2024 Remuneration and 2025 Remuneration Plan for Directors and Supervisors (《關於董事和監事2024年度薪酬及2025年度薪酬方案的議案》), the Resolution on the Company’s <2024 Profit Distribution Plan> (《關於公司<2024年度利潤分配方案>的議案》), the Resolution on the Company’s <2024 Board of Directors Work Report> (《關於公司<2024年度董事會工作報告>的議案》), the Resolution on the Company’s <2024 Financial Statements> (《關於公司<2024年度財務報表>的議案》) and the Resolution on the Company’s <2024 General Manager Work Report> (《關於公司<2024年度總經理工作報告>的議案》).

On August 13, 2025, the eighth meeting of the first session of the Supervisory Committee of the Company considered and approved the Resolution on Proposed Change of the Company’s 2025 Auditor (《關於建議更換本公司2025年度核數師的議案》).

REPORT OF SUPERVISORY COMMITTEE

II. SUPERVISION OVER THE COMPANY'S RELEVANT MATTERS BY THE SUPERVISORY COMMITTEE

(I) Operation of the Company in accordance with the Law

During the Reporting Period, members of the Supervisory Committee supervised the convening procedures and resolutions of the Board and general meetings, the implementation of the resolutions of the general meetings by the Board, and the performance of duties by the Directors and senior management of the Company by sitting in the Board meetings and the general meetings of the Company and reviewing the relevant documents and information. The Supervisory Committee is of the view that, in 2025, the Board and the general meetings of the Company comply with the relevant laws and regulations and the Articles of Association and were able to operate in accordance with the applicable law and regulations, and the procedures for convening, holding, voting and resolution of the meetings were legal and compliant, and the internal control system was relatively sound, which ensured that the Company's business activities were carried out in an orderly manner, and no Director or senior management members of the Company has been found to have violated any laws, regulations or the Articles of Association or acted in a manner detrimental to the interests of the Company in the performance of their duties with the Company.

(II) Inspection of the Company's Financial Position

The Supervisory Committee has effectively supervised, inspected and reviewed the Company's financial position and operating results for 2025, and is of the opinion that the Company has sound financial systems, stable financial operations, a complete financial management system, healthy financial position, and the financial statements were in compliance with the relevant provisions of the Accounting Standards and the relevant accounting system, and presented a fair view of the Company's financial position and operating results for 2025 in all material respects with no material omissions or false recordings.

(III) Implementation of the Company's Internal Control Measures

Having reviewed the report on the evaluation of the Company's internal control measures, the Supervisory Committee has concluded that the contents of the report on the evaluation of the Company's internal control measures complies with the requirements of the relevant laws, regulations and regulated documents and truly, objectively and completely reflects the actual situation of the Company's internal control. The Supervisory Committee has no objection to the report on the evaluation of the Company's internal control measures submitted by the Board.

This report is hereby given.

Minieye Technology Co., Ltd

Supervisory Committee

March 31, 2026

INDEPENDENT AUDITOR'S REPORT

容诚 | RCHK

To the shareholders of Minieye Technology Co., Ltd

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

Opinion

We have audited the consolidated financial statements of Minieye Technology Co., Ltd (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 94 to 204, which comprise the consolidated balance sheet as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

Basis for Opinion

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

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on March 28, 2025.

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.

The key audit matter identified in our audit is related to assessment of expected credit losses of trade receivables.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Assessment of expected credit losses (“ECL”) of trade receivables</p> <p>Refer to Note 3.1(b) “credit risk”, Note 4(a) “Critical accounting estimates and judgements” and Note 23 “Trade and notes receivables” to the consolidated financial statements.</p> <p>As at December 31, 2025, the gross carrying amount of trade receivables amounted to RMB654.7 million, against which an allowance for expected credit losses of RMB47.4 million was provided.</p> <p>Management applied a simplified approach prescribed by IFRS 9 to measure ECL which uses a lifetime expected loss allowance for all trade receivables.</p> <p>For trade receivable balances with objective evidence of impairment and significant different credit risk characteristics, individual provision was made based on the present value of the difference between contractual cashflows and the cash flows that were expected to be received, with the considerations on current and future economic situations.</p>	<p>We have performed the following procedures, with the assistance of our credit model experts, in respect of the assessment of ECL of trade receivables:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Group’s internal controls and assessment process of ECL of trade receivables, 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; • In respect of the methods and significant assumptions used by management: <ol style="list-style-type: none"> 1) We assessed the appropriateness of the ECL provision methods adopted by management; 2) We evaluated the reasonableness of grouping of trade receivables based on shared credit risk characteristics; 3) We evaluated management’s judgement that trade receivables are featured with significant different credit risk characteristics;

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Trade receivables without objective evidence of impairment have been grouped based on shared credit risk characteristics to measure the ECL and, management's estimation of ECL has taken into consideration of certain information, including credit profiles and the payment profiles of counter parties. The expected loss rates are adjusted to reflect current conditions and forward-looking information on macroeconomic environment. Management identified the Gross Domestic Product, Consumer Price Index and Producer Price Index to be the most relevant factors.</p> <p>Significant assumptions involved in relation to assessment of ECL are subject to a relatively higher degree of uncertainty and subjectivity which in turn led to a high degree of auditor's judgment and audit effort.</p>	<p>4) For trade receivable balances with objective evidence of impairment and significant different credit risk characteristics, we assessed the recoverability by checking the supporting evidence, including credit history, public information, business performance and financial capability of these customers; and</p> <p>5) For trade receivables without objective evidence of impairment, we assessed the credit profiles and payment profiles of counter parties by comparing to public information or market data of companies with similar industry and other supporting evidence, and we evaluated the forward-looking factors with reference to our understanding of the Group's business, industry and external macroeconomic data.</p> <p>Based on the procedures performed, we found that the methods and assumptions applied by the management in the ECL assessment of trade receivables were supported by the evidence obtained.</p>

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 Minieye Technology Co., Ltd 2025 Annual Report (the “**annual report**”) other than the consolidated financial statements and our auditor’s report thereon. We have obtained some of the other information including the corporate information, financial highlights and management discussion and analysis prior to the date of this auditor’s report. The remaining other information, including the directors’ report, corporate governance report, chairman’s statement and the other sections to be included in the annual report, is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we 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.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action considering our legal rights and obligations.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Rongcheng (Hong Kong) CPA Limited

Certified Public Accountants

KWAN, Shui Cheung, Esmond

Practising Certificate Number: P05371

Hong Kong

March 31, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE LOSS

	Note	Year ended December 31,	
		2025	2024
		RMB'000	
Revenue	5	759,017	654,481
Cost of sales	6	(617,664)	(549,705)
Gross profit		141,353	104,776
Selling expenses	6	(90,368)	(71,096)
General and administrative expenses	6	(111,133)	(106,887)
Research and development expenses	6	(332,619)	(156,107)
Net impairment losses on financial assets	11	(29,732)	(22,648)
Other income	8	14,083	25,736
Other (losses)/gains – net	9	(5,487)	3,726
Share of results of associates, net		(176)	–
Operating loss		(414,079)	(222,500)
Finance income	10	8,399	2,273
Finance costs	10	(10,432)	(7,494)
Finance costs – net		(2,033)	(5,221)
Loss before income tax		(416,112)	(227,721)
Income tax expense	12	(155)	(17)
Loss for the year		(416,267)	(227,738)
Loss for the year attributable to:			
Owners of the Company		(400,149)	(216,487)
Non-controlling interests		(16,118)	(11,251)
		(416,267)	(227,738)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE LOSS

	Note	Year ended December 31,	
		2025	2024
		RMB'000	
Other comprehensive loss:			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign currency		(272)	-
Total comprehensive loss for the year		(416,539)	(227,738)
Total comprehensive loss for the year attributable to:			
Owners of the Company		(400,401)	(216,487)
Non-controlling interests		(16,138)	(11,251)
		(416,539)	(227,738)
Loss per share attributable to the owners of the Company (in RMB)			
Basic and diluted loss per share	13	(0.99)	(0.61)

The above consolidated statement of profit or loss and other comprehensive loss should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

		As at December 31,	
	Note	2025	2024
		RMB'000	
ASSETS			
Non-current assets			
Property, plant and equipment	15	131,134	43,883
Right-of-use assets	16	85,387	61,101
Intangible assets	17	21,063	18,926
Investment properties	18	4,287	4,529
Investments in associates	19	10,000	–
Goodwill	20	3,734	–
Other non-current assets	21	9,524	10,754
		265,129	139,193
Current assets			
Inventories	22	157,667	124,161
Trade and notes receivables	23	648,823	506,490
Other current assets	24	98,658	79,756
Financial assets at fair value through other comprehensive income	25	58,600	29,105
Financial assets at fair value through profit or loss	26	91,307	800
Restricted cash	27	4,073	4,842
Cash and cash equivalents	27	686,603	793,943
		1,745,731	1,539,097
Total assets		2,010,860	1,678,290
EQUITY			
Equity attributable to owners of the Company			
Share capital	28	420,759	399,190
Reserves	29	1,723,798	1,359,274
Accumulated losses		(1,023,811)	(623,662)
		1,120,746	1,134,802
Non-controlling interests		2,082	8,323
Total equity		1,122,828	1,143,125

CONSOLIDATED BALANCE SHEET

		As at December 31,	
	Note	2025	2024
		RMB'000	
LIABILITIES			
Non-current liabilities			
Lease liabilities	16	15,034	5,558
Borrowings	32	71,367	32,100
Deferred income	33	3,928	7,701
Other liabilities	37	73,998	-
		164,327	45,359
Current liabilities			
Trade payables	35	321,687	226,341
Contract liabilities	5(c)	2,721	7,724
Borrowings	32	301,126	159,408
Lease liabilities	16	12,950	15,479
Other payables and accruals	36	85,221	80,854
		723,705	489,806
Total liabilities		888,032	535,165
Total equity and liabilities		2,010,860	1,678,290

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

The financial statements on pages 94 to 204 were approved by the board of directors on March 31, 2026 and were signed on its behalf.

Liu Guoqing
Director

Yang Guang
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company			Total	Non-controlling interests	Total equity
		Share capital	Reserves	Accumulated losses			
		RMB'000					
			(Note 29)				
As at January 1, 2025		399,190	1,359,274	(623,662)	1,134,802	8,323	1,143,125
Loss for the year		-	-	(400,149)	(400,149)	(16,118)	(416,267)
Other comprehensive loss for the year		-	(252)	-	(252)	(20)	(272)
Total comprehensive loss		-	(252)	(400,149)	(400,401)	(16,138)	(416,539)
Issuance of ordinary shares	28	21,569	317,260	-	338,829	-	338,829
Capital injection by a non-controlling shareholder		-	25,974	-	25,974	2,418	28,392
Transaction with non-controlling interests	14	-	(18,057)	-	(18,057)	5,057	(13,000)
Share-based payment	30	-	39,599	-	39,599	-	39,599
Acquisition of subsidiaries	38	-	-	-	-	2,422	2,422
As at December 31, 2025		420,759	1,723,798	(1,023,811)	1,120,746	2,082	1,122,828
As at January 1, 2024		360,000	780,675	(407,175)	733,500	19,574	753,074
Loss for the year		-	-	(216,487)	(216,487)	(11,251)	(227,738)
Total comprehensive loss		-	-	(216,487)	(216,487)	(11,251)	(227,738)
Issuance of ordinary shares upon global offering	28	39,190	549,888	-	589,078	-	589,078
Share-based payment	30	-	28,711	-	28,711	-	28,711
As at December 31, 2024		399,190	1,359,274	(623,662)	1,134,802	8,323	1,143,125

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	2024
		RMB'000	
Cash flows from operating activities			
Cash used in operations	40(a)	(432,756)	(218,021)
Interest received		8,399	2,273
Income taxes paid		(155)	(17)
Net cash used in operating activities		(424,512)	(215,765)
Cash flows from investing activities			
Purchase of property, plant and equipment		(128,284)	(21,497)
Purchase of land use rights		(17,013)	(42,605)
Purchase of intangible assets		(3,210)	(6,918)
Payment for investments in associates		(10,000)	-
Proceeds from acquisition of subsidiaries	38	173	-
Proceeds from disposal of a subsidiary	39	98	-
Proceeds from disposal of property, plant and equipment		3,933	433
Proceeds from disposal of financial assets at fair value through profit or loss	3.3(c)	888,348	1,851,009
Purchase of financial assets at fair value through profit or loss	3.3(c)	(978,833)	(1,637,600)
Net cash (used in)/generated from investing activities		(244,788)	142,822
Cash flows from financing activities			
Proceeds from ordinary issuance, net of transaction costs		338,829	616,729
Proceeds from contributions of a non-controlling shareholder		28,392	-
Proceeds from other liabilities	37	73,998	-
Payment of transactions with non-controlling interests		(13,000)	-
Proceeds from bank borrowings		381,161	253,975
Repayment of bank borrowings		(200,176)	(159,127)
Interest paid for borrowings		(9,257)	(6,170)
Payment of listing expense		(16,654)	(20,273)
Principal elements and interest elements of lease payments		(18,754)	(16,429)
Net cash generated from financing activities		564,539	668,705
Net (decrease)/increase in cash and cash equivalents		(104,761)	595,762
Cash and cash equivalents at the beginning of the year		793,943	197,934
Effects of foreign exchange rate changes on cash and cash equivalents		(2,579)	247
Cash and cash equivalents at the end of the year		686,603	793,943

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

Minieye Technology Co., Ltd (“**Minieye**”, or the “**Company**”) was incorporated in Shenzhen on December 10, 2014 as a limited liability company. The address of the Company’s registered office is Floor 25, 9285 Binhe Avenue, Futian District, Shenzhen, Guangdong Province, the People’s Republic of China (the “**PRC**”).

The Company and its subsidiaries (together, “**the Group**”) are principally engaged in the development, manufacture and sales of intelligent driving products and solutions in the PRC.

On December 27, 2024, the Company has been successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited.

These consolidated financial statements were approved for issue by the Board of Directors on March 31, 2026.

2. Basis of preparation and changes in accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Basis of preparation and changes in accounting policies (continued)

2.2 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

A number of new or amended standards and interpretation became applicable for the current reporting period. The adoption of these new standards and amendments did not have material impact on the Group's financial position or operating result and did not require retrospective adjustment.

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to IAS 21 – Lack of Exchangeability	January 1, 2025

The amendments listed above 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.

(b) New and amended standards not yet adopted

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Basis of preparation and changes in accounting policies (continued)

2.2 Changes in accounting policies and disclosures (continued)

(b) New and amended standards not yet adopted (continued)

The Group has already commenced an assessment of the impact of these new or revised standards. According to the preliminary assessment made by the Group, no significant impact on the financial performance and positions of the Group is expected when they become effective. The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to IFRS 7 and IFRS 9 – Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 7 and IFRS 9 – Contracts referencing nature-dependent electricity	January 1, 2026
Annual improvements to IFRS – Annual improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 1, 2027
Amendments to IFRS 10 and IAS 28 – Sale or contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency	January 1, 2027

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Basis of preparation and changes in accounting policies (continued)

2.2 Changes in accounting policies and disclosures (continued)

(b) New and amended standards not yet adopted (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and performance but has impact on presentation of the consolidated statements of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management

3.1 Financial risk factors

The Group's risk management is predominantly controlled by the treasury department under policies approved by the directors of the Company (the "**directors of the Company**"). The Group's treasury department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The directors of the Company provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Company and its primary subsidiaries were incorporated in the PRC and considered RMB as their functional currency.

The Group is primarily exposed to changes in RMB/USD and RMB/HKD exchange rates. As at December 31, 2025, if USD or HKD strengthened/weakened by 10% against RMB, with all other variables held constant, loss before income tax for the year then ended would have been approximately RMB6,177,000 higher/lower and RMB35,076,000 higher/lower (December 31, 2024: RMB1,053,000 higher/lower and RMB59,139,000 higher/lower) as a result of foreign exchange losses/gains on translation of USD or HKD denominated cash and cash equivalents, financial assets at fair value through profit or loss ("**FVPL**"), trade and notes receivables, other receivables, trade payables as well as other payables and accruals.

(ii) Cash flow and fair value interest rate risk

Except for cash and cash equivalents, restricted cash and FVPL, the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 32. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

As at December 31, 2025 and 2024, if the Group's interest rates on borrowings obtained at variable rates had been 100 basis points higher/lower, the loss before income tax for the year then ended would have been approximately RMB475,000 and RMB237,000 higher/lower respectively.

(iii) Price risk

The Group is exposed to price risk in respect of FVPL, which mainly include investments in structured deposits and wealth management products and fund products. The Group is not exposed to commodity price risk. See Note 3.3 for details.

(b) Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, trade and notes receivables, other receivables, financial assets at fair value through other comprehensive income ("FVOCI"), FVPL, long-term receivables and non-current rental deposits. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

Risk management

To manage this risk, cash and cash equivalents and restricted cash are mainly placed with state-owned or reputable financial institutions in China Mainland which are all high-credit-quality financial institutions.

To manage risk arising from trade and notes receivables, FVOCI and FVPL, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. Trade and notes receivables have been grouped based on shared credit risk characteristics and aging to measure the expected credit losses. Trade and notes receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade and notes receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk(continued)

Risk management(continued)

For other receivables, non-current rental deposits and long-term receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experiences, and forward-looking information.

Impairment of financial assets

The Group has four types of financial assets that are subject to the expected credit loss model: (i) cash and cash equivalents and restricted cash; (ii) Trade receivables, notes receivables and financial assets at FVOCI; (iii) other receivables; (iv) Other non-current assets.

(i) Cash and cash equivalents and restricted cash

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions in China Mainland. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

(ii) Trade receivables, notes receivables and financial assets at FVOCI

Trade receivables

Management applied a simplified approach prescribed by IFRS 9 to measure expected credit loss (“**ECL**”) which uses a lifetime expected loss allowance for all trade receivables.

For trade receivable balances with objective evidence of impairment and significant different credit risk characteristics, individual provision was made based on the present value of the difference between contractual cashflows and the cash flows that were expected to be received, with the considerations on current and future economic situations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

- (ii) Trade receivables, notes receivables and financial assets at FVOCI (continued)

Trade receivables (continued)

Trade receivables without objective evidence of impairment have been grouped based on shared credit risk characteristics to measure the ECL and, management's estimation of ECL has taken into consideration of certain information, including credit profiles and the payment profiles of counter parties. The expected loss rates are adjusted to reflect current conditions and forward-looking information on macroeconomic environment. Management identified the Gross Domestic Product, Consumer Price Index and Producer Price Index to be the most relevant factors.

The Group's trade receivables mainly represented receivables received from intelligent solutions and driverless vehicles and operational services to customers as described in Note 23. The Group's credit period to its customers was typically within one year.

Trade receivables include:

Category 1: customers who are listed companies or a subsidiary of listed companies and grouped based on shared credit risk characteristics and assessed collectively.

Category 2: customers with objective evidences of impairment and significant different credit risk characteristics and assessed individually.

Category 3: customers who are not listed companies and grouped based on shared credit risk characteristics and assessed collectively.

With different types of customers, the Group calculated the expected credit loss rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

(ii) Trade receivables, notes receivables and financial assets at FVOCI (continued)

Trade receivables (continued)

As of December 31, 2025 and 2024, the loss allowance provision for the trade receivables was determined as follows.

	As at December 31, 2025		
	Gross carrying amount RMB'000	Expected credit loss rate	Loss allowance RMB'000
Category 1	210,363	6.20%	(13,032)
Category 2	15,588	100.00%	(15,588)
Category 3	428,772	4.37%	(18,737)
	654,723	7.23%	(47,357)

	As at December 31, 2024		
	Gross carrying amount RMB'000	Expected credit loss rate	Loss allowance RMB'000
Category 1	155,594	2.59%	(4,028)
Category 2	18,848	100.00%	(18,848)
Category 3	315,337	3.20%	(10,094)
	489,779	6.73%	(32,970)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

- (ii) Trade receivables, notes receivables and financial assets at FVOCI (continued)

Notes receivables and financial assets at FVOCI

Financial assets at FVOCI mainly relate to notes receivable held both to collect cash flows and to sell. For notes receivables, the Group applies the IFRS 9 simplified approach to measure expected credit losses. As of December 31, 2025 and 2024, management considers that the expected credit loss is immaterial and no loss provision has been made.

- (iii) Other receivables

Other receivables that are not credit-impaired on initial recognition are classified in stage 1 and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other receivable has occurred since initial recognition, the financial asset is moved to 'stage 2' but is not yet deemed to be credit impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'stage 3' and the expected credit loss is measured as lifetime expected credit loss.

Management considers the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the years ended December 31, 2025 and 2024. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

Transfer between stage 1, stage 2 or stage 3 due to other receivables experiencing significant increases (or decreases) of credit risk in the period, and the subsequent "step up" (or "step down") between 12-month and lifetime ECL;

Other receivables derecognized and write-offs of allowance related to assets that were written off during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

(iii) Other receivables (continued)

The Group considers counter – parties as follows:

‘Stage 1’ – Counter-parties who have low risk of default and a strong capacity to meet contractual cash flows;

‘Stage 2’ – Counter-parties whose repayments are past due but with reasonable expectation of recovery;

‘Stage 3’ – Counter-parties whose repayments are past due and with low reasonable expectation of recovery.

As at December 31, 2025 and 2024, the loss allowance of other receivables are determined as follows:

	As at December 31,	
	2025	2024
	RMB'000	
Expected loss rate	29.96%	10.48%
Gross carrying amounts – other receivables	30,494	6,756
Loss allowance	(9,136)	(708)

Other receivables mainly include deposits, advance to staff and others. All of the Group’s financial assets at amortized cost are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition as described in Note 24. As there has been no significant increase in credit risk since initial recognition, most of the Group’s other receivables as at December 31, 2025 and 2024 were classified in Stage 1 and their expected credit losses were measured on a 12-month basis. Other receivables are written off when there is no reasonable expectation of recovery.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)**3.1 Financial risk factors (continued)****(b) Credit risk (continued)****Impairment of financial assets (continued)**

(iv) Other non-current assets

The Group's other non-current assets include non-current rental deposits and long-term receivables, which are sales proceeds collected over a three-year period.

The Group chooses to apply the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) for long-term receivables which contain a significant financing component.

As at December 31, 2025 and 2024, the loss allowance of non-current assets are determined as follows:

	As at December 31,	
	2025	2024
	RMB'000	
Expected loss rate	51.94%	83.83%
Gross carrying amounts		
– other non-current assets	10,525	6,883
Loss allowance	(5,467)	(5,770)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

- (v) Summary of impairment of financial assets

Impairment losses on the above mentioned trade receivables, other receivables and other non-current assets are presented as net impairment losses within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

The movement of loss allowance for trade receivables, other receivables and other non-current assets during the years ended December 31, 2025 and 2024 is as follows:

	Trade receivables	Other receivables	Other non-current assets	Total
	RMB'000			
As at January 1, 2025	(32,970)	(708)	(5,770)	(39,448)
(Increase)/decrease in loss allowance recognized in profit or loss during the year	(21,548)	(8,428)	244	(29,732)
Written off	2,576	-	-	2,576
Disposal of a subsidiary	4,585	-	59	4,644
As at December 31, 2025	(47,357)	(9,136)	(5,467)	(61,960)
As at January 1, 2024	(13,905)	(720)	(3,420)	(18,045)
Increase in loss allowance recognized in profit or loss during the year	(20,293)	(5)	(2,350)	(22,648)
Written off	1,228	17	-	1,245
As at December 31, 2024	(32,970)	(708)	(5,770)	(39,448)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)**3.1 Financial risk factors (continued)***(c) Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000			
As at December 31, 2025				
Borrowings (including interest payables)	307,469	60,327	12,314	380,110
Trade payables (Note 35)	321,687	-	-	321,687
Other payables and accruals (excluding salaries and welfare payables, VAT and other taxes payables and warranty provision) (Note 36)	23,213	-	-	23,213
Lease liabilities (Note 16)	13,788	7,759	7,867	29,414
Other liabilities (Note 37)	-	-	73,998	73,998
	666,157	68,086	94,179	828,422

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Maturities of financial liabilities (continued)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000			
As at December 31, 2024				
Borrowings (including interest payables)	162,748	32,866	–	195,614
Trade payables (Note 35)	226,341	–	–	226,341
Other payables and accruals (excluding salaries and welfare payables, VAT and other taxes payables and warranty provision) (Note 36)	42,043	–	–	42,043
Lease liabilities (Note 16)	16,111	5,510	131	21,752
	447,243	38,376	131	485,750

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amounts of dividends paid to equity holders, return capital to equity holders, issue new shares or repurchase the Company's shares. In the opinion of the management of the Company, the Group's capital risk is low. As a result, capital risk is not significant for the Group and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)**3.2 Capital management (continued)**

As at December 31, 2025 and 2024, the liability-to-asset ratios were as follows:

	As at December 31,	
	2025	2024
	RMB'000	
Total liabilities	888,032	535,165
Total assets	2,010,860	1,678,290
Liability-to-asset ratio	44.16%	31.89%

3.3 Fair value estimation**(a) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the statements of balance sheets. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

(a) Fair value hierarchy (continued)

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

	Level 1	Level 2	Level 3	Total
	RMB'000			
As at December 31, 2025				
Assets				
Financial assets at FVOCI (Note 25)	-	-	58,600	58,600
Financial assets at FVPL (Note 26)	-	-	91,307	91,307
	-	-	149,907	149,907
As at December 31, 2024				
Assets				
Financial assets at FVOCI (Note 25)	-	-	29,105	29,105
Financial assets at FVPL (Note 26)	-	-	800	800
	-	-	29,905	29,905

The Group's policy is to recognize transfers into and out of fair value hierarchy levels as at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)**3.3 Fair value estimation (continued)*****(b) Valuation process and technique used to determine fair value***

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no changes in valuation techniques during the years ended December 31, 2025 and 2024.

The fair value of trade and notes receivables, other receivables, cash and cash equivalents, trade payables, other payables and accruals (excluding salaries and welfare payables, VAT and other taxes payables and warranty provision), current borrowings, and lease liabilities approximated their carrying amounts due to their short maturities or interest bearing.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended December 31, 2025 and 2024:

	Financial assets at FVOCI RMB'000
As at January 1, 2025	29,105
Acquisitions	188,783
Disposals	(159,288)
As at December 31, 2025	58,600
As at January 1, 2024	36,462
Acquisitions	71,146
Disposals	(78,503)
As at December 31 2024	29,105

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

*(c) Fair value measurements using significant unobservable inputs (level 3)
(continued)*

	Financial assets at FVPL RMB'000
As at January 1, 2025	800
Acquisitions	978,833
Disposals	(888,348)
Fair value gains (Note 9)	22
As at December 31, 2025	91,307
As at January 1, 2024	210,597
Acquisitions	1,637,600
Disposals	(1,851,009)
Fair value gains (Note 9)	3,612
As at December 31, 2024	800

The changes of financial assets at FVPL for the years ended December 31, 2025 and 2024 have been presented in Note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

(d) Valuation inputs and relationships to fair value

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

Description	Fair value RMB'000	As at December 31, 2025		
		Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Structured deposits and wealth management products	33,343	Expected rate of return	1.0%–3.71%	The higher the expected rate of return, the higher the fair value
Fund products	57,964	Net assets value of unlisted funds	N/A	The higher the net assets value of unlisted funds, the higher the fair value
Financial assets at FVOCI – Notes receivables	58,600	Discount rate	0.55%–1.15%	The higher the discount rate, the lower the fair value
Description	Fair value RMB'000	As at December 31, 2024		
		Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Structured deposits and wealth management products	800	Expected rate of return	1.80%	The higher the expected rate of return, the higher the fair value
Financial assets at FVOCI – Notes receivables	29,105	Discount rate	0.76%–1.5%	The higher the discount rate, the lower the fair value

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

(d) Valuation inputs and relationships to fair value (continued)

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

As at December 31, 2025, if the expected rate of return had been 50 basis points higher/lower, the fair value of Structured deposits and wealth management products would have been approximately RMB167,000 higher/lower (2024: RMB4,000 higher/lower).

As at December 31, 2025, if the net assets value of unlisted funds had been 1% higher/lower, the fair value of fund products would have been approximately RMB58,000 higher/lower (2024: Nil).

As at December 31, 2025, if the discount rate had been 50 basis points higher/lower, the fair value of financial assets at FVOCI would have been approximately RMB230,000 lower/higher (2024: RMB143,000 lower/higher).

4. Critical accounting estimates and judgements

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

Estimates and judgements 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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of financial assets

The loss allowances for financial assets are 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 the tables in Note 3.1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Critical accounting estimates and judgements (continued)

(b) Fair value of financial assets at FVPL

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 3.3.

(c) Inventory provision

Inventories are stated at the lower of cost and net realizable value ("**NRV**"). The 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. Even though the management of the Group has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situations.

(d) Impairment of non-financial assets

Assets that are subject to amortization or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss, if any, is recognized in profit or loss for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use, both involve significant assumptions and estimates. The directors of the Company concluded that no impairment provision was required as at December 31, 2025.

(e) Recognition of share-based payment expenses

As disclosed in Note 30, the Group granted shares to the Group's employees, which are viewed as share-based payment transaction in substance. These transactions resulted in the recognition of share-based payment expenses. The directors of the Company calculated the fair value of each awarded restricted shares based on the most recent transaction price of the Company's shares at the grant date. Significant estimate on assumptions are made based on management's best estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Critical accounting estimates and judgements (continued)

(f) Income taxes and deferred taxation

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgments are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group recognizes deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred income tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

(g) Estimation of provision for warranty claims

Provision for product warranties granted by the Group in respect of certain products is recognized based on sales volume and past experience of the level of repair. The Group accrues a warranty reserve for the goods sold by multiplying the expected unit costs for warranty services by the sales volume, which includes the best estimate of projected costs to repair or replace items under warranties. Factors that affect the Group's warranty liability include the number of products sold under warranty, historical and anticipated rates of warranty claim on those products, and cost per claim to satisfy the warranty obligation. The estimation basis is reviewed on an on-going basis and revised where appropriate.

5. Revenue and segment information

(a) Description of segments and principal activities

During the years ended December 31, 2025 and 2024, the Group is engaged in the development, manufacture and sales of intelligent driving products and solutions. The executive directors of the Company review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one business segment which is used to make strategic decisions.

Geographical information

Majority of the Group's business and operations are conducted in China Mainland and currently, the Group's principal market, majority of revenue, operating loss and non-current assets are derived from/located in the PRC. Accordingly, no geographical segment information is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Revenue and segment information (continued)

(b) Revenue during the current year

	Year ended December 31,	
	2025	2024
	RMB'000	
Intelligent solutions	681,822	651,069
Driverless vehicles and operational services	64,996	–
Others (i)	12,199	3,412
	759,017	654,481

All the Group's revenue is recognized at a point in time.

(i) Others mainly refer to revenue generated from sales of spare parts.

(c) Contract liabilities

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

	As at December 31,	
	2025	2024
	RMB'000	
Contract liabilities	2,721	7,724

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services or goods are yet to be provided.

Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized during the years ended December 31, 2025 and 2024 relates to carried-forward contract liabilities.

	Year ended December 31,	
	2025	2024
	RMB'000	
Revenue recognized that was included in the contract liabilities balance at the beginning of the year	3,610	5,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Revenue and segment information (continued)

(c) Contract liabilities (continued)

(i) Assets recognized from costs to fulfill contracts

	As at December 31,	
	2025	2024
	RMB'000	
Assets recognized from costs incurred to fulfill contracts (Note 22)	38,891	22,936
Provision of contract fulfillment costs (Note 22)	(9,819)	(2,921)
	29,072	20,015

There were no unsatisfied performance obligations to which the transaction price should be allocated as at December 31, 2025 and 2024.

(d) Information about major customers

For the years ended December 31, 2025 and 2024, revenue derived from customer who accounted for more than 10% of total revenue was set out below:

	Year ended December 31,	
	2025	2024
	RMB'000	
Customer 1	20.64%	11.60%

(e) Revenue recognition

Revenue is recognized when or as the control of the goods or services is transferred to a customer. A customer is the party that contracts with the Group to purchase goods or services which are the output of the Group's ordinary activities in exchange for consideration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Revenue and segment information (continued)

(e) Revenue recognition (continued)

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

When either party to a contract has performed, the Group presents the contract on the consolidated balance sheets as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of return, trade allowances and amounts collected on behalf of third parties.

The accounting policies for the Group's principal revenue sources are as follows:

(i) Intelligent solutions

The Group manufactures and sells intelligent solutions in the market and generates revenue from sales of driving assistance products (iSafety), intelligent navigation assistance products (iPilot), intelligent cabin products (iCabin), Vehicle infrastructure cooperative systems and other related products.

The revenue for intelligent solutions mentioned above is recognized at a point in time when the control of the products mentioned above is transferred to the customer or performance obligations are satisfied as well as the agreed deliverables are accepted by customers.

(ii) Driverless vehicles and operational services

The Group provides driverless vehicles and operational services to customers. The revenue for driverless vehicles and operational services mentioned above is recognized at a point in time when the control of the products mentioned above is transferred to the customer or performance obligations are satisfied as well as the agreed deliverables are accepted by customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Revenue and segment information (continued)

(e) Revenue recognition (continued)

(iii) Others

Others mainly refer to revenue generated from sales of spare parts. The revenue is recognized at a point in time.

6. Expenses by nature

The detailed analysis of cost of sales, selling expenses, general and administrative expenses and research and development expenses is as follow:

	Year ended December 31,	
	2025	2024
	RMB'000	
Changes in inventories of finished goods and semi-finished goods (Note 22)	30,139	13,369
Raw materials and consumables used (Note 22)	357,735	472,144
Services fees	333,355	74,543
Employee benefit expenses (Note 7)	280,530	196,294
Office and travel expenses	31,926	19,410
Write-down of inventories to NRV (Note 22)	27,175	4,753
Depreciation and amortization (Notes 15, 17, 18)	17,493	14,644
Depreciation of right-of-use assets (Note 16)	16,475	15,904
Experimentation expenses	13,627	5,538
Advertising and publicity expenses	8,151	1,248
Warranty costs	7,115	4,632
Processing expenses	3,950	7,058
Legal and professional fees	3,759	3,466
Outsourced installation expenses	2,139	2,192
Auditors' remuneration	2,000	2,200
Testing expenses	1,305	1,551
Listing expenses	-	32,336
Others	14,910	12,513
	1,151,784	883,795

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. Employee benefit expenses

	Year ended December 31,	
	2025	2024
	RMB'000	
Wages, salaries and bonuses	210,109	147,548
Share-based payment expenses (Note 30)	39,599	28,711
Pension obligations, housing funds, medical insurances and other social insurances (a)	26,276	16,925
Other employee benefits (b)	4,546	3,110
	280,530	196,294

(a) Pension obligations, housing funds, medical insurances and other social insurances

Full time employees of the Group in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs, subject to certain ceiling, as determined by local government authority for the pension obligations, housing funds, medical insurances and other social insurances to fund the benefits. The Group's liabilities in respect of benefits schemes are limited to the contribution payable in each year.

No forfeited contributions were utilized during the year ended December 31, 2025 to offset the Group's contribution to the above mentioned retirement benefit schemes.

(b) Other employee benefits

Other employee benefits mainly include termination benefits and employee welfare expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. Employee benefit expenses (continued)

(c) Five highest paid employees

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2025 and 2024 include no director, whose emoluments are disclosed in the Note 42. The emoluments payable to the 5 highest paid individuals during the year are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	
Wages, salaries and bonuses	4,393	4,013
Share-based payment expenses	17,018	12,326
Pension obligations, housing funds, medical insurances and other social insurances	313	203
	21,724	16,542

The emoluments fell within the following bands:

	Year ended December 31,	
	2025	2024
Emolument bands (in Hong Kong dollars)		
HKD2,500,001 – HKD3,000,000	1	1
HKD3,000,001 – HKD3,500,000	1	1
HKD3,500,001 – HKD4,000,000	1	1
HKD4,000,001 – HKD 4,500,000	1	2
HKD10,000,001 – HKD 10,500,000	1	–
	5	5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. Other income

	Year ended December 31,	
	2025	2024
	RMB'000	
Amortisation of deferred government grants	3,773	5,184
Other government grants	2,107	11,830
Value added tax ("VAT") refund	8,203	8,722
	14,083	25,736

During the years ended December 31, 2025 and 2024, the other government grants mainly include financial subsidies from local government authorities with certain specified conditions. There are no unfulfilled conditions or other contingencies attaching to the other government grants recognized.

9. Other (losses)/gains – net

	Year ended December 31,	
	2025	2024
	RMB'000	
Net fair value gains on financial assets at FVPL	22	3,612
Net gain on disposal of subsidiary (Note 39)	1,877	–
Net foreign exchange losses	(3,683)	(250)
Gains/(losses) on disposals of property, plant and equipment, intangible assets and right-of-use assets, net	274	(134)
Donation expenditure	(911)	–
Others	(3,066)	498
	(5,487)	3,726

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Finance costs – net

	Year ended December 31,	
	2025	2024
	RMB'000	
Finance income		
Interest income from cash and cash equivalents	8,399	2,188
Other interest income	–	85
Total finance income	8,399	2,273
Finance costs		
Interest expenses on borrowings	(9,257)	(6,170)
Interest expenses on lease liabilities	(1,175)	(1,324)
Total finance costs	(10,432)	(7,494)
Finance costs – net	(2,033)	(5,221)

11. Net impairment losses on financial assets

	Year ended December 31,	
	2025	2024
	RMB'000	
Impairment losses – net:		
– trade receivables	(21,548)	(20,293)
– other receivables	(8,428)	(5)
– other non-current assets	244	(2,350)
	(29,732)	(22,648)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Income tax expense

	Year ended December 31,	
	2025	2024
	RMB'000	
Current income tax expense	155	17
Deferred income tax expense	-	-
	155	17

Taxes on profits assessable have been calculated at the rates of tax prevailing in the jurisdictions in which relevant entities operate.

(i) PRC corporate income tax ("PRC CIT")

The Company and its subsidiaries in the PRC are subject to PRC CIT which is calculated based on the applicable tax rate of 25% on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulations for the year ended December 31, 2025 and 2024, except for disclosed below.

The Company obtained its High and New Technology Enterprises ("HNTe") status in year 2017 and hence is entitled to a preferential tax rate of 15% for a three-year period commencing 2017. In 2020 and 2023, the Company succeeded the qualification for HNTe and is therefore subject to a preferential income tax rate of 15% for a three-year period commencing 2020 and 2023. In addition, the Group's subsidiary, Nanjing Youjia Technology Co., Ltd. (南京佑駕科技有限公司) was qualified as HNTe in year 2020 and succeeded the qualification for HNTe in 2023.

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engaged in research and development ("R&D") activities are entitled to claim an additional tax deduction amounting to 75% of the qualified R&D expenses incurred in determining its tax assessable profits for that year ("Super Deduction"). Starting from March 2021, the additional deduction ratio increased to 100% for manufacturing industry. Starting from October 1, 2022, the additional deduction ratio was increased to 100% for other industries.

During the years ended December 31, 2025 and 2024, certain subsidiaries in China Mainland qualified as "small low-profit enterprises" under the Enterprise Income Tax Law of the PRC and enjoyed a preferential income tax rate of 20%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Income tax expense (continued)

(i) PRC corporate income tax (“PRC CIT”) (continued)

The difference between the actual income tax expense charged to the consolidated statements of profit or loss and other comprehensive loss and the amounts which would result from applying the enacted tax rates to loss before income tax can be reconciled as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	
Loss before income tax	(416,112)	(227,721)
Income tax credit computed at the applicable income tax rate of 25%	(104,028)	(56,930)
Tax effects of preferential tax rate	32,103	23,140
Tax losses for which no deferred tax asset was recognized	111,306	49,082
Super deduction in respect of R&D expenditures	(54,209)	(24,426)
Expenses not deductible for taxation purposes	860	752
Temporary differences for which no deferred income tax asset was recognized	14,123	8,399
Income tax expense	155	17

The Group principally conducted its business in China Mainland, where the accumulated tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extension for expiries of unused tax losses of HNTE issued in August 2017, the expiry period of the accumulated unexpired tax losses of the Company, which is qualified as HNTE, from 2017 had been extended from 5 years to 10 years. The Company re-applied for HNTE status in 2020 and 2023 and the approval was obtained in 2020 and 2023. The expiry period of the accumulated unexpired tax losses of Group’s subsidiary, Nanjing Youjia Technology Co., Ltd. (南京佑駕科技有限公司) which is qualified as HNTE, from 2020 had been extended from 5 years to 10 years. Nanjing Youjia Technology Co., Ltd. (南京佑駕科技有限公司) re-applied for HNTE status in 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Income tax expense (continued)

(i) PRC corporate income tax ("PRC CIT") (continued)

Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	
2025	–	9,136
2026	37,649	37,649
2027	64,928	64,928
2028	143,869	143,869
2029	154,201	154,201
2030	289,364	125,980
2031	181,539	181,539
2032	279,394	279,394
2033	248,832	248,832
2034	239,105	239,105
2035	506,017	–
	2,144,898	1,484,633

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. Loss per share

(a) Basic loss per share

Basic loss per share for the years ended December 31, 2025 and 2024 are calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended December 31,	
	2025	2024
	RMB'000	
Loss attributable to owners of the Company	(400,149)	(216,487)
Weighted average number of ordinary shares in issue	404,294	353,033
Basic loss per share	(0.99)	(0.61)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As the Group incurred losses for the years ended December 31, 2025 and 2024, any potential ordinary shares included in the calculation of diluted loss per share would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2025 and 2024 are the same as basic loss per share of the respective year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Subsidiaries

As at the date of this report, the Company has direct or indirect interests in the following subsidiaries:

Name of entity	Date of incorporation	Place of incorporation/ operation	Registered share capital	Effective interest held by the Group		Principal activities
				As at December 31, 2025	2024	
Directly held:						
Shanghai Youjia Zhixing Electronic Technology Co., Ltd. 上海佑嘉智行電子科技有限公司	September 27, 2023	Shanghai, China	RMB10,000,000	100%	100%	Research and development
Tongxiang Wuzhen Youjia Intelligent Automobile Co., Ltd. 桐鄉烏鎮佑駕智能汽車有限公司	September 25, 2023	Zhejiang, China	RMB5,000,000	100%	100%	Manufacturing and assembly of products
Guangzhou Youjia Innovation Technology Co., Ltd. 廣州佑駕創新科技有限公司	May 18, 2023	Guangdong, China	RMB100,000,000	100%	100%	Manufacturing and assembly of products
Wuhan Youjia Innovation Technology Co., Ltd. 武漢佑駕創新科技有限公司	August 16, 2022	Hubei, China	RMB80,000,000	100%	100%	Research and development
Nanjing Kaiyun Shuchuang Technology Co., Ltd. 南京開雲數創科技有限公司	August 9, 2022	Jiangsu, China	RMB75,000,000	100%	100%	Research and development
Youjia Innovation (Beijing) Technology Co., Ltd. 佑駕創新(北京)技術有限公司	December 14, 2020	Beijing, China	RMB1,000,000	100%	100%	Research and development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Subsidiaries (continued)

Name of entity	Date of incorporation	Place of incorporation/ operation	Registered share capital	Effective interest held by the Group		Principal activities
				As at December 31, 2025	2024	
Hunan Youxiang Wanglian Intelligent Technology Co., Ltd. 湖南佑湘網聯智能科技有限公司(ii)	November 16, 2020	Hunan, China	RMB30,000,000	N/A	100%	Research and development
Nanjing Youjia Technology Co., Ltd. 南京佑駕科技有限公司	February 24, 2018	Jiangsu, China	RMB30,000,000	100%	100%	Research and development
Hubei Youjia Technology Co., Ltd. 湖北佑駕科技有限公司	December 22, 2017	Hubei, China	RMB10,000,000	100%	100%	Manufacturing and assembly of products
Hangzhou Ruijian Zhixing Technology Co., Ltd. 杭州銳見智行科技有限公司	November 17, 2022	Zhejiang, China	RMB13,333,333	75%	75%	Research and development
Shanghai Youqu Information Technology Co., Ltd. 上海佑覲信息科技有限公司(iii)	June 30, 2020	Shanghai, China	RMB30,000,000	73%	60%	Research and development
Shanghai Youxing Automotive Electronics Co., Ltd. 上海佑行汽車電子有限公司	October 14, 2020	Shanghai, China	RMB20,000,000	55%	55%	Research and development
Jiangsu Yuanshi Technology Co., Ltd. 江蘇源駛科技有限公司	June 17, 2022	Jiangsu, China	RMB62,000,000	52%	52%	Research and development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Subsidiaries (continued)

Name of entity	Date of incorporation	Place of incorporation/ operation	Registered share capital	Effective interest held by the Group		Principal activities
				As at December 31, 2025	2024	
Zhongyan Youjia Intelligent Technology (Shanghai) Co., Ltd. 中研佑駕智能科技(上海)有限公司	January 25, 2022	Shanghai, China	RMB11,000,000	51%	51%	Research and development
Chongqing Youjia Innovation Technology Co., Ltd. 重慶佑駕創新科技有限責任公司	March 14, 2019	Chongqing, China	RMB1,000,000	51%	51%	Research and development
Shaanxi Youjia Zhixing Technology Co., Ltd. 陝西佑駕智行科技有限公司	March 1, 2024	Shaanxi, China	RMB3,000,000	60%	60%	Research and development
Xian Youjia Intelligent Technology Co., Ltd. 西安佑駕智能科技有限公司	August 9, 2024	Shaanxi, China	RMB5,000,000	55%	55%	Research and development
Shenzhen Youjia Innovation Investment Co., Ltd. 深圳佑駕創新投資有限公司	April 23, 2025	Guangdong, China	RMB10,000,000	100%	N/A	Investment
Chongqing Yuhui Bamboo Technology Co., Ltd. 重慶渝慧竹科技有限公司	June 27, 2025	Chongqing, China	RMB20,000,000	51%	N/A	Sales of products
Shenzhen Xiaozhu Robot Technology Co., Ltd. 深圳小竹機器人技術有限公司	March 7, 2025	Guangdong, China	RMB20,000,000	100%	N/A	Research and development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Subsidiaries (continued)

Name of entity	Date of incorporation	Place of incorporation/ operation	Registered share capital	Effective interest held by the Group		Principal activities
				As at December 31, 2025	2024	
Chongqing Youjia Intelligent Equipment Co., Ltd. 重慶佑駕智慧設備有限公司	March 26, 2025	Chongqing, China	RMB10,000,000	100%	N/A	Manufacturing and assembly of products
Xinghua Yousheng Technology Co., Ltd. 興化市佑興科技有限責任公司	November 25, 2025	Jiangsu, China	RMB2,000,000	100%	N/A	Research and development
Guangzhou Youjia Chuangzhi Technology Co., Ltd. 廣州佑駕創智科技有限公司	March 6, 2025	Guangdong, China	RMB10,000,000	51%	N/A	Manufacturing and assembly of products
Indirectly held:						
MINSIGHT PTE. LTD. 銳見智行科技(新加坡)有限公司	November 20, 2023	Singapore	Singapore Dollars 100,000	75%	75%	Research and development
Minieye (Hong Kong) Technology Limited 香港佑駕創新科技有限公司(iv)	September 13, 2024	Hong Kong, China	Hong Kong Dollars 100,000	91.84%	100%	Research and development
Shenzhen Pengchi Zhixing Technology Co., Ltd. 深圳鵬馳智行科技有限責任公司(v)	March 14, 2025	Guangdong, China	RMB12,000,000	75%	N/A	Research and development
Shanghai Zhufeng Zhixing Technology Co., Ltd. 上海追風智行科技有限公司(vi)	September 26, 2025	Shanghai, China	RMB10,000,000	75%	N/A	Research and development
Zhuji Youjia Intelligent Equipment Co., Ltd. 諸暨佑駕智慧設備有限公司	February 08, 2025	Zhejiang, China	United States Dollars 30,000,000	91.84%	N/A	Manufacturing and assembly of products

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Subsidiaries (continued)

Name of entity	Date of incorporation	Place of incorporation/ operation	Registered share capital	Effective interest held by the Group		Principal activities
				As at December 31, 2025	2024	
Danyang Danyou Investment Partnership (Limited Partnership) 丹陽丹佑投資合夥企業(有限合夥)	November 3, 2025	Jiangsu, China	RMB96,111,565	99.99%		N/A Investment
Tianjin Danyou Technology Partnership (Limited Partnership) 天津丹佑科技合夥企業(有限合夥)	November 11, 2025	Tianjin, China	RMB91,879,915	99.99%		N/A Investment
Chongqing Jiazhu Technology Co., Ltd. 重慶嘉竹科技有限公司(vi)	July 9, 2025	Chongqing, China	RMB10,000,000	26%		N/A Research and development

- (i) The English name of the subsidiaries with Chinese names represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.
- (ii) Hunan Youxiang Wanglian Intelligent Technology Co., Ltd. Was disposed on June 20, 2025, details refer to Note 39.
- (iii) Minieye acquired 13.00% equity interests of Shanghai Youqu Information Technology Co., Ltd. from non-controlling interests at a consideration of approximately RMB13,000,000.
- (iv) The Group entered into an agreement with an independent third party in 2025, pursuant to which the independent third party made a capital contribution of RMB28,379,600 to Minieye (Hong Kong) Technology Limited ("Minieye (Hong Kong)"). This capital contribution resulted in a dilution of the Group's equity interest in Minieye (Hong Kong) from 100% to 91.84% as at December 31, 2025. The transaction did not cause the Group to lose control over Minieye (Hong Kong).
- (v) Shenzhen Pengchi Zhixing Technology Co., Ltd and Shanghai Zhufeng Zhixing Technology Co., Ltd. were acquired by the Group on April 15, 2025, details refer to Note 38.
- (vi) The subsidiary was controlled by the partly-owned subsidiary of the Company, hence the subsidiary is indirectly controlled by the Company even though the effective interest is less than 50%.
- (vii) Except for Danyang Danyou Investment Partnership (Limited Partnership) and Tianjin Danyou Technology Partnership (Limited Partnership), all the principal subsidiaries presented are limited liability company.
- (viii) None of the subsidiaries had issued any debt securities at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Property, plant and equipment

	Machinery and molds RMB'000	Transportation RMB'000	Computers and electronic equipment RMB'000	Other equipment RMB'000	Leasehold improvements RMB'000	Construction in progress ("CIP") RMB'000	Total RMB'000
As at January 1, 2025							
Cost	48,503	5,832	10,080	1,114	10,540	4,579	80,648
Accumulated depreciation	(17,296)	(3,064)	(7,816)	(562)	(8,027)	-	(36,765)
Net book amount	31,207	2,768	2,264	552	2,513	4,579	43,883
Year ended December 31, 2025							
Opening net book amount	31,207	2,768	2,264	552	2,513	4,579	43,883
Additions	21,353	5,374	9,312	894	1,218	69,995	108,146
Disposals	(460)	(1,423)	(91)	(24)	-	-	(1,998)
Disposal of a subsidiary (Note 39)	(5)	(294)	(7)	(4)	(27)	-	(337)
Depreciation	(9,893)	(869)	(1,810)	(231)	(1,642)	-	(14,445)
Reclassification	4,613	-	-	-	-	(4,613)	-
Transfer to intangible assets (Note 17)	-	-	-	-	-	(4,115)	(4,115)
Closing net book amount	46,815	5,556	9,668	1,187	2,062	65,846	131,134
As at December 31, 2025							
Cost	74,004	9,489	19,294	1,980	11,731	65,846	182,344
Accumulated depreciation	(27,189)	(3,933)	(9,626)	(793)	(9,669)	-	(51,210)
Net book amount	46,815	5,556	9,668	1,187	2,062	65,846	131,134
As at January 1, 2024							
Cost	28,212	5,369	9,303	1,012	7,937	8,378	60,211
Accumulated depreciation	(10,312)	(2,179)	(6,048)	(316)	(5,659)	-	(24,514)
Net book amount	17,900	3,190	3,255	696	2,278	8,378	35,697
Year ended December 31, 2024							
Opening net book amount	17,900	3,190	3,255	696	2,278	8,378	35,697
Additions	1,143	-	-	-	2,603	27,949	31,695
Disposals	(240)	(168)	(47)	(20)	-	-	(475)
Depreciation	(6,984)	(885)	(1,768)	(246)	(2,368)	-	(12,251)
Reclassification	19,388	631	824	122	-	(20,965)	-
Transfer to intangible assets (Note 17)	-	-	-	-	-	(10,783)	(10,783)
Closing net book amount	31,207	2,768	2,264	552	2,513	4,579	43,883
As at December 31, 2024							
Cost	48,503	5,832	10,080	1,114	10,540	4,579	80,648
Accumulated depreciation	(17,296)	(3,064)	(7,816)	(562)	(8,027)	-	(36,765)
Net book amount	31,207	2,768	2,264	552	2,513	4,579	43,883

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Property, plant and equipment (continued)**(a) Depreciation expenses**

Depreciation expenses have been charged to the consolidated statements of profit or loss and other comprehensive loss as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	
Cost of sales	7,633	5,344
General and administrative expenses	2,760	2,714
Selling expenses	455	407
Research and development expenses	3,597	3,786
	14,445	12,251

(b) Depreciation methods and useful lives

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Machinery and molds	3–10 years
Transportation	4–10 years
Computers and electronic equipment	2–5 years
Other equipment	3–5 years
Leasehold improvements	Estimated useful lives or remaining lease terms, whichever is shorter

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 proceeds with carrying amount. These are recognized within "other (losses)/gains – net" included in the consolidated statements of profit or loss and other comprehensive loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Right-of-use-assets and Leases

(a) Amounts recognized in the consolidated balance sheet

	As at December 31,	
	2025	2024
	RMB'000	
Right-of-use assets		
Offices and factories	27,994	19,007
Land use rights (i)	57,393	42,094
	85,387	61,101
	As at December 31,	
	2025	2024
	RMB'000	
Lease liabilities		
Total minimum lease payments	29,414	21,752
Future interest expense on lease liabilities (ii)	(1,430)	(715)
	27,984	21,037
Current	12,950	15,479
Non-current	15,034	5,558
	27,984	21,037

(i) During the year ended December 31, 2025, the Group acquired land use right to build factories for manufacture and sales of intelligent driving products and solutions in the PRC with values of RMB17,013,000(2024: RMB42,605,000) respectively.

(ii) The weighted average incremental borrowing rates applied to lease liabilities were ranged from 3.5% to 4.75% (2024: 4.75%) per annum during the year ended December 31, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Right-of-use-assets and Leases (continued)**(b) Amounts recognized in the consolidated statements of profit or loss and other comprehensive loss**

	Year ended December 31,	
	2025	2024
	RMB'000	
Depreciation charge of right-of-use assets	16,475	15,904
Interest expenses (included in finance costs)	1,175	1,324
Expense relating to short-term leases (included in cost of sales, research and development expenses, selling expenses, and general and administrative expenses)	1,781	2,650
	19,431	19,878

The total cash outflows for leases payments for the years ended December 31, 2025 and 2024 were approximately RMB20,723,000 and RMB19,367,000 respectively.

(c) The Group's leasing activities and how they are accounted for

The Group leases various offices and factories. Rental contracts are typically made for fixed periods of one year to four years but may have extension options as described in (d) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Right-of-use-assets and Leases (continued)

(c) The Group's leasing activities and how they are accounted for (continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortizing loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of building are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

See Note 48.19 for the other accounting policies relevant to leases.

(d) Extension and termination options

Extension and termination options are included in a number of leases of buildings across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. Intangible assets

	Software RMB'000
Year ended December 31, 2025	
Opening net book amount	18,926
Transfer (Note 15)	4,115
Amortization charge	(2,806)
Disposal	(1,661)
Additions	2,489
Closing net book amount	21,063
As at December 31, 2025	
Cost	28,277
Accumulated amortization	(7,214)
Net book amount	21,063
Year ended December 31, 2024	
Opening net book amount	10,340
Transfer (Note 15)	10,783
Amortization charge	(2,151)
Disposal	(46)
Closing net book amount	18,926
As at December 31, 2024	
Cost	23,334
Accumulated amortization	(4,408)
Net book amount	18,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. Intangible assets (continued)

(a) Amortization methods and periods

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

Software	2–10 years
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(b) Amortization expenses

Amounts recognized in the consolidated statements of profit or loss and other comprehensive loss:

	Year ended December 31,	
	2025	2024
	RMB'000	
Cost of sales	738	–
Research and development expenses	1,404	1,663
General and administrative expenses	551	471
Selling expenses	113	17
	2,806	2,151

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. Investment properties

	As at December 31,	
	2025	2024
	RMB'000	
Opening net book amount	4,529	4,771
Depreciation charge	(242)	(242)
Closing net book value	4,287	4,529
At end of the year		
Cost	5,094	5,094
Accumulated depreciation	(807)	(565)
Net book value	4,287	4,529

The investment properties are stated at cost less depreciation and impairment, if any. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives which is 20 years and after taking into account of their estimated residual value, using the straight-line method.

The fair values of the Group's investment properties are close to the book value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. Investments in associates

	As at December 31,	
	2025	2024
	RMB'000	
At the beginning of the year	-	-
Additions	10,000	-
Transfer to an associate on disposal of a subsidiary (Note 39)	176	-
Share of results, net	(176)	-
	10,000	-

Details of each of the Group's and The Company's investments in associates at the end of December 31, 2025 and 2024 are as follows:

	Place of registration and business	As at December 31,		Principal activities
		2025	2024	
		%	%	
Hunan Youxiang Wanglian Intelligent Technology Co., Ltd. (i)	The PRC	49%	N/A	Technical promotion services
Shanghai Tosci AI Technology Co., Ltd. (ii)	The PRC	10%	N/A	Information system integration & IoT technology services

In the opinion of the directors of the Company, these investments in associates are immaterial to the Group, both individually and in aggregate.

- (i) As at December 31, 2024, the Group held 100% equity interest of Hunan Youxiang Wanglian Intelligent Technology Co., Ltd. ("Hunan Youxiang") and accounted for as a subsidiary. On June 20, 2025, the Group disposed of its 51% interest of Hunan Youxiang to an independent third-party Shanghai Panzhuo Information Technology Co., Ltd. Upon the completion of the disposal, the investment in Hunan Youxiang have been classified as associate at December 31, 2025 as the Group can exercise significant influence over the operation of Hunan Youxiang according to the articles of incorporation.
- (ii) The Group subscribed for a capital contribution of RMB10,000,000, holding a 10% stake and fully paid the capital contribution in September 2025. And the investment in Shanghai Tosci AI Technology Co., Ltd. have been classified as associate at December 31, 2025 due to the Group have 1 out of 3 board seats in the Shanghai Tosci AI Technology Co., Ltd.'s board of directors.
- (iii) There were no material contingent liabilities relating to the Group's investments in associates

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. Goodwill

	As at December 31,	
	2025	2024
	RMB'000	
At the beginning of the period	-	-
Acquisition of subsidiaries (Note 38)	3,734	-
At the end of the period	3,734	-

The management has considered and assessed reasonably possible changes for the key assumptions and has not identified any instances that would cause the carrying amounts of the Cash Generating Unit of Shenzhen Pengchi Zhixing Technology Co., Ltd. (which holds 100% ownership of Shanghai Zhufeng Zhixing Technology Co., Ltd.; together, the "Pengchi Group") ("CGU") to exceed their recoverable amounts as at December 31, 2025.

21. Other non-current assets

	As at December 31,	
	2025	2024
	RMB'000	
Long-term receivables	-	1,113
Non-current rental deposits	5,058	7,663
Prepayment for purchase of property, plant and equipment	4,466	1,978
	9,524	10,754

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. Inventories

	As at December 31,	
	2025	2024
	RMB'000	
Raw materials	70,301	62,364
Semi-finished goods	15,429	9,990
Finished goods	72,443	45,508
Contract fulfillment costs (Note 5 (c)(i))	38,891	22,936
	197,064	140,798
Less: provision of inventories		
– Raw materials	(12,202)	(9,672)
– Semi-finished goods	(1,849)	(301)
– Finished goods	(15,527)	(3,743)
– Contract fulfillment costs (Note 5 (c)(i))	(9,819)	(2,921)
	(39,397)	(16,637)
	157,667	124,161

Raw materials primarily consist of materials for volume production and research and development, which will be transferred into production cost and research and development expenses respectively when incurred.

Semi-finished goods and finished goods include products prepared for sale at production plants or in transit to fulfill customer orders.

Provision of inventories is recognized at the amount by which the carrying amounts of inventories exceeds the net recoverable amount. All these expenses and impairment charge have been included in "cost of sales" in the consolidated statements of profit or loss and other comprehensive loss. The provision for inventories recognized for the year ended December 31, 2025 was RMB27,175,000 (2024: RMB4,753,000).

Raw materials and consumables used and recorded as cost of sales during the year ended December 31, 2025 was RMB357,735,000 (2024: RMB472,144,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Trade and notes receivables

	As at December 31,	
	2025	2024
	RMB'000	
Notes receivables	41,457	49,681
Trade receivables		
Due from third parties	654,723	489,779
Less: credit loss allowances	(47,357)	(32,970)
	607,366	456,809
	648,823	506,490

The Group's credit period to its customers was typically within one year. As at December 31, 2025, the aging analysis of the trade and notes receivables based on recognized date is as follows:

	As at December 31,	
	2025	2024
	RMB'000	
Up to 1 year	590,584	459,444
1 to 2 years	71,418	65,479
2 to 3 years	13,345	9,109
Over 3 years	20,833	5,428
	696,180	539,460

Trade and notes receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 1 year and therefore they are classified as current. Trade and notes receivables 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 notes receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1 for a description of the Group's impairment policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Trade and notes receivables (continued)

The Group applies the simplified approach under IFRS 9, which requires lifetime expected losses to be recognized from initial recognition of the assets. Information about the impairment of trade and notes receivables and the Group's exposure to credit risk is described in Note 3.1.

The carrying amounts of the Group's trade and notes receivables approximated their fair values as at the reporting dates.

24. Other current assets

	As at December 31,	
	2025	2024
	RMB'000	
Other receivables		
– Advance to staff	4,299	2,275
– Deposits	5,103	4,081
– Due from associates	18,606	–
– Others	2,486	400
	30,494	6,756
Less: credit loss allowances	(9,136)	(708)
	21,358	6,048
Prepayment		
– Products and services procurement	45,546	52,699
VAT recoverable	31,754	17,451
Others	–	3,558
	98,658	79,756

As at December 31, 2025, the fair values of other current assets of the Group, except for the prepayments and VAT recoverable to be deducted which are not financial assets, approximated their carrying amounts.

The carrying amounts of the Group's other current assets are all denominated in RMB.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Financial assets at fair value through other comprehensive income

The Group's financial assets measured at FVOCI include the following:

	As at December 31,	
	2025	2024
	RMB'000	
Notes receivables classified as financial assets at FVOCI	58,600	29,105

Notes receivables held both by collecting contractual cash flows and selling of these assets are classified as FVOCI. All the aging of notes receivable is within one year.

26. Financial assets at fair value through profit or loss**(a) Classification of financial assets at FVPL**

The Group classifies the followings as financial assets at FVPL:

- debt investments that do not qualify for measurement at either amortized cost or FVOCI;
- equity investments that are held for trading; and
- equity investments for which the Group has not elected to recognize fair value gains and losses through FVOCI.

The Group's financial assets measured at FVPL include the following:

	As at December 31,	
	2025	2024
	RMB'000	
Investment in structured deposits and wealth management products	33,343	800
Investment in fund products	57,964	-
	91,307	800

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. Financial assets at fair value through profit or loss (continued)

(a) Classification of financial assets at FVPL (continued)

The principal and return of the structured deposits, wealth management products and fund products are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, the structured deposits, wealth management products and fund products are measured at FVPL.

Information about the Group's exposure to financial risk and information about the methods and assumptions used in determining fair value of these financial assets at FVPL are set out in Note 3.3.

(b) Amounts recognized in profit or loss

During the year, the following net fair value gains were recognized in the consolidated statements of profit or loss and other comprehensive loss:

	As at December 31,	
	2025	2024
	RMB'000	
Net fair value gains on financial assets at FVPL recognized in other (losses)/gains – net (Note 9)		
– realized	(2,623)	3,612
– unrealized	2,645	–
	22	3,612

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. Cash and cash equivalents

	As at December 31,	
	2025	2024
	RMB'000	
Cash at banks	690,676	798,785
Less: restricted cash	(4,073)	(4,842)
Cash and cash equivalents	686,603	793,943

Cash and cash equivalents are denominated in the following currencies:

	As at December 31,	
	2025	2024
	RMB'000	
- RMB	294,220	202,349
- Hong Kong dollar ("HKD")	354,860	591,115
- United states dollars ("USD")	37,398	426
- Singapore dollars	64	53
- Europe dollars	61	-
	686,603	793,943

As at December 31, 2025, restricted cash in the amount of RMB10,000 (2024: RMB15,000) is the frozen funds used for electronic toll collection, and RMB2,431,000 (2024: RMB4,827,000) is the frozen funds for litigation, and RMB1,632,000 (2024: Nil) is the frozen funds for Performance deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. Share capital

A summary of movements in the Company's authorized, issued and fully paid share capital is as follows:

	Number of shares	Share capital RMB'000
As at January 1, 2025	399,190,000	399,190
Issuance of ordinary shares (Note)	21,569,000	21,569
As at December 31, 2025	420,759,000	420,759
As at January 1, 2024	360,000,000	360,000
Issuance of ordinary shares upon global offering	39,190,000	39,190
As at December 31, 2024 and January 1, 2025	399,190,000	399,190

Note:

On January 19, 2025, the Company has exercised the over-allotment option, in respect of an aggregate of 756,400 H Shares. The shares were issued and allotted by the Company at HK\$17.00 per H Share. The net proceeds after deducting the commission and other related expenses and professional fees, amounted to approximately RMB11,654,000.

On July 09, 2025, the Company has placed a total of 6,800,000 new H shares at the placing price of HK\$23.26 per placing share. The net proceeds from the placing, after deducting the commission and other related expenses and professional fees, amounted to approximately HK\$155.11 million (approximately equivalent to RMB141,373,000).

On December 02, 2025, the Company has placed a total of 14,012,800 new H shares at the placing price of HK\$14.88 per placing share. The net proceeds from the placing, after deducting the commission and other related expenses and professional fees, amounted to approximately HK\$204.43 million (approximately equivalent to RMB185,802,000).

All shares issued during the year rank pari passu with the existing shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. Reserves

The following table shows a breakdown of the consolidated balance sheets line items “reserves” and their movements during the respective years. A description of the nature and purpose of each reserve is provided below the table.

	Share premium RMB'000	Capital reserves RMB'000	Reserves Other comprehensive income reserve RMB'000	Share- based payment reserve RMB'000	Total RMB'000
As at January 1, 2025	1,265,229	-	-	94,045	1,359,274
Exchange differences arising in translation of foreign currency	-	-	(252)	-	(252)
Issuance of ordinary shares (Note 28)	317,260	-	-	-	317,260
Capital injection by a non-controlling shareholder	25,974	-	-	-	25,974
Transaction with non-controlling interests (Note 14)	-	(18,057)	-	-	(18,057)
Share-based payment (Note 30)	-	-	-	39,599	39,599
As at December 31, 2025	1,608,463	(18,057)	(252)	133,644	1,723,798

	Share premium RMB'000	Capital reserves RMB'000	Reserves Other comprehensive income reserve RMB'000	Share- based payment reserves RMB'000	Total RMB'000
As at January 1, 2024	715,341	-	-	65,334	780,675
Issuance of ordinary shares upon global offering	549,888	-	-	-	549,888
Share-based payment (Note 30)	-	-	-	28,711	28,711
As at December 31, 2024	1,265,229	-	-	94,045	1,359,274

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. Share-based payment

(a) Share award schemes

- (i) In March 2016, the shareholders approved an Employee Share Ownership Plan (ESOP A Plan) which proposes to grant certain incentive shares of the Company to certain executives and employees at a later date by way of transfer of shares held by Dr. Liu Guoqing, in order to attract and retain the talents and to provide incentives that align the interests of Shareholders, the Company and employees, for long-term development of the Company.

In August 2016, 77,855 equity shares were granted to an employee under the ESOP A Plan through an equity transfer with a vesting commencement date of August 2016. These awards did not include a service period condition and were made at a consideration of RMB1 per share as rewards for his services, full time devotion and professional expertise to the Group.

In December 2020, Shenzhen Youjia Qingcheng Investment L.P. (深圳佑駕清成投資企業(有限合夥)) was incorporated in the PRC under the Company Law of the PRC as a vehicle for holding ordinary shares ("**Restricted Shares**") for the remaining employees of the Company, other than those mentioned above, pursuant to ESOP A Plan.

From 2016 to 2023, pursuant to the ESOP A Plan, certain directors, management and employees (the "**Grantees**") were granted 11,954,979 Restricted Shares through Shenzhen Youjia Qingcheng Investment L.P. (深圳佑駕清成投資企業(有限合夥)) at a consideration of RMB0.01 per share as an incentive for their services, full-time commitment and expertise to the Group.

All Restricted Shares granted vest as follows: 4 years of service from the date of commencement for employees granted shares from 2016 to 2020; 4 years of service from the date of grant for employees granted shares from 2021 to October 2023; 3 years of service from the date of successful listing for employees granted shares after October 2023.

In May 2024, for employees granted shares after 2020, the vesting periods have been modified as follows: 1 year of service from the date of successful listing for half of the restricted shares; 3 years of service from the date of successful listing for the other half of the restricted shares.

If the employee ceases to be employed by the Group during that period, the awarded shares will be forfeited and the forfeited shares will be repurchased by Dr. Liu Guoqing at the subscribed share of the contributed capital at grant date together with the contractually agreed interest price and reallocated in subsequent grants (if any) at the discretion of Dr. Liu Guoqing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. Share-based payment (continued)**(a) Share award schemes (continued)**

(i) (continued)

Set out below are the movement in the number of awarded restricted shares under the ESOP A Plan:

	Year ended December 31,	
	2025	2024
	Number of total equity awards	Number of total equity awards
At beginning of the year	12,386,181	11,954,979
Granted	-	537,811
Forfeited	-	(106,609)
At end of the year	12,386,181	12,386,181

The fair value of each awarded restricted shares was calculated based on the most recent transaction price of the Company's share at the grant date.

(ii) In March 2022, the shareholders approved an employee stock ownership plan (ESOP B Plan), which proposes to grant certain incentive shares of the Company to certain executives and employees in the form of a capital increase, in order to attract and retain the talents and to provide incentives that align the interests of Shareholders, the Company and employees, for long-term development of the Company.

In April and May 2021, Shenzhen Youjia Licheng L.P. (深圳佑駕礪成企業(有限合夥)) and Shenzhen Youjia Zhongcheng Investment L.P. (深圳佑駕眾成投資企業(有限合夥)) were incorporated in the PRC under the PRC Company Law as a vehicle to hold ordinary shares ("**Restricted Shares**") for the benefit of the employees of the Company under the ESOP B Plan.

Pursuant to ESOP B Plan, certain directors, management and employees (the "**Grantees**") were granted 8,722,901 Restricted Shares through Shenzhen Youjia Zhongcheng Investment L.P. (深圳佑駕眾成投資企業(有限合夥)) and Shenzhen Youjia Licheng L.P. (深圳佑駕礪成企業(有限合夥)) at a consideration of RMB0.01 per share as an incentive for their services, full-time commitment and expertise to the Group. All Restricted Shares granted vest as follows: for employees who are granted shares from 2018 to September 2023, four years from the date of grant of the shares; and for employees who are granted shares after October 2023, three years from the date of the successful initial public offering.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. Share-based payment (continued)

(a) Share award schemes (continued)

(ii) (continued)

In May 2024, for employees granted shares after 2020, the vesting periods have been modified as follows: 1 year of service from the date of successful listing for half of the restricted shares; 3 years of service from the date of successful listing for the other half of the restricted shares.

If the employee ceases to be employed by the Group during that period, the awarded shares will be forfeited and the forfeited shares will be repurchased by Dr. Liu Guoqing at the subscribed share of the contributed capital at grant date together with a contractually agreed interest price and reallocated in subsequent grants, if any, at the discretion of Dr. Liu Guoqing.

Set out below are the movement in the number of awarded restricted shares under the ESOP B Plan:

	Year ended December 31,	
	2025	2024
	Number of total equity awards	Number of total equity awards
At beginning of the year	8,722,901	8,722,901
Granted	-	1,127,370
Forfeited	-	(1,127,370)
At end of the year	8,722,901	8,722,901

The fair value of each awarded restricted shares was calculated based on the most recent transaction price of the Company's shares at the grant date.

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognized during the year as part of employee benefit expense were as follows:

	As at December 31,	
	2025	2024
	RMB'000	
Share-based payment expenses	39,599	28,711

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31. Financial instruments by category

Financial Assets

	Note	As at December 31,	
		2025	2024
		RMB'000	
Financial assets at FVPL	26	91,307	800
Financial assets at FVOCI	25	58,600	29,105
Financial assets at amortized cost:			
– Trade and notes receivables	23	648,823	506,490
– Other receivables	24	21,358	6,048
– Restricted cash	27	4,073	4,842
– Long-term receivables	21	–	1,113
– Non-current rental deposits	21	5,058	7,663
– Cash and cash equivalents	27	686,603	793,943
		1,515,822	1,350,004

Financial Liabilities

	Note	As at December 31,	
		2025	2024
		RMB'000	
Financial liabilities at amortized cost:			
– Borrowings	32	372,493	191,508
– Trade payables	35	321,687	226,341
– Other payables and accruals (excluding salaries and welfare payables, VAT and other taxes payables and warranty provision)	36	23,213	42,043
– Other liabilities	37	73,998	–
		791,391	459,892

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at end of the reporting period is the carrying amount of each class of financial assets mentioned above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. Borrowings

	As at December 31,	
	2025	2024
	RMB'000	
Bank borrowings included in non-current liabilities		
Bank Borrowings – unsecured and unguaranteed	154,267	53,500
Bank Borrowings – unsecured but guaranteed	–	39,796
Less: long-term borrowings due within one year	(82,900)	(61,196)
	71,367	32,100
Borrowings included in current liabilities		
Long-term borrowings due within one year-unsecured and unguaranteed	82,900	21,400
Long-term borrowings due within one year-unsecured but guaranteed	–	39,796
Bank Borrowings – unsecured and unguaranteed	188,226	78,212
Other Borrowings – unguaranteed but secured (a)	30,000	20,000
	301,126	159,408

- (a) As at December 31, 2025, the short-term loan of RMB30,000,000 (2024: RMB20,000,000) at an annualized interest rate of 3.9% was secured by certain non-core patents as the collateral.
- (b) As at December 31, 2025, the annual interest rates of bank borrowings were ranged from 2.6% to 3.9%, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. Borrowings (continued)

The Group's borrowings were repayable as follows:

	As at December 31,	
	2025	2024
	RMB'000	
Analyzed as:		
- Within 1 year	301,126	159,408
- Over 1 year but within 2 years	59,367	32,100
- Over 2 years but within 5 years	12,000	-
	372,493	191,508

33. Deferred income

	As at December 31,	
	2025	2024
	RMB'000	
Government grants	3,928	7,701

The Group received government grants for R&D projects and talent subsidies. The government grants were recorded as deferred income and credited to profit or loss according to the use progress of these subsidies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34. Deferred income taxes

The analysis of deferred income tax assets and deferred income tax liabilities are as follows:

	As at December 31,	
	2025	2024
	RMB'000	
Total deferred income tax assets:	4,639	2,701
Set-off of deferred tax liabilities pursuant to set-off provisions (a)	(4,639)	(2,701)
Net deferred income tax assets	-	-
Deferred income tax assets:		
- to be recovered within 1 year	2,258	2,292
- to be recovered more than 1 year	2,381	409
	4,639	2,701
Total deferred income tax liabilities	4,639	2,701
Set-off of deferred tax assets pursuant to set-off provisions (a)	(4,639)	(2,701)
Net deferred income tax liabilities	-	-
Deferred income tax liabilities:		
- to be recovered within 1 year	2,258	2,292
- to be recovered more than 1 year	2,381	409
	4,639	2,701

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34. Deferred income taxes (continued)

- (a) The Group offset deferred tax assets and deferred tax liabilities for presentation purposes only if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on same tax payee.

The movement in deferred income tax assets are as follows:

Deferred income tax assets

	Lease liabilities RMB'000
As at January 1, 2025	2,701
Debit to profit or loss (Note 12)	1,938
As at December 31, 2025	4,639
As at January 1, 2024	5,753
Credit to profit or loss (Note 12)	(3,052)
As at December 31, 2024	2,701

Deferred income tax liabilities

	Right-of-use assets RMB'000
As at January 1, 2025	2,701
Credit to profit or loss (Note 12)	1,938
As at December 31, 2025	4,639
As at January 1, 2024	5,753
Debit to profit or loss (Note 12)	(3,052)
As at December 31, 2024	2,701

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. Trade payables

	As at December 31,	
	2025	2024
	RMB'000	
Payables for purchase of raw materials	321,687	226,341

- (a) The carrying amounts of trade payables approximated their fair values due to their short-term maturity in nature.
- (b) The credit period granted by suppliers is generally within 60 days. As at December 31, 2025 and 2024, the aging analysis of the trade payables based on recognized date is as follows:

	As at December 31,	
	2025	2024
	RMB'000	
Within 1 year	249,961	181,829
1 to 2 years	44,099	23,787
Over 2 years	27,627	20,725
	321,687	226,341

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36. Other payables and Accruals

	As at December 31,	
	2025	2024
	RMB'000	
Payroll and welfare payables	41,262	22,860
Accrued listing expenses	–	16,654
Warranty provision	18,127	13,292
Accrued expenses	10,356	11,237
Payable for long-term assets	2,312	10,801
VAT and other taxes payables	2,619	2,659
Endorsed notes receivables that have not been derecognized and not yet due	9,953	2,494
Others	592	857
	85,221	80,854

As at December 31, 2025, the carrying amount of the Group's other payables and accruals were primarily denominated in RMB.

37. Other liabilities

	As at December 31,	
	2025	2024
	RMB'000	
Other liabilities	73,998	–

In November 2025, the Group established structured entities with an independent third party, with the objective of investing in a target company at a future date. Pursuant to the terms of the relevant agreements, the Group has undertaken to pay the external investors an annual return of 6.5% on their investment principal, accruing from the date of capital contribution until the expiry or early termination of the structured entities at the end of the three-year term, in addition to the full repayment of principal amounts upon maturity or exit. Consequently, the Group recognised financial liabilities as the Group bears the contractual obligation to pay the other investors of the consolidated structured entities their respective principal amounts and the guaranteed 6.5% annual return over the specified interest period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. Business combination

On April 15, 2025, a subsidiary of Minieye Technology Co., Ltd. entered into an agreement with an independent third-party to acquire a 75% equity interest in Pengchi Group by injecting capital of a total consideration of RMB20,000,000 into the Pengchi Group. Pursuant to the agreement, RMB10,000,000 have been contributed to the Pengchi Group as at December 31, 2025, and Minieye Technology Co., Ltd. is contractually obligated to contribute an additional RMB10,000,000 to the Pengchi Group before March 31, 2026.

The assets and liabilities recognized as at the date of the acquisition of Pengchi Group are as follows:

	As at the acquisition date RMB'000
Cash and cash equivalents	10,173
Trade receivables	929
Other current assets	10,243
Inventories	488
Trade payables	(2,461)
Other payables and accruals	(684)
Net identifiable assets at fair value acquired	18,688

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	RMB'000
Goodwill arising on acquisition:	
Total purchase consideration	20,000
Plus: non-controlling interest	2,422
Less: Net identifiable assets	(18,688)
Goodwill	3,734

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. Business combination (continued)

The goodwill of approximately RMB3,734,000 arising from the acquisition for the year ended December 31, 2025 is attributable to the synergy of business expansion. None of the goodwill recognised is expected to be deductible for income tax purpose.

	RMB'000
Purchase consideration:	
Cash paid	10,000
Unpaid consideration	10,000
Total purchase consideration	20,000
	RMB'000
Net-cash inflows arising on acquisitions	
Consideration paid-in-cash	10,000
Less: Cash and cash equivalents acquired	(10,173)
	(173)

Revenue-and profit-contribution

Included in the revenue and profit for the year ended December 31, 2025 are revenue of RMB21,935,000 and loss of RMB1,768,000, respectively, contributed from the Pengchi Group since the acquisition date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39. Disposal of a subsidiary

On June 20, 2025, the Group disposed of its 51% equity interest of Hunan Youxian Wanglian Intelligent Technology Co., Ltd. to an independent third-party Shanghai Panzhuo Information Technology Co., Ltd. Upon the completion of the disposal, Minieye Technology Co., Ltd. held 49% equity interest in Hunan Youxiang Wanglian Intelligent Technology Co., Ltd. and the investment have been classified as associate at December 31, 2025. The transaction is completed in June 2025.

Details of the net assets disposed of are as follows:

	As at the disposal date RMB'000
Net assets disposed of:	
Cash and cash equivalents	86
Trade receivables	64,872
Other current assets	1,796
Inventories	3
Property, plant and equipment	337
Other non-current assets	3,133
Trade payables	(55,601)
Other payables and accruals	(16,113)
Lease liabilities	(30)
Net assets disposed of	(1,517)
Gain on disposal of the subsidiary (Note 9)	1,877
Less: fair value of remain interest (Note 19)	176
Consideration satisfied by cash	184

An analysis of the cash flows of cash and cash equivalents in respect of disposal of subsidiaries is as follows:

	As at the disposal date RMB'000
Cash consideration	184
Cash and cash equivalents disposed of	(86)
Net outflow of cash and cash equivalents in respect of the disposal of the subsidiary	98

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. Cash flow information

(a) Cash used in operations

	Year ended December 31,	
	2025	2024
	RMB'000	
Cash flows from operating activities		
Loss before income tax	(416,112)	(227,721)
Adjustments for:		
Depreciation of property, plant and equipment (Note 15)	14,445	12,251
Amortization of intangible assets (Note 17)	2,806	2,151
Depreciation of right-of-use assets (Note 16)	16,475	15,904
Depreciation of investment properties (Note 18)	242	242
Provision of inventories (Note 22)	27,175	4,753
Net (gains)/losses of disposal of long-term assets (Note 9)	(274)	134
Amortization of deferred income	(3,773)	(5,184)
Net impairment losses on financial assets (Note 11)	29,732	22,648
Net foreign exchange losses (Note 9)	3,683	250
Share-based payment expenses (Note 30)	39,599	28,711
Share of result of associates	176	–
Gain on disposal of subsidiaries	(1,877)	–
Finance costs – net (Note 10)	2,033	5,221
Fair value gains on financial assets at FVPL (Note 26)	(22)	(3,612)
Operating loss before changes in working capital	(285,692)	(144,252)
(Increase)/decrease in inventories	(60,197)	16,047
Increase in trade and notes receivables	(227,824)	(193,198)
Increase in other current assets	(31,175)	(12,883)
Decrease/(increase) in restricted cash	2,849	(4,026)
Decrease/(increase) in other non-current assets	769	(3,152)
(Increase)/decrease in financial assets at FVOCI	(29,495)	7,357
Increase in trade payables	148,486	96,243
(Decrease)/increase in contract liabilities	(5,003)	2,319
Increase in other payables and accruals	54,526	17,524
Net cash used in operations	(432,756)	(218,021)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40. Cash flow information (continued)

(b) Net cash reconciliation

	As at December 31,	
	2025	2024
	RMB'000	
Cash and cash equivalents	686,603	793,943
Financial assets at FVPL	91,307	800
Lease liabilities	(27,984)	(21,037)
Borrowings	(372,493)	(191,508)
Net cash	377,433	582,198

(c) Reconciliation of liabilities from financing activities

	Borrowings	Lease	Other	Total
	RMB'000	liabilities	liabilities	RMB'000
	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2025	(191,508)	(21,037)	–	(212,545)
Cash flows	(171,728)	18,754	(73,998)	(226,972)
Lease addition	–	(26,158)	–	(26,158)
Interest expenses (Note 10)	(9,257)	(1,175)	–	(10,432)
Lease termination	–	1,602	–	1,602
Disposal of a subsidiary	–	30	–	30
As at December 31, 2025	(372,493)	(27,984)	(73,998)	(474,475)
As at January 1, 2024	(96,660)	(34,291)	–	(130,951)
Cash flows	(88,678)	16,429	–	(72,249)
Lease addition	–	(1,902)	–	(1,902)
Interest expenses (Note 10)	(6,170)	(1,324)	–	(7,494)
Lease termination	–	51	–	51
As at December 31, 2024	(191,508)	(21,037)	–	(212,545)

(d) Major non-cash investing and financing activities

Major non-cash investing and financing activities are additions to right-of-use assets in respect of offices — Note 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. 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 operational decisions. Parties are also considered to be related if they are subject to common control or common significant influence. 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.

The table set forth below summarizes the names of the related parties and nature of their relationship with the Group.

(a) Names and relationships with related parties

Name of related party	Relationship with the Group
Hunan Youxiang Wanglian Intelligent Technology Co., Ltd. (i)	An associate of the Group
Shanghai Tosci AI Technology Co., Ltd. (ii)	An associate of the Group
SeeWay.ai Co., Ltd.	Indirect non-controlling shareholder of the Company
China Design Group Co., Ltd.	Non-controlling shareholder of the subsidiary
Zhongyan Zhike Data Technology (Shanghai) Co., Ltd.	Non-controlling shareholder of the subsidiary
Shanghai Tian Qu Technology Co., Ltd.	Non-controlling shareholder of the subsidiary
China Satellite Navigation and Communication Co., Ltd.	Fellow subsidiary of Seeway.AI Co., Ltd.
Jiangsu Zhonghuan satellite navigation communication Co., Ltd. (i)	Fellow subsidiary of Seeway.AI Co., Ltd.
Jiangsu Xintong Intelligent transportation Technology Development Co., Ltd.	Fellow subsidiary of China Design Group Co., Ltd.
Dr. Liu Guoqing	Founding shareholder

In the opinion of the management 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 parties.

(i) Hunan Youxiang Wanglian Intelligent Technology Co., Ltd become an associate of the Group since June 20, 2025.

(ii) Shanghai Tosci AI Technology Co., Ltd become an associate of the Group since September 1, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. Related party transactions (continued)

(b) Transactions with related parties

	Year ended December 31,	
	2025	2024
	RMB'000	
Sales of goods or services		
Shanghai Tian Qu Technology Co., Ltd.	9,043	235
China Satellite Navigation and Communication Co., Ltd.	6,227	4,713
China Design Group Co., Ltd.	148	3,016
Hunan Youxiang Wanglian Intelligent Technology Co., Ltd.	14	N/A
Jiangsu Xintong Intelligent Transportation Technology Development Co., Ltd.	-	10,722
	15,432	18,686
Purchases of goods and services		
Shanghai Tosci AI Technology Co., Ltd.	349	N/A
SeeWay.ai Co., Ltd.	225	-
China Satellite Navigation and Communication Co., Ltd.	65	-
	639	-
Loans to related parties		
Hunan Youxiang Wanglian Intelligent Technology Co., Ltd.	390	N/A
Shanghai Tian Qu Technology Co., Ltd.	2,000	-
	2,390	-
Interest income on loans		
Hunan Youxiang Wanglian Intelligent Technology Co., Ltd.	251	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. Related party transactions (continued)

(c) Balance with related parties

	As at December 31,	
	2025	2024
	RMB'000	
Trade and notes receivables (trade in nature)		
Hunan Youxiang Wanglian Intelligent Technology Co., Ltd.	3,451	N/A
Shanghai Tian Qu Technology Co., Ltd.	10,201	761
China Satellite Navigation and Communication Co., Ltd.	8,583	7,510
China Design Group Co., Ltd.	5,853	9,158
Jiangsu Xintong Intelligent Transportation Technology Development Co., Ltd.	4,996	10,796
Zhongyan Zhike Data Technology (Shanghai) Co., Ltd.	3,547	3,764
	36,631	31,989
Trade and notes payables (trade in nature)		
Hunan Youxiang Wanglian Intelligent Technology Co., Ltd.	11,217	N/A
Shanghai Tosci AI Technology Co., Ltd.	349	N/A
	11,566	-
Other payables (trade in nature)		
Dr. Liu Guoqing	265	-
Other receivables (non-trade in nature)		
Hunan Youxiang Wanglian Intelligent Technology Co., Ltd.	9,546	N/A
Shanghai Tian Qu Technology Co., Ltd.	1,900	N/A
	11,446	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41. Related party transactions (continued)

(d) Key management compensation

Key management includes directors (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Year ended December 31,	
	2025	2024
	RMB'000	
Wages, salaries and bonuses	9,212	5,297
Pension obligations, housing funds, medical insurances and other social insurances	734	352
Share-based payment expenses	13,362	8,212
	23,308	13,861

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42. Benefits and interests of directors and supervisors

(a) Directors and supervisors' emoluments

The remuneration paid or payable to the directors and supervisors of the Company (including emoluments for services as employees/directors/supervisors of the group entities prior to becoming the directors of the Company) for the year ended December 31, 2025 was as follows.

Name	Fees	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based payment expenses	Total
				RMB'000		
<i>Chairman:</i>						
Dr. Liu Guoqing	-	554	600	80	-	1,234
<i>Executive directors:</i>						
Mr. Wang Qicheng	-	192	40	28	-	260
Mr. Yang Guang	-	420	100	100	-	620
Mr. Zhou Xiang	-	456	80	22	-	558
<i>Non-executive directors:</i>						
Mr. Bi Lei	-	-	-	-	-	-
Ms. Liu Yiran	-	-	-	-	-	-
<i>Independent directors:</i>						
Mr. Tan Kaiguo	100	-	-	-	-	100
Mr. Xiang Yang	100	-	-	-	-	100
Mr. Tan Mingkui	100	-	-	-	-	100
<i>Supervisors:</i>						
Mr. Liao Diguang	-	468	170	58	-	696
Mr. Wan Hao	-	331	70	55	-	456
Mr. Ao Zhengguang	-	685	200	65	-	950
	300	3,106	1,260	408	-	5,074

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42. Benefits and interests of directors and supervisors (continued)

(a) Directors and supervisors' emoluments (continued)

The remuneration paid or payable to the directors and supervisors of the Company (including emoluments for services as employees/directors/supervisors of the group entities prior to becoming the directors of the Company) for the year ended December 31, 2024 was as follows.

Name	Fees	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based payment expenses	Total
RMB'000						
<i>Chairman:</i>						
Dr. Liu Guoqing	-	240	400	62	-	702
<i>Executive directors:</i>						
Mr. Wang Qicheng	-	102	80	19	-	201
Mr. Yang Guang	-	240	100	62	-	402
Mr. Zhou Xiang	-	366	200	23	-	589
<i>Non-executive directors:</i>						
Mr. Bi Lei	-	-	-	-	-	-
Ms. Liu Yiran	-	-	-	-	-	-
<i>Independent directors:</i>						
Mr. Tan Kaiguo	100	-	-	-	-	100
Mr. Xiang Yang	100	-	-	-	-	100
Mr. Tan Mingkui	100	-	-	-	-	100
<i>Supervisors:</i>						
Mr. Liao Diguang	-	442	130	20	-	592
Mr. Wan Hao	-	302	60	52	176	590
Mr. Ao Zhengguang	-	645	190	58	50	943
	300	2,337	1,160	296	226	4,319

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42. Benefits and interests of directors and supervisors (continued)

(b) Directors' retirement and termination benefits

During the years ended December 31, 2025 and 2024, there were neither termination benefit nor additional retirement benefit received by the directors.

(c) Consideration provided to the third parties for making available directors' services

During the years ended December 31, 2025 and 2024, the Group did not pay consideration to any third parties for making available directors' services.

(d) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

During the years ended December 31, 2025 and 2024, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favor of directors.

(e) 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, subsisted at the end of the years or at any time during the years ended December 31, 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43. Commitments

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	
Property, plant and equipment	107,592	3,348
Intangible assets	7,353	176
	114,945	3,524

Pursuant to the agreement described in Note 38, Minieye Technology Co., Ltd. is contractually obligated to contribute an additional RMB10,000,000 to the Pengchi Group before March 31, 2026 which was a capital commitment of the company.

44. Dividend

No dividend has been paid or declared by the Company during the year ended December 31, 2025 and 2024.

45. Contingencies

As at December 31, 2025 and 2024, there were no significant contingencies items for the Group and the Company.

46. Subsequent event

As of the date of this report, no significant subsequent event happened.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47. Balance sheet and reserve movement of the Company

(a) Balance sheet of the Company

	Year ended December 31,	
	2025	2024
	RMB'000	
ASSETS		
Non-current assets		
Property, plant and equipment	48,435	27,874
Right-of-use assets	19,167	13,819
Intangible assets	16,650	18,060
Investment properties	4,287	4,529
Investments in subsidiaries	249,771	216,850
Other non-current assets	4,324	5,786
	342,634	286,918
Current assets		
Inventories	134,490	107,132
Trade and notes receivables	809,337	579,105
Other current assets	297,255	207,690
Financial assets at fair value through other comprehensive income	8,980	15,801
Financial assets at fair value through profit or loss	86,293	–
Restricted cash	1,405	1,859
Cash and cash equivalents	502,808	687,596
	1,840,568	1,599,183
Total assets	2,183,202	1,886,101

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47. Balance sheet and reserve movement of the Company (continued)

(a) Balance sheet of the Company (continued)

	Year ended December 31,	
	2025	2024
	RMB'000	
EQUITY		
Share capital	420,759	399,190
Reserves	1,673,183	1,319,089
Accumulated losses	(884,192)	(501,313)
Total Equity	1,209,750	1,216,966
LIABILITIES		
Non-current liabilities		
Lease liabilities	11,975	3,696
Borrowings	71,367	32,100
Deferred income	3,928	7,204
	87,270	43,000
Current liabilities		
Trade payables	315,754	191,664
Contract liabilities	723	782
Borrowings	301,126	159,408
Lease liabilities	6,705	11,820
Other payables and accruals	261,874	262,461
	886,182	626,135
Total liabilities	973,452	669,135
Total equity and liabilities	2,183,202	1,886,101

The balance sheet of the Company was approved by the board of directors on March 31, 2026 and was signed on its behalf.

Liu Guoqing
Director

Yang Guang
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47. Balance sheet and reserve movement of the Company (continued)

(b) Reserve movement of the Company

	Attributable to owners of the Company			Total
	Share capital	Reserves	Accumulated losses	
	RMB'000			
As at January 1, 2025	399,190	1,319,089	(501,313)	1,216,966
Loss for the year	-	-	(382,879)	(382,879)
Total comprehensive loss	-	-	(382,879)	(382,879)
Issuance of ordinary shares	21,569	317,260	-	338,829
Share-based payment	-	36,834	-	36,834
As at December 31, 2025	420,759	1,673,183	(884,192)	1,209,750

	Attributable to owners of the Company			Total
	Share capital	Reserves	Accumulated losses	
	RMB'000			
As at January 1, 2024	360,000	743,296	(345,104)	758,192
Loss for the year	-	-	(156,209)	(156,209)
Total comprehensive loss	-	-	(156,209)	(156,209)
Issuance of ordinary shares upon global offering	39,190	549,888	-	589,078
Share-based payment	-	25,905	-	25,905
As at December 31, 2024	399,190	1,319,089	(501,313)	1,216,966

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies

48.1 Principles of consolidation and equity accounting

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied throughout each reporting period, unless otherwise stated.

(a) Subsidiaries

Subsidiaries are all 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 over the entity. Subsidiaries are consolidated fully from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany 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 statement of profit or loss and other comprehensive loss, consolidated statement of changes in equity and consolidated balance sheet, respectively.

(b) Associates

Associates are all entities 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 recognised at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.1 Principles of consolidation and equity accounting (continued)

(c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise 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 are recognised 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 recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised 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. Unrealised 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 48.7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.2 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.2 Business combination (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

48.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary 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 statements of the investee's net assets including goodwill.

48.4 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**"). The Company and its primary subsidiaries are incorporated in the PRC and consider RMB as their functional currency. The Group determined to present its consolidated financial statements in RMB.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.4 Foreign currency translation (continued)

(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. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss and other comprehensive loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss and other comprehensive loss on a net basis within other (losses)/gains net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

48.5 Property, plant and equipment

Property, plant and equipment are 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 any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.5 Property, plant and equipment (continued)

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 (losses)/gains net" in the consolidated statements of profit or loss and other comprehensive loss.

Construction in progress represents unfinished construction and equipment under construction or pending for installation and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

48.6 Intangible assets

(a) Software

Computer software are initially recognized and measured at costs incurred to acquire and bring them to use, amortized on a straight-line basis over their estimated useful lives, and recorded in amortization within operating expenses in the consolidated statements of profit or loss and other comprehensive loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.6 Intangible assets (continued)

(b) Research and development

Research expenditure is recognized as an expense as incurred. Costs incurred on research and development projects are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the research and development project so that it will be available for us;
- management intends to complete the research and development project and use or sell it;
- there is an ability to use or sell the research and development project;
- it can be demonstrated how the research and development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the research and development project are available; and
- the expenditure attributable to the research and development project during its development can be reliably measured.

Directly attributable costs which are eligible to be capitalized as part of the research and development project may include employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred.

Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.6 Intangible assets (continued)

(c) Goodwill

Goodwill is measured as described in note 48.2. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

48.7 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation 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 might not be recoverable. An impairment loss is recognised 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 costs 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 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

48. Summary of other accounting policies (continued)

48.8 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 OCI 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 OCI. 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 (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.8 Financial assets (continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL 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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "other gains – net". Impairment losses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive loss.
- **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 – 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 – net" and impairment expenses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive loss.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within in "other (losses)/gains net" in the period in which it arises.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.8 Financial assets (continued)

(c) Measurement (continued)

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 OCI, 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 FVPL are recognized in profit or loss and presented in "other (losses)/gains net" in the consolidated statements of profit or loss and other comprehensive loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For cash and cash equivalents, restricted cash and long-term bank time deposits, the expected credit loss risk is considered immaterial.

For trade and notes receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade and notes receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Impairment on other receivables is measured as either 12-month expected credit losses 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 lifetime expected credit losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheets where the entity 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.

48.10 Cash and cash equivalents

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.

48.11 Inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. 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.

48.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.13 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheets when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

48.14 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.15 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries 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

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.

Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.15 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

48.16 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheets.

(b) Pension obligations

In accordance with the rules and regulations in the PRC, the employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceiling. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group's contributions to these plans are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**48. Summary of other accounting policies (continued)****48.16 Employee benefits (continued)*****(c) Housing funds, medical insurances and other social insurances***

The employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period.

(d) Bonus plan

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.

(e) 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

48. Summary of other accounting policies (continued)

48.17 Share-based payment

The Group operates an equity-settled share-based payment plan, under which the Group receives services from eligible employees as consideration for equity instruments of the Company. The fair value of the employee services received in exchange for the grant of equity instruments is recognized as an expense on the consolidated financial statements. The total amount to be expensed is determined by reference to the fair value of the equity instruments 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.

The total expense 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 shares that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period.

48.18 Provisions

Provisions for legal claims, warranties and make good obligations 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 can be reliably estimated. Provisions are not recognized for future operating losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.18 Provisions (continued)

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 management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

48.19 Leases

Lease as lessee

The Group leases various offices and factories. Leases are initially recognized as a right-of-use asset and corresponding liability at the date when the leased asset is available for use by the Group. Each lease payment is allocated between the principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's estimated useful life and the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as of the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.19 Leases (continued)

Lease as lessee (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

If a readily observable amortizing loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each reporting period.

Right-of-use assets are measured at cost comprising the following (if applicable):

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentive received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases are recognized on a straight-line basis as an expense.

Short-term leases are leases with a lease term of 12 months or less without a purchase option.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)**48.20 Loss per share****(a) Basic loss per share**

Basic loss per share is calculated by dividing:

- the loss attributable to equity holders 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 stock.

(b) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss 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.

48.21 Government grants

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 profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48. Summary of other accounting policies (continued)

48.22 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see Note 9 above.

Interest income on financial assets at amortized cost and financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 above. 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).

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“AGM”	the annual general meeting of the Company to be held on Friday, June 12, 2026 or any adjournment thereof
“Articles” or “Articles of Association”	the articles of association of the Company as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of our Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	the chairman of the Board
“China” or “PRC”	the People’s Republic of China, which, for the purposes of this annual report, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company” or “our Company” or “the Company”	Minieye Technology Co., Ltd (深圳佑駕創新科技股份有限公司), a limited liability company established under the laws of the PRC on December 10, 2014 and converted into a joint stock company with limited liability on June 7, 2023, the H Shares of which are listed on the Stock Exchange (stock code: 2431)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholders”	has the meaning as ascribed under the Listing Rules
“Directors”	the director(s) of our Company or any one of them
“Employee Incentive Schemes”	collectively, the Pre-IPO Employee Incentive Scheme and the Post-IPO Share Schemes
“EU”	the European Union
“Global Offering”	the global offering of the Company as defined in the Prospectus

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Group” or “our Group” or “the Group” or “we” or “us”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Main Board of the Stock Exchange and subscribed for and traded in Hong Kong dollars
“H Share Award Scheme”	the H share award scheme adopted by the Company at the extraordinary general meeting held on January 6, 2026, the provisions of which are subject to Chapter 17 of the Listing Rules
“H Share Option Scheme”	the H share option scheme adopted by the Company at the extraordinary general meeting held on January 6, 2026, the provisions of which are subject to Chapter 17 of the Listing Rules
“IFRSs”	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
“Latest Practicable Date”	April 23, 2026, being the latest practicable date for the purpose of ascertaining certain information in this annual report prior to its publication
“Listing”	the listing of our H Shares on the Main Board of the Stock Exchange
“Listing Date”	December 27, 2024, the date on which our Shares are listed and from which dealings therein first commence on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified 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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Nomination Committee”	the nomination committee of the Company
“Post-IPO Share Schemes”	collectively, the H Share Option Scheme and the H Share Award Scheme
“Pre-IPO Employee Incentive Scheme”	the pre-IPO employee incentive scheme adopted by the Company, which is not subject to Chapter 17 of the Listing Rules and the principal terms of which are set out in the section headed “Appendix VI – Statutory and General Information – D. Employee Incentive Scheme” in the Prospectus
“Prospectus”	the prospectus of the Company dated December 17, 2024 in relation to the Global Offering and the Listing
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Company
“Reporting Period”	the year ended December 31, 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“R&D”	research and development
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shares(s)”	Unlisted Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company
“substantial shareholder(s)”	has the meaning as ascribed under the Listing Rules
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules
“Unlisted Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are not listed or traded on any stock exchange
“USD”	U.S. dollars, the lawful currency of the United States of America

